

## State Water Resources Control Board

NOV 7 2010

Ms. Jennifer Didio  
President  
AES-Southland  
1100 N. Harbor Drive  
Redondo Beach, CA 90277

Dear Ms. Didio:

### INFORMATION REQUIREMENTS FOR REDONDO BEACH GENERATING STATION

On May 4, 2010 the State Water Resources Control Board (State Water Board) adopted the Water Quality Control Policy on the Use of Coastal and Estuarine Waters for Power Plant Cooling (Once-Through Cooling [OTC] Policy). To prevent disruption with 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 (SACCWIS) 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 previously submitted 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), 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 occur require an extension occur, 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 consider and process a request. The State Water Board requires a minimum of one year to process an OTC Policy compliance date deferral request.

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

Ms. Jennifer Didio

2

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 Maria de la Paz Carpio-Obeso, Chief of the Ocean Standards Unit, at (916) 341-5858 [MarialaPaz.Carpio-Obeso@waterboards.ca.gov](mailto:MarialaPaz.Carpio-Obeso@waterboards.ca.gov).

Sincerely,



Thomas Howard  
Executive Director

Attachment:

REDONDO BEACH GENERATING STATION

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

In its February 12, 2016 letter to the State Water Board, AES-SL stated its path to comply with Track 1 of the OTC Policy for Redondo Beach. AES-SL proposes to retire Redondo Beach Unit 7 early on October 31, 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.

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

On November 21, 2012, AES-SL submitted an Application for Certification (AFC), (Docket No. 12-AFC-03) to the California Energy Commission (CEC) and an application for a revised Title V Permit and Permit to Construct to the South Coast Air Quality Management District. On August 27, 2013, the AFC was accepted as data adequate. On July 28, 2014, CEC staff published the Preliminary Staff Assessment. On November 6, 2015, AES-SL and the City of Redondo Beach, an intervenor in the proceeding, jointly submitted a Petition for Suspension of the AFC until August 1, 2016. AES-SL agreed to market the property to third parties or developer partners. On November 25, 2015, the 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.

AES-SL indicates 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 plans to comply with the OTC Policy by shutting down and retiring all Redondo Beach units.

3. The following is the State Water Board's current understanding of California Independent System Operator's (CAISO) analysis that shows a potential need for the Redondo Beach beyond its OTC Policy compliance date:

In the CAISO 2015-2016 Transmission Plan report, CAISO conducted 2021 Local Capacity Requirement Assessments for the Los Angeles Basin/San Diego Area with the Mesa Loop-In Project In-Service Date delayed (i.e., Not In-Service by summer 2021). The Mesa Loop-In provides a new source from bulk transmission into the Los Angeles Basin to bring power from Tehachapi renewables, which facilitates less in-basin generation requirements. CAISO analysis shows that if Mesa Loop-In is not in service by summer 2021, then a shortfall in the Los Angeles Basin local area will result. One mitigation measure is to extend the OTC Policy compliance schedule of Redondo Beach (Units 1 and 7 or Units 1 and 8) until the Mesa Loop-In Project is completed<sup>1</sup>.

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<sup>1</sup> CAISO 2015-2016 Transmission Plan, p. 166, <http://www.caiso.com/Documents/Board-Approved2015-2016TransmissionPlan.pdf>

Please respond to the following questions and requests for information:

1. Has any of the above information changed? If so, please explain.
2. Are there any contingencies that would cause a delay in OTC Policy compliance?
3. Does AES-SL plan to retire Redondo Beach Unit 7 earlier than October 1, 2019 or Redondo Beach Units 5, 6, or 8 earlier than December 31, 2020?
4. If the Mesa Loop-In is delayed and Redondo Beach is needed for reliability, are there any reasons why Redondo Beach would not be available as a mitigation option (i.e. deferred maintenance needs to be completed first)?
5. In the event of an OTC Policy compliance date extension are there electrical configurations, permit constraints, or any other reasons that would make some units preferred for extension over others?
6. Is there any information from the negotiations with the City of Redondo Beach or any other information that the State Water Board should be made aware?