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GOVERNOR

MATTHEW RODRIGUEZ
SECRETARY FOR
ENVIRONMENTAL PROTECTION

State Water Resources Control Board

NOV 20 2017

Mr. George L. Piantka
Director, Regulatory Environmental Service
NRG Energy, West Region
5790 Fleet Street
Carlsbad, CA 92008

Dear Mr. Piantka:

**SUBJECT: GRID RELIABILITY INFORMATION REQUESTS FOR MANDALAY BAY
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 requests that NRG Energy (NRG) provide the most current information for Mandalay Bay Generating Station (Mandalay), updated from the previously-submitted plan and respond to the questions in the attached document. Submission of the requested information is required no later than 60 days from the date of this letter.

Please note that a compliance date extension request requires an amendment to the OTC Policy, which takes a minimum of one year to process. Should 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.

FELICIA MARCUS, CHAIR | EILEEN SOBECK, EXECUTIVE DIRECTOR

1001 I Street, Sacramento, CA 95814 | Mailing Address: P.O. Box 100, Sacramento, CA 95812-0100 | www.waterboards.ca.gov

Mr. George L. Piantka

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Should you have any questions on this matter please feel free to contact Rebecca Fitzgerald, Chief of the Water Quality Standards and Assessment Section, at (916) 341-5775 Rebecca.Fitzgerald@waterboards.ca.gov or Maria de la Paz Carpio-Obeso, Chief of the Ocean Standards Unit, at (916) 341-5858 MarielaPaz.Carpio-Obeso@waterboards.ca.gov.

Sincerely,

A handwritten signature in cursive script, appearing to read "Eileen Sobeck". The signature is written in black ink and is positioned above the printed name and title.

Eileen Sobeck
Executive Director

Attachment

Attachment:

MANDALAY BAY GENERATING STATION

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

Mandalay Units 1 and 2 are scheduled to be retired by December 31, 2020. NRG is pursuing Track 1 for OTC Policy compliance for Units 1 and 2 via replacement with the 262 MW Simple Cycle Gas Turbine Puente Power Project (Puente Project) using dry cooling technology. NRG estimates a 21-month construction period for the Puente Project starting in October 2018, with a commercial operation date of June 1, 2020.

Mandalay Unit 2 will be permanently shut down prior to the start of commissioning the Puente Project. Mandalay Unit 1 will be permanently shut down between 90 and 180 operating days of the start of commissioning of the Puente Project. The decommissioning of Mandalay Units 1 and 2 is anticipated to start in June 2020.

On May 26, 2016, California Public Utilities Commission approved the contract between Southern California Edison and NRG for the Puente Project. The Ventura County Air Pollution Control District issued the Final Determination of Compliance on October 13, 2016. The California Energy Commission is still reviewing the Puente Project Application for Certification under its CEQA-equivalent licensing process. The last schedule update from June 2017 indicated a California Energy Commission Final Decision date is still to be determined.

- Please respond to the following questions and requests for information:
 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.
 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.
 3. Are there any contingencies that would prevent Mandalay from meeting its OTC Policy compliance date? If yes, please explain.
 4. Is there any other information that the State Water Board should be made aware of?