



# California Regional Water Quality Control Board San Diego Region

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## Item 14, Supporting Document 9

November 24, 2009

**CERTIFIED MAIL**  
7009 1410 0002 2347 6798

Mr. James Detmers  
Vice President of Operations  
California Independent System Operator Corporation  
151 Blue Ravine Road  
Folsom, California 95630

**In reply refer to:**  
257829: DBarker  
WDID: 9 000000091

Dear Mr. Detmers:

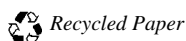
### **SUBJECT: Request for Information on Termination of Reliability Must Run (RMR) Status for South Bay Power Plant**

At its upcoming December 16, 2009 meeting, the San Diego Regional Water Quality Control Board (Regional Water Board) plans to hold a public hearing to consider ratifying a recently established schedule for shutdown of the electrical generating units at the South Bay Power Plant. The shut down schedule was based in part on your October 9, 2009 letter to the Regional Water Board outlining the status of the reliability must-run (RMR) contract for the South Bay Power plant to provide local reliability electricity service. In order to enable the Regional Water Board to make a well informed decision on this matter I am requesting California Independent System Operator (CAISO) assistance in providing additional specific information about the projected timing for the termination of South Bay Power Plant RMR status as described below.

By letter dated November 9, 2009, my predecessor as Executive Officer of the Regional Water Board, Mr. John Robertus, issued minor modifications to the current National Pollutant Discharge Elimination System (NPDES) permit, Order No. R9-2004-0154, for the South Bay Power Plant. The permit modifications were effective on the date of issuance and establish a firm enforceable schedule for the termination of all discharges from the power plant. A copy of the November 9 letter is enclosed.

The permit modifications provide for continued operation of the South Bay Power Plant electrical generating Units 3 and 4 until December 31, 2009. The permit modifications also provide for a reduction in the maximum allowable discharge flow rate to 225 MGD after December 31, 2009 consistent with the shutdown of Units 3 and 4. The permit modifications require termination of operations at Units 1 and 2 when CAISO terminates Reliability Must-Run (RMR) status for Units 1 and 2 or December 31, 2010, whichever is earlier. The provision for early (pre-December 31, 2010) termination of discharges from Units 1 and 2 is based on our understanding of information obtained from CAISO, and

*California Environmental Protection Agency*



from discussions with representatives of Dynegy South Bay and SDG&E, that conditions allowing for the termination of RMR status for these units will likely occur before the end of 2010. Pursuant to the permit modifications, the current NPDES permit will remain on administrative extension. The Regional Water Board will conduct a public hearing to consider rescinding the NPDES permit upon termination of all discharges from the South Bay Power Plant.

It is our intention to bring these minor permit modifications to the Regional Water Board members for ratification at a public hearing on December 16, 2009. The Regional Water Board is providing a 30-day comment period for public review of the permit modifications in advance of the December 16 meeting due to the heightened public interest in this matter. In order to provide the Board and the public with as much information as possible about the timing of the shutdown of Units 1 and 2, it would be helpful to us for the CAISO to provide the following supplemental information by December 8, 2009 so that the Regional Water Board members can review and consider the information in advance of the hearing:

- (1) the current San Diego area 2010 load and resource profile information, if different from that provided by CAISO to the Regional Water Board at its September 9, 2009 meeting;
- (2) the status of the Otay Mesa Generating Plant;
- (3) the status of the Pala Generating Plant;
- (4) a description of the "other generation scheduled" referenced in Dynegy's October 30, 2009 filing to the Federal Energy Regulatory Commission (FERC) which states that "...the CAISO has informed South Bay that it may wish to terminate the RMR Agreement prior to the conclusion of the 2010 Contract Year due to other generation scheduled to become commercial during the term of the 2010 Contract Year." (Hickok to Bose, Letter dated October 30, 2009, p. 3, copy enclosed).
- (5) the status of any other new generation capacity that is expected to come on-line in the San Diego area in late 2009 and early 2010, including projected start-up dates and the capacity of each project.
- (6) details concerning the addition of reactive power support in the South Bay area, including the expected in-service date;
- (7) whether any significant increases to the California Energy Commission's 1-in-10 year San Diego area demand forecast are anticipated during 2010, as well as the implications for South Bay Units 1 and 2 of any changes in the demand forecast;
- (8) a description of the conditions that will need to exist before the RMR status for South Bay Units 1 and 2 can be terminated;

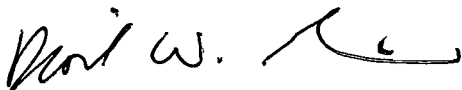
- (8) a description of the conditions that will need to exist before the RMR status for South Bay Units 1 and 2 can be terminated;
- (9) factors affecting the timing of termination of RMR status for South Bay Units 1 and 2, and when these factors are expected to be accomplished;
- (10) CAISO's best estimate, based on all currently available information, of when the RMR status for South Bay Units 1 and 2 will be terminated; and
- (11) the status of the Sunrise Power Link, when it is expected to be placed in service, and whether its placement in service is a pre-requisite for termination of RMR status for South Bay Units 1 and 2.

I also request that CAISO have representatives present at the December 16 hearing to summarize and present the above information and respond to follow-up questions the Regional Water Board members may have.

While it is understood that the termination of RMR status for all South Bay units depends on matters beyond the direct control of the CAISO, having a clear picture of the events that factor into the CAISO's termination of RMR status for these units will enable the Regional Water Board to make better, more well-informed decisions about this facility, to the benefit of all parties concerned.

Thank you for your help in this matter. Please contact David Barker at (858) 467-2989 or by e-mail at [dbarker@waterboards.ca.gov](mailto:dbarker@waterboards.ca.gov) if you have any questions regarding this matter.

Sincerely,



David W. Gibson  
Executive Officer  
San Diego Regional Water Quality Control Board

Enclosures November 9 2009 Letter from Regional Water Board to Dynegy South Bay LLC on NPDES Permit Minor Modificatons

October 30, 2009 Dynegy South Bay, LLC Annual RMR Section 205 Filing and RMR Schedule F Informational Filing, Docket No. ER10-166-000 (without attachments)