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VIA ELECTRONIC SUBMITTAL

Jeanine Townsend, Clerk to the Board
State Water Resources Control Board
1001 I Street, 24th Floor
Sacramento, CA 95814

Attention: Comment Letter – Emergency Conservation Regulation

Dear Ms. Townsend:

NRG Energy, Inc. (“NRG”) offers the following comments to the Emergency Conservation Regulation on behalf of its California-based subsidiaries that provide essential and reliable electricity and district energy to its customers, including load serving entities. NRG, a Fortune 250 company, owns and operates conventional power plants, district energy/combined heat and power, and utility and distributed renewable energy facilities throughout California. We are committed to managing our business in an environmentally responsible manner and developing more sustainable energy choices that reduce impacts on the environment and that help curb the effects of climate change.

NRG supports the Governor’s efforts to address the severe drought conditions facing the State and has already taken steps to reduce outdoor irrigation and domestic consumption at all of its facilities. But the Emergency Conservation Regulation must balance the intended mandatory water reductions with the continued need for reliable utility-scale electricity, district energy centers, and growing distributed and preferred resources. Water plays an integral role in energy production, e.g., generation of steam in combined cycle plants and steam boiler plants, and generation of steam for heating and cooling in district energy centers, and cleaning of photovoltaic solar panels and concentrated solar heliostats to optimize the output from these renewable energy sources. In the case of preferred resources, water is used to meet commercial and industrial customer needs for efficient distributed energy and for applications that reduce energy consumption. We believe that this regulation is intended to substantially reduce nonessential use of potable water during the State’s severe drought. In the interest of avoiding any unintended threat to electric system reliability or impacting district energy or

commercial and industrial-based preferred resources, NRG respectfully requests that the State Water Resources Control Board (SWRCB) include exemption language in the regulation to avoid mandatory water reductions that would either be imposed directly on a facility providing energy to a load serving entity or steam and/or power to a district energy center. Furthermore, we request exemption language to avoid mandatory reductions being imposed on a water supplier that supports electricity generation, district energy production, and/or commercial/industrial-based preferred resources. To avoid mandatory water reductions on the water supplier, NRG recommends that the following sentence be added to language in Section 865(e), revised as follows:

“Each urban water supplier that serves electric generating facilities may subtract the amount of water associated with the production of energy at such facilities from its potable water production total. “ Similarly, we recommend that “each urban water supplier serving district energy centers and commercial and industrial-based preferred resources may subtract the amount of water used to produce (and save) thermal or electrical energy at such facilities from its potable water production total.”

One of NRG's California-based subsidiaries, Sunrise Power Company LLC (Sunrise) in Fellows, California (West Kern County), is a good example of a utility-scale combined cycle power plant to which an exemption should be applied. Sunrise provides resource adequacy capacity to a load serving entity which in turn supports Kern County's regional energy and economic needs. West Kern Water District (WKWD) has prepared comments to the proposed regulation that addresses its concerns about meeting water needs for its commercial and industrial customers, in particular those that have banked water reserves. NRG supports WKWD's comments. WKWD has a standing contractual agreement with Sunrise to provide a 3-year water reserve; this contract was developed to protect against multi-year drought conditions and is an example of such a contractual obligation that should not be subject to water reductions. NRG's district energy centers in San Francisco and San Diego that produce steam from water served by the local water supplier and provide the steam to its urban customers for heating and cooling purposes are additional examples for which an exemption to mandatory water reductions should be applied.

NRG appreciates the opportunity to comment on the proposed rulemaking and asks that the SWRCB avoid mandatory water reductions that would be imposed directly onto an energy producer or onto to water supplier that supports electricity generation, district energy production and preferred resources.

Respectfully submitted,



George L. Piantka, PE
Director, Regulatory Environmental Services