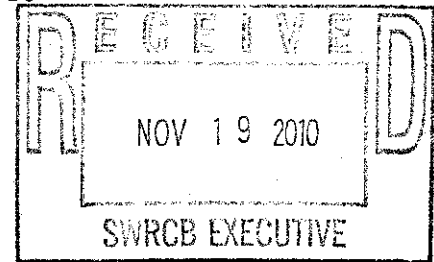


November 19, 2010

VIA E-MAIL & U.S. MAIL

Jeanine Townsend, Clerk to the Board
State Water Resources Control Board
1001 I Street, 24th Floor
Sacramento, CA 95814
commentletters@waterboards.ca.gov



RE: Comment on the Proposed Amendment to the Water Quality Control Policy on the Use of Coastal and Estuarine Waters for Power Plant Cooling

Dear Ms. Townsend,

On September 29, 2010, the State Water Resources Control Board (Board) released a proposed amendment to the Statewide Water Quality Control Policy on the Use of Coastal and Estuarine Waters for Power Plant Cooling (Policy). Southern California Edison (SCE) raises the following points for the Board's consideration and review.

I. SCE SUPPORTS THE PROPOSED AMENDMENT LANGUAGE ALLOWING CONTINUED USE OF OTC PROVIDED THAT IT APPLIES TO BOTH NUCLEAR UNITS AND CAISO-DESIGNATED FOSSIL UNITS NEEDED FOR BOTH RELIABILITY AND RENEWABLES INTEGRATION

SCE appreciates the Board's attempt to provide an improved compliance track for the owners/operators of existing combined-cycle power generating units (CCGTs) installed prior to the Policy's effective date of October 1, 2010. SCE believes the proposed amendment should be extended to nuclear-fueled power plants as well. As the Policy recognizes, the State's two nuclear plants are critical to the success of its environmental policy goals and to preserving a reliable electric power supply.¹ Unlike CCGTs, modernization of the nuclear plants will not reduce greenhouse gas emissions. Consequently, the selective application of the proposed amendment to CCGTs alone, and not to the nuclear plants, lacks a clear explanation. If the Board extends a mitigation fee option to the CCGTs, then it should extend this option to the nuclear-fueled power plants as well.

Similarly, the proposed amendment's option in Section 2(A)(2)(d)(ii)(3) for CCGTs to conduct a pilot study or pay a mitigation fee should be available to fossil-fueled steam boiler units designated by the California Independent System Operator (CAISO) as needed for reliability purposes because one of the Policy's primary objectives is to afford marine protection

¹ See Policy Section 1(L), which describes the two nuclear plants as essential to the State's ability to comply with AB 32's requirements.

while assuring the reliability of the electric system.² To meet the Policy's stated intent of ensuring reliable power for public welfare, SCE believes fossil units designated as needed for reliability purposes should also have the option afforded to the CCGTs:

Accordingly, SCE proposes the following revisions. First, in Section 2(A)(2)(d), we recommend the deletion of the phrase "an existing power plant with" (as indicated by the double-strikethrough text), and the insertion of the phrase "nuclear-fueled power plants, or other existing power plant* deemed necessary for grid reliability by the CAISO and in concurrence with the Board" (as indicated by the double-underlined text). Next, in Section 2(A)(2)(d)(ii), we recommend the insertion of the phrase "of an existing power plant*as defined in 2(A)(2)(d)" (as indicated by the double-underlined text).

2(A)(2)(d) The owner or operator of ~~an existing power plant* with combined-cycle power-generating units*~~ installed prior to [the effective date of the Policy], nuclear-fueled power plants, or other existing power plant* deemed necessary for grid reliability by the CAISO and in concurrence with the Board may, without demonstrating that compliance with Track 1 is *not feasible**, achieve compliance in accordance with either subparagraph (i) or (ii) of this paragraph.

...
2(A)(2)(d)(ii) The owner or operator of an existing power plant*as defined in 2(A)(d) may continue using OTC at a unit until the unit reaches the end of its useful life provided all of the following are satisfied:

II. SCE SUPPORTS THE BOARD'S PROPOSED AMENDMENT TO THE TRACK 2 COMPLIANCE PATH PROVIDED THAT THE REVISED LANGUAGE APPLIES TO BOTH NUCLEAR UNITS AND CAISO-DESIGNATED FOSSIL UNITS

The ability to utilize the Track 2 compliance path without first having to demonstrate that Track 1 is not feasible should apply to all generating units irrespective of fuel source. As currently written, this proposed language gives existing CCGTs an unfair advantage over other fossil and nuclear units. This advantage could have negative consequences for the Los Angeles region, which, as the Policy acknowledges, presents a more complex and challenging set of issues than other reliability regions of the state.³ As discussed in our earlier comment submittals and during oral testimony to State energy agencies, SCE relies heavily on non-CCGT independent power producers to provide generation support within the SCE service territory. Allowing non-CCGT units to utilize the proposed amendment language would lessen the potential for service interruption and instability of the grid in the Southern California region.

² See Policy Section 1(G), which states: "The intent of this Policy is to ensure that the beneficial uses of the State's coastal and estuarine waters are protected while also ensuring that the electrical power needs essential for the welfare of the citizens of the State are met."

³ See Policy Section 1(K).

III. CONCLUSION

SCE respectfully offers the proposals described above to tailor the Proposed Policy Amendment to meet the needs of the Board, the regulated community, responsible state agencies, the environmental community, and the people of California.

Very truly yours,



Michael M. Hertel, PhD
Director, Corporate Environmental Policy

cc: Charlie Hoppin
Frances Spivy-Weber
Arthur Baggett, Jr.
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Thomas Howard
Jonathan Bishop
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