



Mandalay Generating Station
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January 4, 2017

Mr. Thomas Howard
Executive Director
State Water Resources Board
Division of Water Quality, 15th Floor
1001 I Street
Sacramento, CA 95814

Re: Once-Through Cooling Policy Implementation Plan Update for Mandalay Generating Station; Letter dated November 7, 2016

Dear Mr. Howard,

NRG California South LP (NRG), owner of the Mandalay Generating Station (MGS), submits the following responses to the State Water Resources Control Board's (SWRCB) November 7, 2016 letter in which the SWRCB requested the most current information for MGS pursuant to the Use of Coastal and Estuarine Water for Power Plant Cooling (Policy) and California Water Code §13383. NRG previously reported the future compliance mechanisms to the SWRCB in letters submitted January 30, 2013, November 7, 2013, April 23, 2015, and February 12, 2016. NRG respectfully responds to the questions posed by the SWRCB in the November 7, 2016 letter, as follows:

1. *In September 2016, the California Coastal Commission (Coastal Commission) submitted comments on the CEC PSA asserting that sea level rise and tsunami risks justified an alternative location for P3. What are the implications for P3's commercial online date if the CEC were to accept the recommendations of the Coastal Commission?*

California Energy Commission (CEC) Staff issued the Puente Power Project (P3) Final Staff Assessment (FSA) on December 8, 2016. Staff considered the comments of the Coastal Commission in the FSA and correspondingly prepared a robust analysis of potential project alternatives. However, the CEC did not accept Coastal Commission recommendations that sea level rise and tsunami risks justify an alternative location. While CEC Staff considered alternative locations that are more upland than P3, they concluded that "Puente is bounded by, but is not currently located in, a tsunami inundation zone" and that "the potential for major flooding and structural impact (to P3) from tsunami is insignificant." Staff did account for the potential for sea level rise coupled with tsunami inundation near the end of life of P3, and recommended that "the applicant implement Condition of Certification GEO-1 requiring the implementation of a Tsunami Hazard Mitigation Plan to protect employees and visitors (if there is flooding)."¹ Furthermore, when considering P3's objectives (i.e., the alternative sites do not meet the Puente Power Project objectives) and CEC Staff's complete environmental analysis, "CEC Staff concluded that the proposed Puente Power Project would have no significant impacts to the environment after the implementation of all feasible mitigation."² Therefore, given that CEC Staff has not accepted the Coastal Commission's conclusions and that Staff's testimony to the P3 Committee (i.e., the Presiding and Associate Members and Hearing Officer)

¹ CA Energy Commission, 2016. Final Staff Assessment, Part 1 – Executive Summary, Puente Power Project, p.1-8, December.

² CA Energy Commission, 2016. Final Staff Assessment, Part 1 – Executive Summary, Puente Power Project, p.1-30, December.

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regarding P3 as proposed is supportive, any contemplation of changes to the online date is not anticipated nor relevant at this time.

2. *Is P3 still on track to achieve commercial operation by June 2020? If not, why and what is the updated schedule?*

Yes. P3 is on track to achieve commercial operation by June 2020. Furthermore, the permitting of P3 is on track with the Committee's Revised Scheduling Order dated November 18, 2016. CEC's Final Decision on P3 is expected in May 2017.

3. *Is there any other information that the State Water Board should be made aware?*

The SWRCB should be aware that the California Public Utilities Commission (CPUC) denied applications filed by the City of Oxnard, California Environmental Justice Alliance (CEJA) and Sierra Club (jointly), and Center for Biological Diversity (CBD) to rehear the decision (D. 16-12-030) to award the 20-year power purchase contract for the P3. There is no other information that the SWRCB should be made aware.

I anticipate the above information has addressed the SWRCB's questions regarding Mandalay's Implementation Plan. If you have any questions, comments, or concerns, please do not hesitate to contact me at george.piantka@nrg.com or (760) 710-2156.

Sincerely,
NRG California South LP



George L. Piantka, PE
Sr. Director, Regulatory Environmental Services
NRG Energy, West Region

cc: Tom Di Ciolli, NRG
Eric Leuze, NRG
Tim Sisk, NRG