



California ISO  
Your Link to Power

California Independent System Operator Corporation

Jim Detmers  
Vice President, Operations

SAN DIEGO REGIONAL  
WATER QUALITY  
CONTROL BOARD

October 9, 2009

2009 OCT 12 A 9:51

**Via Federal Express**

Mr. John Robertus  
Executive Officer  
California Regional Water Quality Control Board, San Diego Region  
9174 Sky Park Court, Suite 100  
San Diego, CA 92123-4340

Re: ISO support for extension of permit for South Bay power plant

Dear Mr. Robertus:

The California Independent System Operator Corporation supports Dynegy South Bay's request for an extension of its National Pollutant Discharge Elimination System permit for the South Bay power plant for a minimum of one year. This power plant plays an important role in meeting the reliability needs of the San Diego local area. Since its inception, the ISO has relied on the South Bay power plant to provide local reliability service through a reliability must-run (RMR) contract. The South Bay power plant continues to be necessary in meeting San Diego's local reliability requirements.

On September 30, 2009, the ISO extended the RMR contract for units 1 and 2 and the combustion turbine unit at the South Bay power plant for the 2010 contract year. On October 9, 2009, the ISO terminated the RMR agreement for units 3 and 4. The ISO will require RMR services from the extended RMR units until such time as replacement capacity within the San Diego Gas & Electric service area is available.

The California ISO will continue to work with all stakeholders in finding a way to allow the South Bay Power Plant to close while maintaining the electrical system reliability needed in the San Diego local area. Should you have any additional questions, please do not hesitate to telephone me at (916) 351-2123.

Sincerely,

Jim Detmers  
Vice President, Operations

Cc: K. Casey  
G. Grotta  
S. Davies  
C. Micsa  
N. Liu  
A. Ulmer