



Mandalay Generating Station
393 North Harbor Boulevard
Oxnard, CA 93035

January 19, 2018

Ms. Eileen Sobeck
Executive Director
State Water Resources Board
Division of Water Quality, 15th Floor
1001 I Street
Sacramento, CA 95814

Re: Once-Through Cooling Policy Implementation Plan Update for Mandalay Generating Station; Letter dated November 20, 2017

Dear Ms. Sobeck,

NRG California South LP (NRG), owner of the Mandalay Generating Station (MGS), submits the following responses to the State Water Resources Control Board's (SWRCB) November 20, 2017 letter in which the SWRCB requested the most current information for MGS pursuant to the Use of Coastal and Estuarine Water for Power Plant Cooling (Policy) and California Water Code §13383. NRG California South LP reported the future compliance mechanisms and electrical generation goals to the SWRCB in letters submitted January 30, 2013, November 7, 2013, April 23, 2015, February 12, 2016, and January 4, 2017. NRG California South LP respectfully re-states, updates, and clarifies its position to the questions, which were posed by the SWRCB in the November 20, 2017 letter.

1. Has any of the above information changed? In particular, are there any significant adjustments to the decommissioning and commercial operation dates? If yes, please provide corrected information.

On October 19, 2017, NRG California South LP filed a change in long-term status of its generating units with the CPUC, which gives notice that NRG intended to shut down and retire MGS OTC Units 1 and 2. The notification is presented in Attachment A. NRG therefore intends to comply with the OTC Policy via Track 1 through the shut down on OTC Units 1 and 2, as soon as December 31, 2017 in advance of the December 31, 2020 OTC compliance date. The California Independent System Operator (CAISO) initiated an Exceptional Dispatch Capacity Procurement Mechanism (CPM) Designation, effective December 5, 2017 to have MGS's Units 1 and 2 operationally available. The CPM is presented in Attachment B. The designations were issued to manage transmission conditions in the Ventura area created from wildfires. The CPM term is for 60 days, and expires on February 2, 2018. The quantity of capacity needed from each of the units was determined through an engineering assessment based on the capacity needed in the area to avoid potential reliability events in light of the fire conditions that were impacting transmission in the area. NRG now intends to comply with the OTC Policy via Track 1 through the shut down and retirement of OTC Units 1 and 2 on February 3, 2018.

2. Are there any contingencies that would prevent the Puente Project from meeting its commercial operation date or Power Purchase Agreement date of June 1, 2020? If yes, please explain.

During 2017 (February and August), Evidentiary Hearings were held to review the environmental record (permit applications and analysis) and conformance of the project with laws, ordinances, regulations, and statutes. As next steps following the Evidentiary Hearings, the Committee assigned to Puente (i.e., two CEC Commissioners and an assigned Hearing Officer) prepare the Presiding Member's Proposed Decision for public comment and the

Ms. Eileen Sobeck

January 19, 2018

Page 2

Final Decision which incorporates public comments. The Final Decision is then presented to the full CEC Commission (i.e., five Commissioners). The schedule at the conclusion of Evidentiary Hearings was to issue the Final Decision as soon as January 2018. However, on October 5, 2017, the Puente Committee issued a public letter to the parties to the Puente AFC indicating its intention to deny the Puente AFC; that from their review, Puente would result in unmitigatable impacts and that based on information provided by the California Independent System Operator; and that there may be non-fossil fuel powered Preferred Resources that could meet the need for which Puente had been contracted. As a result of the preliminary position of the Puente Committee to recommend denial of the AFC, NRG Energy Center Oxnard LLC (NECO) elected to suspend permitting for 6 months while they evaluated next steps, which may include cancellation of the Puente AFC and would therefore cancel the aspect of Track 1 OTC compliance that includes replacement of MGS in addition to retirement of MGS prior to the June 1, 2020 commercial online date via the 20-year Resource Adequacy Purchase Agreement (RAPA). The request to suspend the AFC was filed in October 16, 2017 and was approved by the Puente Committee on November 3, 2017. If the AFC is ultimately withdrawn or rejected, then Puente would not proceed, and the June 1, 2020 COD would not be met.

3. Are there any contingencies that would prevent Mandalay from meeting its OTC Policy compliance date? If yes, please explain.

See response to question 1. There are no foreseeable contingencies at this time.

4. Is there any other information that the State Water Board should be made aware?

There is no other information that the SWRCB should be made aware.

