



EDMUND G. BROWN JR.  
GOVERNOR



MATTHEW RODRIGUEZ  
SECRETARY FOR  
ENVIRONMENTAL PROTECTION

## State Water Resources Control Board

DEC 16 2015

Mr. George Piantka  
Director, Regulatory Environmental Services  
NRG Energy, West Region  
5790 Fleet Street, Suite 200  
Carlsbad, CA 92008

Dear Mr. Piantka:

### INFORMATION REQUIREMENTS FOR PITTSBURG GENERATING STATION

On November 30, 2010, the State Water Resources Control Board's (State Water Board) Executive Director sent a letter requiring the submittal of an Implementation Plan (Plan) by April 1, 2011. The letter outlined mandatory information for the Plan, including actions for compliance with the Statewide Water Quality Control Policy on the Use of Coastal and Estuarine Waters for Power Plant Cooling (Once-Through Cooling [OTC] Policy). Since the final compliance by October 1, 2015 was not feasible, interim mitigation measures must be identified in the Plan. Due to the current uncertainty with the conditions identified in implementation plans previously submitted from the OTC power plants with a near-term compliance deadline, further information and data input is necessary to conduct grid reliability analysis to determine the impact on local and system reliability.

Pursuant to the OTC Policy and California Water Code section 13383, the State Water Board requires that NRG Energy (NRG) provide the most current information for Pittsburg Generating Station (Pittsburg), updated from the previously-submitted Plan (See attachment).

Please note that a compliance date extension request requires an amendment to the OTC Policy. If and when circumstances that require an extension occur, NRG must submit a formal request for State Water Board consideration of an amendment to the compliance date set forth in the OTC Policy, along with supporting documentation. Please allow adequate time for the State Water Board to process a request. The State Water Board requires a minimum of one year to process an OTC Policy compliance date deferral request.

Submission of the requested information is required no later than 60 days from the date of this letter.

FELICIA MARCUS, CHAIR | THOMAS HOWARD, EXECUTIVE DIRECTOR

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Should you have any questions on this matter please feel free to contact Mr. Jonathan Bishop, Chief Deputy Director, at (916) 341-5820 [Jonathan.Bishop@waterboards.ca.gov](mailto:Jonathan.Bishop@waterboards.ca.gov) or Dr. Maria de la Paz Carpio-Obeso, Chief of the Ocean Standards Unit, at (916) 341-5858 [MarieleaPaz.Carpio-Obeso@waterboards.ca.gov](mailto:MarieleaPaz.Carpio-Obeso@waterboards.ca.gov).

Sincerely,

A handwritten signature in blue ink that reads "Thomas Howard". The signature is written in a cursive style with a large, stylized initial 'T'.

Thomas Howard  
Executive Director

Attachment:

PITTSBURG GENERATING STATION (PITTSBURG)

1. The following is the State Water Board's current understanding of the proposed mechanism to bring each unit into compliance:

NRG intends to retrofit Pittsburg Units 5 and 6 to utilize the existing Unit 7 closed-cycle cooling system in conjunction with the retirement of Unit 7 itself. NRG concluded that this retrofit project would be feasible from a technical, logistical, environmental, and permitting perspective and NRG intends to comply with the OTC Policy by the deadline of December 31, 2017. However, the project may be infeasible if NRG cannot secure sufficient contractual coverage that (1) ensures that the units will remain in service beyond 2017, and (2) provides a revenue stream sufficient to fund the costs of the retrofit project.

Pittsburg is contracted through a tolling agreement with Pacific Gas & Electric (PG&E) through 2013, with an option to extend through 2015. If NRG cannot obtain contractual coverage beyond 2017, or if such a contract would not provide sufficient revenues to fund a retrofit to achieve compliance with the OTC Policy, then NRG will be forced to retire Units 5 and 6. The California Independent System Operator's 2017 local capacity analysis, performed as part of the 2012-2013 transmission planning process, shows that the Pittsburg subarea no longer exists as a result of the assumed completion of four transmission system upgrades.<sup>1</sup> These upgrades should eliminate the local capacity needs that the Pittsburg units may help satisfy.

Please respond to the following questions and requests for information:

1. Have there been changes to this implementation plan? If so, please provide details.
2. If financing and revenue streams as detailed in the prior plan are not secured, what is the plan to obtain compliance? What is the plan for Pittsburg Unit 7?
3. What actions have been taken to obtain permits, obtain contracts, or meet other regulatory obligations to implement the compliance plan identified above?
4. Please describe the plan to install interim mitigation measures, including timing and status of required permits.
5. What is the capacity of the repowered/replaced/retrofitted facility?
6. Are retirements covered by California Public Utilities Commission's authorized procurements? Please provide details.

ECM# 2031237

<sup>1</sup> The ISO's 2017 local capacity study states that the Pittsburg subarea disappears with the completion of the Moraga #1 230/115 kV transformer replacement (expected to be completed by 2016), Tesla-Pittsburg 230 kV lines reconductoring (expected to be in service by 2015), Contra Costa-Moraga 230 kV reconductoring (expected in service by 2016), and the Vaca Dixon – Lakeville 230 kV reconductoring project (expected to be in service by 2018).