



NRG California South LP
696 W. 10th Street
P.O. Box 192
Pittsburg, CA 94565

November 7, 2013

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

Re: Once-Through Cooling Policy Implementation Plan Update for Mandalay Generating Station and Ormond Beach Generating Station; Letter dated September 9, 2013

Dear Mr. Howard,

NRG California South LP ("NRG"), owner of the Ormond Beach and Mandalay Generating Stations, submits this response to your letters of September 9, 2013, requesting updated information regarding compliance with the Statewide Water Quality Control Policy on the Use of Coastal and Estuarine Waters for Power Plant Cooling ("OTC Policy"). As a threshold matter, note that these two facilities, and their compliance with the OTC Policy, are subject to ongoing confidential settlement negotiations between NRG and the Water Board in the pending case *GenOn West, LP, et al. v. State Water Resources Control Board* (Super. Ct. Sacramento County, Oct. 27, 2010, No. 2010-80000701) and that accordingly NRG cannot comment on certain matters related to the OTC Policy and its compliance plans. To the extent that they do not implicate specific matters that are subject to those ongoing settlement negotiations, NRG submits the responses below.

The Water Board's letters for the Mandalay and Ormond Beach Generating Stations were identical, and the responses below address both facilities.

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

The Water Board's statement accurately reflects NRG California South's¹ plans to comply with the OTC Policy. We are evaluating the viability of replacement projects at the Mandalay and Ormond Beach Generating Stations as described in our May 14, 2012 letter and remain on track to comply with the OTC Policy by December 31, 2020. As noted in question 4 below, the CPUC authorized the procurement of between 215 and 290 megawatts in the Big Creek/Ventura local area. Pursuant to that authorization, on September 12, 2013, Southern California Edison issued a Request for Offers (RFO) to procure new generation resources in Big Creek/Ventura. NRG

¹ Note that the Water Board's letters inaccurately referenced NRG Delta, LLC as the owner of the Mandalay and Ormond Beach Generating Stations. NRG California South LP (previously known as GenOn West, LP) is the owner of those two facilities. NRG Delta, LLC (previously known as GenOn Delta, LLC) is the owner of the Pittsburg Generating Station.

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

intends to respond to that RFO with at least one replacement project. The details of a replacement project have not been finalized yet. In addition to the September 12, 2013 RFO we anticipate participating in future procurement opportunities that could lead to the replacement of Mandalay and Ormond Beach Generating Stations.

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

We have not yet submitted an Application for Certification (AFC) to the California Energy Commission or a corresponding application to the Ventura County Air Pollution Control District. However, we are in consultation with both agencies regarding the replacement of Mandalay and Ormond Beach Generating Stations.

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

As noted above, we have not yet filed an AFC with the CEC and have not finalized the details of a potential replacement project.

4. Are retirements covered by California Public Utilities Commission's (CPUC) authorized procurements?

The Water Board's statement accurately summarizes the procurement authorization for the Big Creek/Ventura local area. As stated above in response to Question 1, NRG intends to respond to Southern California Edison's RFO pursuant to the CPUC's procurement authorization.

I anticipate the above information has addressed the SWRCB's questions regarding Mandalay's Implementation Plan. If you have any questions, comments, or concerns, please do not hesitate to contact me at george.piantka@nrgenergy.com or (760) 710-2156, or Peter Landreth at peter.landreth@nrgenergy.com or (925) 427-3567.

Sincerely,
NRG California South LP



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

cc: Tom Di Ciolli, Mandalay
Bill Probasco, Ormond Beach
Peter Landreth, NRG West Region