I anticipate the above information has addressed the SWRCB's questions regarding Mandalay's Implementation Plan. If you have any questions, comments, or concerns, please do not hesitate to contact me at george.piantka@nrg.com or (760) 710-2156, or Tom Di Ciolli at thomas.diciolli@genon.com or (805) 984-5241.

Sincerely,

On behalf of NRG California South LP



George L. Piantka, PE
Sr. Director, Regulatory Environmental Services
NRG Energy, Inc.

cc: Rebecca Fitzgerald, SWRCB
Maria de la Paz Carpio-Obeso, SWRCB
Tom Di Ciolli, Mandalay Generating Station
Scott Warnock, Mandalay Generating Station

Attachment A – Mandalay CPUC Retirement Notice, October 19, 2017

Attachment B – Mandalay Capacity Procurement Mechanism Designation, December 6, 2017

Attachment A

Mandalay CPUC Retirement Notice, October 19, 2017



GenOn Energy, Inc.
804 Carnegie Center
Princeton, NJ 08540

October 19, 2017

VIA EMAIL AND OVERNIGHT DELIVERY

Mr. Timothy Sullivan, Executive Director
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

**Re: Mandalay Generating Station
Notice of Change in Long-Term Status of Generating Units**

Dear Mr. Sullivan:

NRG California South LP (“NRG California South”) owns and operates the Mandalay Generating Station, Units 1, 2 and 3 (“Mandalay”). NRG California South hereby provides notice, pursuant to California Public Utilities Commission (“Commission”) General Order 167, Operating Standard 23, that NRG California South intends to shut down and retire Mandalay as of December 31, 2017.

A copy of this notice is also being provided to the CAISO in accordance with General Order 167.

Should you have any questions regarding this notice, please do not hesitate to contact me.

Sincerely,

Sean P. Beatty
Secretary, NRG California South GP LLC,
General Partner of NRG California South LP

cc: Neil Millar, CAISO (by email)
Safety and Enforcement Division (by email to PowerPlantFilings@cpuc.ca.gov)

VERIFICATION

I, the undersigned, say:

I am an officer of NRG California South GP LLC, a Delaware limited liability company and the general partner of NRG California South LP, a Delaware limited partnership. I have read the foregoing notice, and I am informed and believe that the matters stated therein concerning the planned retirement of the units are true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on October 19, 2017, at San Francisco, California.

A handwritten signature in blue ink, appearing to read "S. P. Beatty", with a horizontal line underneath the signature.

Sean P. Beatty
Secretary, NRG California South GP LLC,
General Partner of NRG California South LP

Attachment B

Mandalay Capacity Procurement Mechanism Designation, December 6, 2017

Market Notice

December 7, 2017

REQUESTED ACTION

Information Only

CATEGORIES

Market Operations

System Operations

Capacity Procurement Mechanism Designation on 12/06/2017

SUMMARY

The California ISO issued an Exceptional Dispatch Capacity Procurement Mechanism (CPM) designation to MNDALY_7_UNIT 1, MNDALY_7_UNIT 2, and MNDALY_7_UNIT 3 for a non-system reliability need. The designation is effective December 5, 2017.

MESSAGE

The ISO has issued an Exceptional Dispatch CPM designation to the capacity identified below effective December 5, 2017 for a non-system reliability need.

Resource ID	MW	TAC Area
MNDALY_7_UNIT 1	215	SCE
MNDALY_7_UNIT 2	215	SCE
MNDALY_7_UNIT 3	130	SCE

The designations were issued to manage transmission conditions in the Ventura area created from wildfires. The CPM term is for 60 days under the tariff, subject to adjustment and the payment provisions set forth in the CPM tariff provisions. The quantity of capacity needed from each of the three units was determined through an engineering assessment based on the capacity needed in the area to avoid potential reliability events in light of the fire conditions that were impacting transmission in the area.

The ISO will provide a designation report in accordance with tariff section 43A.6.2. The report will be available on the ISO website at <http://www.caiso.com/market/Pages/ReportsBulletins/Default.aspx>, under the *Capacity procurement mechanism* heading.

CONTACT INFORMATION

Gautham Katta at gkatta@caiso.com



Engage with us!



[Sign up](#) for
Daily Briefing



Download
[ISO Today](#)



Monitor
[Today's Outlook](#)



[Sign up](#) for
Flex Alerts

[Glossary of terms and acronyms](#)

[Subscribe](#)

California Independent System Operator | P.O. Box 639014 | Folsom, CA 95630 | United States

Copyright © 2017 All rights reserved