



California Regional Water Quality Control Board

San Diego Region

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September 6, 2007

CERTIFIED – REGISTERED MAIL
7006 2760 0000 1615 5642

Mr. Peter M. MacLaggan
Senior Vice President
Poseidon Resources Corporation
501 W. Broadway, Suite 840
San Diego, CA 92101

In reply refer to:
NCR: 02-1429.02:ebecker

Dear Mr. MacLaggan:

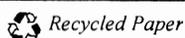
Revised Flow, Entrainment and Impingement Minimization Plan, Order No. R9-2006-0065, NPDES Permit No. CA0109223, The Poseidon Resource Corporation, Carlsbad Desalination Project

Section VI.C.2.(e) of Order R9-2006-0065 requires that the Poseidon Resource Corporation (hereinafter Poseidon) submit a technical report to assess the feasibility of site-specific plans, procedures, and practices to be implemented and/or mitigation measures to be taken to minimize the impacts to marine organisms when the Carlsbad Desalination Project (CDP) intake requirements exceed the volume of water being discharged by the Encina Power Station (EPS).

On February 13, 2007, Poseidon submitted a Flow, Entrainment, and Impingement Minimization Plan dated February 12, 2007 (plan). Subsequently, in response to Regional Board and interested parties' comments, Poseidon submitted a revised plan dated June 29, 2007 on July 2, 2007. Following are comments from a review of the plan:

1. At this time, I am deferring a determination on the plan. This action is necessary in light of:
 - a. Order No. R9-2006-0065 was developed based on the Report of Waste Discharge (ROWD) submitted by Poseidon stating that EPS can provide adequate cooling water as source water for CDP's operations approximately 99% of the time. More recent information indicates that CDP's proposed intake requirements of 304 million gallons per day (MGD) will likely exceed the volume of water being discharged by the EPS significantly more than the 1% operational time estimated in the ROWD. For example, in 2007, the average monthly combined discharge from EPS was approximately 120 MGD and, therefore, the operations at the CDP would require the intake of

California Environmental Protection Agency



additional volumes of ocean water, above the operational requirements of EPS.

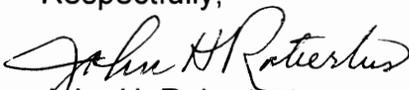
- b. The removal of key Federal regulation defining best technology available (BTA) requirements for implementing Section 316(b) of the Federal Clean Water Act , and
 - c. The State Water Resources Control Board is developing guidance to the Regional Boards on the BTA requirements for ocean intake structures to reduce impingement and entrainment of marine life. It is my understanding that the SWRCB intends to develop a once-through cooling water policy, for compliance with the Clean Water Act Section 316(b), by June 2008. The Regional Board anticipates using the SWRCB guidance to evaluate technology based requirements needed for the intake structure that provides ocean water for both EPS and CDP operational requirements.
2. The plan includes salinity and acute toxicity information. Salinity and acute toxicity studies, however, must be submitted to the Regional Board as a separate technical report in compliance with Section VI.C.2.c of Order No. R9-2006-0065. Please note that any proposed changes to the existing salinity effluent limitations in Order No. R9-2006-0065 will require that Poseidon file an amended ROWD to reopen the NPDES permit.

In the future, the Regional Board plans to revisit obligations for discharger compliance with applicable requirements concerning the issues of effluent limitations, and entrainment and impingement, as new information and guidance become available.

The heading portion of this letter includes a Regional Board code number noted after "In reply refer to:" In order to assist us in the processing of your correspondence please include this code number in the heading or subject line portion of all correspondence and reports to the Regional Board pertaining to this matter.

If you have any questions regarding the above, please contact Mr. Eric Becker at (858) 492-1785, or at Ebecker@waterboards.ca.gov

Respectfully,


John H. Robertus
Executive Officer

Mr. Peter M. MacLaggan
Poseidon Resources Corporation
Revised Flow, Entrainment, and Impingement Plan

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September 6, 2007

cc:

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cc : (See Enclosed Interested Parties List)



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Order No. R9-2006-0065
NPDES Permit No. CA0109223

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Interested Parties
Order No. R9-2006-0065
NPDES Permit No. CA0109223

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