

## Item 14, Supporting Document 7.1

Dynegy Inc.  
West Region Operations  
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Phone 925-829-1804



November 13, 2009

John Robertus  
Executive Officer  
California Regional Water Quality Control Board  
San Diego Region  
9174 Sky Park Court, Suite 100  
San Diego, CA 92123

**RE: Dynegy South Bay, LLC – South Bay Power Plant  
Plant Shutdown Compliance Update**

Dear Mr. Robertus:

This letter is in response to your request for an update on Dynegy's progress with the permitting and environmental review process currently ongoing regarding the ultimate shutdown and closure of the South Bay Power Plant (SB). Dynegy has been working with the Unified Port of San Diego (Port) since mid 2008 preparing for the permitting and related environmental review processes applicable to the shutdown, demolition and remediation of SB.

As mentioned before, the Port is the lead agency for purposes of the project under the California Environmental Quality Act (CEQA), with many other regulatory agencies involved in aspects of the project as "responsible" or "commenting" agencies under CEQA. Dynegy has completed a draft Tenant Project Application and Environmental Document for the Port's cursory review. Upon receiving their comments, Dynegy intends to submit the final Application and Environmental Document around December 1, 2009. We are told the Port's review process could be up to 90 days, which is followed by the Port Board of Commissioner approval hearing to be held at the public board meeting. We are estimating this to occur towards the end of March 2010. At that time, the Port will hire a 3<sup>rd</sup> Party consultant to work with Dynegy and the Port on the Environmental Impact Report (EIR) for CEQA. This process is projected to take up to eighteen months and as we understand will include performing several studies and surveys defining impacts from the shutdown and demolition of SB.

Over the next two years, Dynegy will be securing a demolition contractor as well as beginning other shutdown activities; e.g. asbestos abatement. Once all permits and approvals are in place, the demolition is projected to begin on or around January 2012.

If you have any question, feel free to contact me at, 925/803-5121.

Sincerely,



Barbara Irwin  
Director Environmental  
Dynegy West Region Operations

cc: David Gibson – San Diego RWQCB  
Randy Hickok – Dynegy, Dublin  
David Merk - Unified Port of San Diego  
Meg Rosegay – Pillsbury