

Item # 5

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

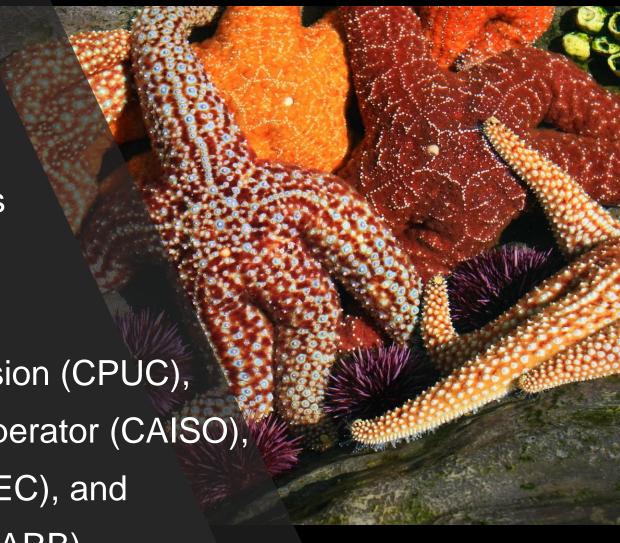
Public Hearing and Consideration of Adoption

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Outline

- State Water Board presentation
 - Summary of Amendment Items
 - Comments Received
 - Revisions to Technical Documents
 - Staff Recommendation
- Presentations or statements by:
 - California Public Utilities Commission (CPUC),
 - California Independent System Operator (CAISO).
 - California Energy Commission (CEC), and
 - California Air Resources Board (CARB)



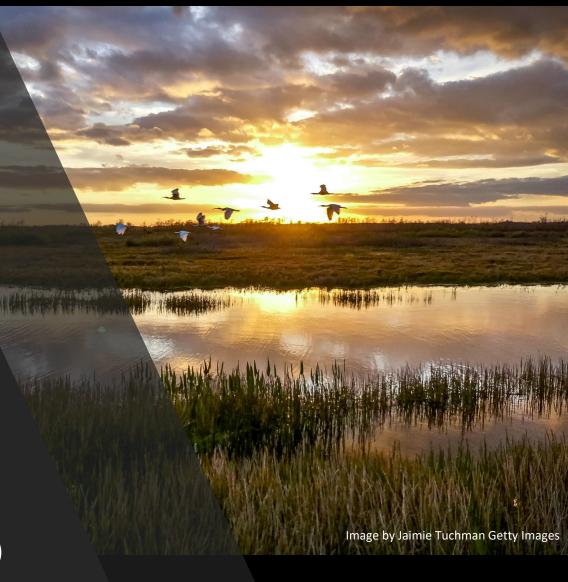
Summary of Proposed Amendments

- 1. Grid reliability extend compliance dates:
 - Alamitos, Huntington Beach, and Ormond Beach Generating Stations for three years until December 31, 2023
 - Redondo Beach Generating Station for one year until December 31, 2021
- Diablo Canyon Nuclear Power Plant Units 1 and 2: Amend compliance dates to match Nuclear Regulatory Commission license expiration dates
- 3. Los Angeles Department of Water and Power grid reliability report process update
- 4. Extension process update to match current practice
- 5. Non-substantive administrative changes



Why These Extensions Are Needed

- Causes of projected shortfall:
 - Shifts in peak energy use
 - Changes in the method for calculating qualifying capacity of wind and solar resources
 - Increasing uncertainty on imported energy
 - Unanticipated retirements of non-OTC generating units
- New information received after March 2020 release of draft Amendment and Staff Report
- Unanticipated events (e.g., COVID-19)



Comments on the Proposed Amendment

- Approximately 747 comments received
- Redondo Beach
 - >650 comments
- Revised Staff Report and responses to comments released on August 18, 2020



Comments on OTC Policy Implementation

- OTC Policy Compliance
 - Alternative paths for compliance
 - Owners and operators select the compliance approach; facility retirement is not required by the OTC Policy
- Energy Reliability Considerations
 - Avenue for extending compliance dates to ensure electrical power needs essential for the welfare of the citizens of the State are met
 - SACCWIS is responsible for recommending compliance date revisions necessary for grid reliability



Comments on Grid Reliability

- Grid Reliability Need
 - SACCWIS' preferred alternative was unanimously supported by the CPUC, CEC, and CAISO in May 2020
 - Additional uncertainties due to COVID-19
- Role in Grid Reliability and Frequency of Operation
 - Provide available energy capacity as new resources come online
 - Operate like "peakers"



Comments on Environmental Impacts

- California Environmental Quality Act
 - No new impacts beyond what was considered during the development of the OTC Policy in 2010
- Water Quality
 - Regional Water Quality Control Boards are amending NPDES permits and other regulatory documents
- Impacts to Marine Life
 - Continuing interim mitigation requirements



Comments on Redondo Beach

- Onsite Wetlands
 - The Coastal Commission issued a Notice of Violation for unpermitted pumping of the wetlands
 - Compliance with the Coastal Commission's enforcement actions do not preclude the facility from a compliance date extension
 - Prop-68 grant money retained
- Local Land Use Concerns
 - Community benefits in the AES and SLH agreement



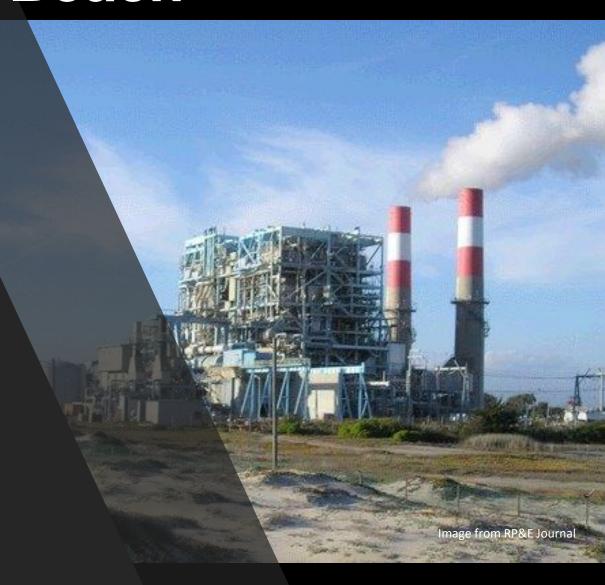
Comments on Redondo Beach

- Air Quality Impacts
 - Public health concerns, such as:
 - High population density
 - Particulate matter
 - Black smoke events
 - Redondo Beach complies with all air quality permits and regulations



Comments on Ormond Beach

- Environmental Justice Concerns
 - Located in a disadvantaged community
 - Air quality concerns
- Timeline for demolition and remediation included in the agreement between the City of Oxnard and GenOn
- Revised CPUC Decision in March 2020 includes 3-year extension of Ormond Beach



Comments on Diablo Canyon

- Two timely comment letters received were in support of the compliance date revisions
- Current compliance date is December 31, 2024
- Nuclear Regulatory Commission license expiration dates and proposed compliance dates:
 - Unit 1 November 2, 2024
 - Unit 2 August 26, 2025



Staff Recommendation

- Adopt Alternative 5 in Section 7 of the Proposed Final Staff Report:
 - Extension of Alamitos, Huntington Beach, Ormond Beach for three years
 - Extension of Redondo Beach for one year
 - Revise compliance dates for Diablo Canyon Units 1 and 2 to align with operating license expiration dates
 - Administrative and non-substantive edits



Questions?

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