

**DRAFT DETERMINATION TO APPROVE MITIGATION MEASURES FOR THE WATER  
QUALITY CONTROL POLICY ON THE USE OF COASTAL AND ESTUARINE WATERS FOR  
POWER PLANT COOLING (ONCE-THROUGH COOLING POLICY):**

**EL SEGUNDO GENERATING STATION**

Interim mitigation requirements of the Once-Through Cooling Policy

The Once-Through Cooling (OTC) Policy requires owners or operators of existing power plants to implement measures to mitigate interim impingement and entrainment impacts resulting from their cooling water intake structures. The interim mitigation period commenced on October 1, 2015 and continues up to and until owners or operators achieve their final compliance deadlines as outlined in the OTC Policy. Section 2.C(3) of the Policy provides three options for demonstrating compliance with interim mitigation:

- (a) Demonstrate to the satisfaction of the State Water Resource Control Board (State Water Board) that the owner or operator is compensating for the interim impingement and entrainment impacts through existing mitigation efforts, including any projects that are required by state or federal permits as of October 1, 2010.
- (b) Demonstrate to the State Water Board's satisfaction that the interim impacts are compensated for by the owner or operator providing funding to the California Coastal Conservancy which will work with the California Ocean Protection Council to fund an appropriate mitigation project.
- (c) Develop and implement a mitigation project for the facility, approved by the State Water Board, which will compensate for the interim impingement and entrainment impacts.

El Segundo Generating Station

As specified in the OTC Policy, the compliance deadline for El Segundo Generating Station (ESGS) is December 31, 2015. El Segundo Power, LLC (ESP) has requested to comply through interim mitigation option A and has requested to use a previous \$1 million payment to satisfy the OTC Policy's interim mitigation requirements for ESGS. State Water Board staff calculates that, if ESP were to comply with interim mitigation option B, using the default method for calculating the entrainment fee set forth in [Resolution 2015-0057](#), the maximum fee would be approximately \$100,000.

In 2005, the California Energy Commission (CEC) required ESP to provide up to \$5 million in funding to the Santa Monica Bay Restoration Commission (SMBRC) as [part of a condition of certification for a license to repower units for OTC in El Segundo](#). The CEC's decision recognized that the operation of the OTC cooling system had the potential to impact aquatic organisms through impingement, entrainment, and thermal effects. Consequently, the \$5 million requirement was intended, in part, to meet Coastal Act policies to maintain, enhance, and, where feasible, restore marine resources. Funding from ESP was to be used by the SMBRC to improve the understanding of biological dynamics of Santa Monica Bay and to improve the health of this habitat, where the intakes for ESGS are located. As directed by the

CEC, ESP provided \$1 million within six months after certification of the project. The SMBRC used ESP's payment to fund several projects:

- Economic valuation study
- Rocky reef assessment
- County-wide funding feasibility study
- Support for the SMBRC Marine Technical Advisory Committee
- Bight '08 rocky reef survey
- Dolphin study

In 2010, the CEC rescinded the \$5 million requirement when approving ESP's amended application for certification, which no longer proposed OTC repowering. Therefore, ESP's \$1 million payment has not been formally credited toward mitigation for OTC impacts.

#### State Water Board's draft determination for ESGs

The State Water Board approves the \$1 million paid by ESP to the SMBRC to comply with OTC Policy's interim mitigation requirements for ESGs. The State Water Board determines that ESP's payment for Santa Monica Bay-wide studies and habitat improvement aligns with the OTC Policy's requirement to compensate for interim impingement and entrainment impacts resulting from cooling water intake structures of power plants. Providing that ESGs achieves compliance with the final deadline of December 31, 2015, ESP's previous \$1 million payment to the SMBRC fulfills the interim mitigation requirements for ESGs for the operating period of October 1 to December 31, 2015, and no additional mitigation measures are required.