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## State Water Resources Control Board

**SEP 12 2018**

Ms. Jennifer Didlo  
President  
AES-Southland  
11 00 N. Harbor Drive  
Redondo Beach, CA 90277

Dear Ms. Didlo:

**SUBJECT: GRID RELIABILITY INFORMATION REQUEST FOR REDONDO BEACH  
GENERATING STATION**

On May 4, 2010, the State Water Resources Control Board (State Water Board) adopted the statewide Water Quality Control Policy on the Use of Coastal and Estuarine Waters for Power Plant Cooling (Once-Through Cooling or OTC Policy). To prevent disruption of the state's electrical power supply, Section 1.1 of the OTC Policy provides that the State Water Board will convene a Statewide Advisory Committee on Cooling Water Intake Structures to advise the State Water Board on grid reliability and the impact of OTC Policy implementation on local area and system reliability. In order to perform an updated grid reliability analysis, the State Water Board requires updates to the implementation plans submitted pursuant to Section 3.A of the OTC Policy.

Pursuant to the OTC Policy and California Water Code section 13383, the State Water Board requires that AES-Southland (AES-SL) provide the most current information for Redondo Beach Generating Station (Redondo Beach) and respond to the questions in Attachment A. Submission of requested the information is required no later than 60 days from receipt of this letter.

Please note that a compliance date extension request requires an amendment to the OTC Policy. Should circumstances that require an extension occur, such as a delay in construction schedule, AES-SL 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.

SEP 12 2018

If you have any questions regarding this information request, please contact Julie Johnson at (916) 341-5687 ([Julie.Johnson@waterboards.ca.gov](mailto:Julie.Johnson@waterboards.ca.gov)) or Katherine Faick at (916) 445-2317 ([Katherine.Faick@waterboards.ca.gov](mailto:Katherine.Faick@waterboards.ca.gov)).

Sincerely,



Eileen Sobeck  
Executive Director

Enclosure:

Attachment A – Grid Reliability Information Request Questions for Redondo Beach Generating Station

**Attachment A – Grid Reliability Information Request Questions****REDONDO BEACH GENERATING STATION**

*The State Water Board's current understanding of the proposed path for compliance with the OTC Policy for each OTC unit at Redondo Beach Generating Station is:*

In its January 17, 2018 letter to the State Water Board, AES-SL stated its plan to comply with Track 1 of the OTC Policy for Redondo Beach. AES-SL proposes to retire Redondo Beach Unit 7 early on September 30, 2019, to provide emission offsets for the new Huntington Beach Energy Project. Redondo Beach Units 5, 6 and 8 are anticipated to retire by December 31, 2020, its OTC Policy compliance date.

*The State Water Board's current understanding of the actions taken to obtain permits and contracts, or meet other regulatory obligations to implement Track 1 compliance is:*

On November 6, 2015, AES-SL and the City of Redondo Beach, an intervener in the proceeding, jointly submitted a Petition for Suspension of the Application for Certification (AFC) (Docket No. 12-AFC-03) until August 1, 2016. AES-SL agreed to market the property to third parties or developer partners. On November 25, 2015, the California Energy Commission (CEC) Committee ordered the proceeding suspended without a specified end date. The CEC Committee, applicant, or other party can make a motion to reopen the proceeding. On August 12, 2016, AES-SL and the City of Redondo Beach, jointly submitted a Notice of Agreement to continue suspension of the AFC until February 1, 2017. February 2017 has passed, but no new updates have been provided to the CEC regarding the suspension.

AES-SL indicated that the development of replacement generation at Redondo Beach is dependent upon obtaining nonrecourse financing backed by a long-term Power Purchase Agreement with the local utility. To date, no contracting opportunities have concluded to enable nonrecourse financing for project development at Redondo Beach. AES-SL is planning to comply with the OTC Policy by shutting down and retiring all Redondo Beach Units by December 31, 2020.

*The State Water Board's current understanding of the status of the resource adequacy contract for Redondo Beach is:*

Redondo Beach units 5, 6, 7 and 8 are under contract through December 31, 2018.

**Please respond to the following questions and requests for information:**

1. Has any of the above information changed? If yes, please provide corrected information.
2. What is the status of the AFC suspension? Please explain.
3. Are there any contingencies that would cause a delay in OTC Policy compliance?
4. Does AES-SL plan to retire Redondo Beach Unit 7 earlier than September 30, 2019, or Redondo Beach Units 5, 6, or 8 earlier than December 31, 2020?
5. Is there any information from the negotiations with the City of Redondo Beach or other information that the State Water Board should be made aware of?