



GenOn Energy, Inc.

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**7/6/11 Public Workshop
NPDES FEES STRUCTURE
Deadline: 6/29/11 by 12:00 noon**

June 29, 2011

By Email – commentletters@waterboards.ca.gov

Ms. Jeanine Townsend
Clerk to the Board
State Water Resources Control Board
1001 I Street, 24th Floor
Sacramento, CA 95812-0100



RE: July 6, 2011 Board Workshop: NPDES Fee Structure

Dear Ms. Townsend:

On behalf of the subsidiaries of GenOn Energy, Inc. (“GenOn”) that operate steam electric power plants (“SEPPs”) in California, we provide the following comments in advance of the Board workshop scheduled for July 6, 2011. GenOn’s subsidiaries currently operate four power plants in California that rely on once-through cooling (“OTC”): Pittsburg Generating Station, Contra Costa Generating Station, Ormond Beach Generating Station, and Mandalay Generating Station. The Potrero Generating Station, previously operated by a GenOn subsidiary, retired earlier this year.

We have had the opportunity to review comments submitted concurrently by AES Southland. We agree with those comments. Specifically, GenOn supports adoption of a fee framework based on Scenario 2 reflected in the Staff Report issued on June 16, 2011. Given the retirement of Potrero Generating Station earlier this year, the retirement of Contra Costa Generating Station in May 2013 and further modifications to the flow at GenOn’s other plants as well as other SEPPs based on the Board’s OTC policy, it is clear that the existing fee structure is unsustainable. Scenario 2 represents the best combination of fairness and sustainability as the foundation for the the Board’s NPDES fee program going forward.

Should you have any questions regarding the foregoing, do not hesitate to contact me.

Very truly yours,

Sean P. Beatty

Sean P. Beatty
Director, West Regulatory Affairs
GenOn Energy, Inc.