



**Mandalay Generating Station**  
393 N. Harbor Blvd.  
Oxnard, CA 93035  
Phone: (805) 984-5201  
Fax: (805) 984-5295

February 12, 2016

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

**Re: Once-Through Cooling Policy Implementation Plan Update for Mandalay Generating Station; Letter dated December 16, 2015**

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) December 16, 2015 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 California South LP reported the future compliance mechanisms and electrical generation goals to the SWRCB in letters submitted January 30, 2013, November 7, 2013, and April 23, 2015. NRG California South LP respectfully re-states, updates, and clarifies its position to the questions, which were posed by the SWRCB in the December 16, 2015 letter.

1. *Is P3 on track to achieve commercial operation by June 1, 2020? If not, what is the updated schedule?*

Assuming its resource adequacy purchase agreement (RAPA) with Southern California Edison is approved by the California Public Utilities Commission (CPUC), Puente Power Project (P3) is on track to achieve commercial operation by June 1, 2020. The Title V permit application for the replacement of Units 1 and 2 with the 262-MW Puente Power Project is before the Ventura County Air Pollution Control District (VCAPCD) and the Application for Certification is before the California Energy Commission (CEC). Application 14-11-016 seeks approval of the RAPA by the CPUC, although the two proposed decisions issued by the CPUC would defer consideration of whether to approve the RAPA until after the CEC licensing process concludes. A delay in CPUC approval, or a rejection of the RAPA by the CPUC, would impact P3's commercial operation date.

2. *In May 2015, the City of Oxnard extended its ordinance placing a moratorium on new or expanded generation in the Coastal Zone until June 20, 2016, while the Oxnard Local Coastal Program plan is being updated to address sea level rise and other issue. Does NRG plan to evaluate any other alternative sites to replace retired capacity at Mandalay? Please Explain.*

NRG has evaluated alternative locations for MGS capacity and the proposed P3 as part of the CEC license application (CEC Application for Certification (15-AFC-01)) and docketed the Alternative Analysis (TN207096\_20151221T153018\_Applicants\_Aalternatives\_Sites\_Summary) on December 21, 2015; although the Alternatives Analysis was not initially required or a strict legal requirement of the CEC licensing of P3. NRG evaluated eight alternative locations to determine feasibility and superiority of these alternative sites as compared to the proposed P3 site. The City of Oxnard suggested six alternative sites (five sites within the City of Oxnard and one site in an unincorporated area of Ventura County), and the CEC has intended to analyze two

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alternatives (Ormond Beach Generating Station and Mandalay Units 1 and 2 footprint). Each of the alternative sites was analyzed to determine compliance with Local, State and Federal LORS, feasibility, superiority, and susceptibility to natural hazards associated with climate change and sea-level rise through (1) Site Screening Criteria, and (2) Ability to meet project objectives.

The conclusion from the Alternative Analysis is that no alternative location is superior, if not feasible, to the proposed location for the proposed P3. The proposed Site was selected based on the ability to meet project objectives; the availability of sufficient land under Applicant's site control; access to existing infrastructure; and the ability to develop the project economically with no significant environmental impacts, in compliance with applicable LORS and in accordance with the executed SCE contract, which was competitively procured and is before the California Public Utilities Commission pending approval.

3. *CEC siting documents for P3 indicate the City of Oxnard disagrees with NRG regarding federal Prevention of Significant Deterioration (PSD) applicability for NO<sub>x</sub>, PM<sub>2.5</sub>, and Greenhouse Gas Emissions. VCAPCD does not have delegation authority from United States Environmental Protection Agency (U.S. EPA) to issue PSD permits and recommends that NRG seek a PSD applicability determination from U.S. EPA Region 9. Please provide a status update on any action it has taken to resolve this issue, including whether a PSD applicability determination request was submitted to U.S. EPA Region 9; the timing for that determination; and, the conclusion of the determination, if finalized.*

As discussed in the CEC Application for Certification (AFC) for the P3 (AFC, Section 4.1.3.7.1) and as restated in NRG's Revised Air Quality/Public Health Analysis for the P3 submitted to the CEC and VCAPCD on November 30, 2015, the net emission changes associated with the P3 are below the federal Prevention of Significant Deterioration (PSD) applicability trigger levels. Therefore, the proposed project does not trigger federal PSD permitting. NRG has not submitted a PSD applicability determination request to the United States Environmental Protection Agency (U.S. EPA) because such a request is not required by the PSD regulations.

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](mailto:george.piantka@nrg.com) or (760) 710-2156, or Peter Landreth at [peter.landreth@nrg.com](mailto:peter.landreth@nrg.com) or (415) 627-1641.

Sincerely,  
NRG California South LP



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

cc: Tom Di Ciolli, Mandalay  
Peter Landreth, NRG West Region  
Timothy Sisk, NRG West Region  
Julie Babcock, NRG West Region