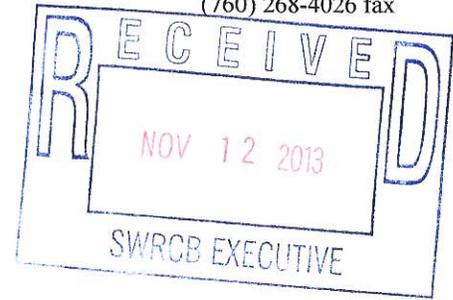


Cabrillo Power I LLC  
4600 Carlsbad Boulevard  
Carlsbad, CA 92008  
(760) 268-4000  
(760) 268-4026 fax

DWQ

November 7, 2013

Mr. Thomas Howard  
Executive Director  
State Water Resources Board  
Division of Water Quality, 15<sup>th</sup> Floor  
1001 I Street  
Sacramento, CA 95814



**Re: Once-Through Cooling Policy Implementation Plan Update for Encina Power Station, NPDES CA0001350, Order R9-2006-0043; Letter dated September 9, 2013**

Dear Mr. Howard,

Cabrillo Power I LLC (Cabrillo), owner of the Encina Power Station (EPS), submits its response to the State Water Resources Control Board's (SWRCB) September 9, 2013 letter in which the SWRCB requested the most current information for EPS pursuant to the Use of Coastal and Estuarine Water for Power Plant Cooling (Policy) and California Water Code §13383. Cabrillo reported the future compliance mechanisms and electrical generation goals to the SWRCB in a letter submitted January 30, 2013. Cabrillo respectfully re-states and clarifies its position to the questions, which were posed by the SWRCB in the September 9, 2013 letter.

*1. What mechanism is being used to bring this unit into compliance?*

Cabrillo continues to pursue Track 1 compliance for Units 1, 2, and 3. Cabrillo intends to achieve Track 1 compliance through the California Energy Commission (CEC) approved license for the Carlsbad Energy Center Project (CECP) (Docket 07-AFC-06)(Decision). The CECP entails the retirement of steam boiler Units 1, 2 and 3 and the construction of 558 megawatts (MW) of air-cooled combined cycle electrical generation at the EPS site. Units 1, 2, and 3 would retire when the new generation comes online, or by December 31, 2017 – the current Policy compliance deadline for EPS. Cabrillo also plans to retire Units 4 and 5 by Policy compliance deadline.

*2. What actions have been taken to obtain permits, obtain contracts or meet other regulatory obligations to implement the compliance mechanism identified above?*

As stated in the January 31, 2013 submittal to the SWRCB, the CEC's May 31, 2012 Decision approving the CECP license enabled the San Diego Air Pollution Control District (SDAPCD) to issue the Authority to Construct (ATC); the ATC was issued on June 25, 2012. Emission reduction credits have been secured to meet the necessary NOx offsets specified in SDAPCD's Final Determination of Compliance/Authority to Construct. EPA approval to start construction is still needed through either a determination that Prevention of Significant Deterioration (PSD) is not triggered for criteria pollutants and Greenhouse Gases (GHG), or a PSD permit is obtained for pollutants that may trigger PSD. A current applicability determination or PSD permit has not been issued to date from EPA or SDAPCD. The CECP also intends to obtain a National Pollutant

Mr. Thomas Howard  
Executive Director, SWRCB  
November 7, 2013  
Page 2

Discharge Elimination System (NPDES) permit for the discharge of wastewater associated with the planned 4.3 million gallon per day (MGD) ocean water purification system, which will provide industrial water for CECF. The NPDES application has been filed with San Diego Regional Water Quality Control Board. The CECF still seeks a multi-year Power Purchase Agreement with an Investor Owned Utility, and intends to work through the California Public Utility Commission (CPUC) authorized procurement process to obtain a PPA.

*3. What is the capacity of the repower/replaced/retrofitted facility?*

The CECF is a 558-MW air-cooled, combined cycle natural gas-fired power plant consisting of two independent power trains. Each train includes one Siemens SCC6-5000F combustion gas turbine generator with evaporative inlet air cooling and steam injection power augmentation (PAG) systems, one single pressure, fast start, heat recovery steam generator (HRSG), and one condensing steam turbine generator, arranged in a one-on-one combined cycle configuration.

*4. Are retirements covered by the CPUC authorized procurements?*

No, though procurement needed to replace the Once-through-cooling (OTC) generation scheduled to be retired is under consideration. SDG&E is seeking approval of a 300 MW Power Purchase Tolling agreement in an application that is currently pending before the CPUC. In addition, the CPUC has established Track 4 in the Long-Term Procurement Planning proceeding (R.12-03-014) to authorize procurement needed to maintain reliability in the Los Angeles Basin and San Diego local areas following the retirement of San Onofre Nuclear Generating Station Units 2 and 3. A decision on Track 4 procurement is expected in early 2014.

I anticipate the above information has addressed the SWRCB's questions regarding Encina's Implementation Plan. If you have any questions, comments, or concerns, please do not hesitate to contact me at [george.piantka@nrgenergy.com](mailto:george.piantka@nrgenergy.com) or (760) 710-2156, or Jerry Carter at [jerry.carter@nrgenergy.com](mailto:jerry.carter@nrgenergy.com) or (760) 268-4011.

Sincerely,  
Cabrillo Power I LLC



George L. Piantka, PE  
Director, Environmental  
NRG Energy, West Region

cc: Jerry Carter, Cabrillo Power I LLC  
Sheila Henika, Cabrillo Power I LLC  
Peter Landreth, NRG West Region  
Tim Sisk, NRG West Region