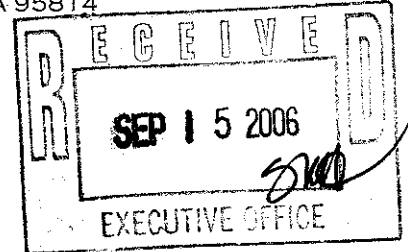


316 (b)
Once Through Cooling
Deadline: 9/15/06 5pm



CALIFORNIA RETAILERS ASSOCIATION

980 NINTH STREET, SUITE 2100 • SACRAMENTO, CA 95814
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September 13, 2006

Ms. Tam Doduc, Chair
State Water Resources Control Board
1001 I Street
Sacramento, CA 95814

Dear Ms. Doduc:

California Retailers Association is submitting comments regarding the proposed State 316(b) policy that was outlined in the Scoping Document issued June 13, 2006 and discussed at the recent scoping meeting in Sacramento on July 31, 2006. The California Retailers Association is a trade association representing major California department stores, mass merchandisers, supermarkets, chain drug and convenience stores, as well as specialty retailers such as auto, book and home improvement stores. Our members have more than 9,000 stores in California and account for more than \$100 billion in sales annually. We believe this proposal, as written, could have serious negative effects on the electric system reliability and on the cost of electricity.

Currently, the coastal generating stations are working to comply with the federal rules which implement Clean Water Act 316 (b). This rule requires significant reductions in impacts to aquatic life. The generating companies are spending resources and money to comply with the federal rule. The federal rule allows a range of reduction, recognizing the differences between the various generating locations.

The proposal by the State Water Resources Control Board requires that generating stations meet the maximum reduction percentages required by the federal rule. It also removes other elements of flexibility in the federal rule, which were designed to allow compliance across a broad range of different circumstances. Without this flexibility, individual plants may be forced to limit cooling water intake thus reducing power production or, be faced with expensive retrofits of intake structures that could prove not to be cost effective. If expenses cannot be recovered, the retrofits may not be installed forcing plants to be abandoned.

It is not clear why a policy to implement this Federal rule must be adopted by the State Board. If one must be adopted, it must be designed so that every plant can comply at full power output levels. Anything short of that endangers the reliability of the grid during periods of peak demand.

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Our members cannot withstand the costs and burdens associated with such a power loss. We urge the State Board to either reject this proposal or conduct more extensive hearings as to the negative impacts on California's electric supply and reliability.

Sincerely,



Bill Dombrowski
President

cc: Members of the State Water Resources Control Board
Celeste Cantu, Executive Director

WED:kp