

**Statewide Advisory Committee on Cooling Water Intake Structures
(SACCWIS) Draft Meeting Minutes 04/18/2016
Acting Chair: Eric Oppenheimer**

SACCWIS Members present: Mr. Cy Oggins, Mr. Neil Millar, Mr. Rob Oglesby
SACCWIS Alternate Members present: Mr. Eric Oppenheimer, Mr. Dave Mehl

1. Call to Order and Introductions:

Eric Oppenheimer- Chief Deputy Director of the State Water Board: Good morning, this is the Annual SACCWIS meeting, it is April 18th 2016. I'll ask the panel to introduce themselves.

Panel introductions:

Mr. Neil Millar: California Independent System Operator (ISO)
Mr. Cy Oggins: State Lands Commission (SLC)
Mr. Dave Mehl: Air Resources Control Board (ARB)
Mr. Rob Oglesby: California Energy Commission (CEC)

Eric Oppenheimer: Rik would you like to introduce staff?

Rik Rasmussen: Rik Rasmussen Manager of the Water Quality Standards and Assessment Section and with me from the Office of Chief Council is Marleigh Wood and Mariela Carpio-Obeso the senior of the Ocean Unit.

2. Approval of July 27, 2015 SACCWIS meeting minutes:

- Minute approval: 7/27/2015 minutes **APPROVED**

Eric Oppenheimer: First on the agenda is the approval of the July 27th 2015 SACCWIS meeting minutes. Since I was not at that meeting I will abstain, but would anyone like to make a motion to approve, amend or comment?

Mr. Rob Oglesby: Motion.

Neil Millar: Second.

Eric Oppenheimer: All in favor?

Vote:
3 In favor.
2 Abstain.
0 Oppose.

Eric Oppenheimer: Motion Carries.

Eric Oppenheimer: Do we take public comments on any item that anyone wants to talk on or do we take them as we go on each item?

Marleigh Wood: Either way.

Eric Oppenheimer: Before we start are there any general items that anyone wants to provide comments on? -NONE.

Eric Oppenheimer: We will move to the presentation by the Interagency Working Group (IAWG) on the Draft 2016 SACCWIS Report to the State Water Board.

3. Presentation of the Draft 2016 SACCWIS Report:

Presenter-Dennis Peters (ISO)

- SACCWIS Presentation Report
- Conclusion: No recommendation on changes to compliance dates. SACCWIS will continue to monitor and bring forward any recommended compliance changes based on more complete information.

SACCWIS Member Comments & Discussion 2016 SACCWIS Report:

Cy Oggins: Can you confirm that there will be no recommended changes for Moss Landing?

Dennis Peters: There is no recommendation for compliance date changes for Moss Landing.

Eric Oppenheimer: Are there any other questions? -NONE.

Robert Oglesby: I want to assess some risks associated with a couple of the issues that you identified in your slides. First on Figure 1 the historic projected water usage, there is an uptick in actual flow data from 2014-2015 and I was wondering what that represented?

Dennis Peters: The actual flows.

Robert Oglesby: There's a nice downward trend and then a change in direction. We didn't have an unusual summer.

Mike Jaske- (CEC): The appendix of the Draft Report shows 2010-2015 water flow data according to the US EPA. I see there are several specific plants for which there are increases. It may be that some of the OTC facilities were selected to operate more than others; even though, overall conditions weren't very severe during that year, or five of them have some kind of increase between 2014-2015.

Robert Oglesby: It would be good to know if those were in the South Coast region, reflecting Moss Landing or somewhere else.

Mike Jaske: The biggest one I see is Diablo Canyon. Diablo Canyon operated a little bit more, being so large it brought the whole group up.

Robert Oglesby: Part of my curiosity relates to some of the operating constraints we have in the Southern California region related to the loss of Aliso Canyon. So if there was a trend upward in gas fired power plants in that region I would be interested in it.

Dennis Peters: Just to add on to what Mike said aren't the flow rates represented just through the third quarter of 2015? Mariela confirmed; it may be a bigger issue that it's only three quarters of the year.

Robert Oglesby: My curiosity is more related to some other issues that we have going on here as you well know.

Dennis Peters: The reason I mentioned 3rd quarter is because it wouldn't have picked that up.

Robert Oglesby: For other reasons if they were operating more in the South Coast it would be good to know. You talked about the potential delay of Mesa Loop-in?

Dennis Peters: Yes. It's a necessary reliability project for the Southern California Area and it's in the permitting process at the CPUC. I believe it's a Certification of Public Convenience and Necessity process so it's taking a little longer. We do not know yet if it will be delayed, but we want to identify.

Robert Oglesby: So that's just speculation that if the CPUC doesn't conclude its proceeding soon there's a risk of delay that would affect reliability and cause us to ask the Water Board to extend the schedule?

Dennis Peters: Right. Your question is that how soon would we need to know?

Robert Oglesby: That's right. The Water Board is going to need some lead time if we are going to have a proceeding to extend dates. I don't really know when we go into the red zone from lack of a decision from the CPUC.

Dennis Peters: Looking at the entire process, I think at least 18 months in advance before the compliance date.

Robert Oglesby: Do you know where on the calendar we would need to see something from the CPUC?

Dennis Peters: We would need to know if we were pursuing any compliance date changes based off the December 31st 2020 compliance date and go back at least a year and a half to consider a compliance date change.

Robert Oglesby: This is where we missed CPUC representation, because it will be good to know how their process and schedule is. Do you have this information?

Dennis Peters: I don't but David Asti is here from Southern California Edison. Can you provide us with this information?

SACCWIS Public Comments 2016 SACCWIS Report:

David Asti, Southern California Edison: The February 2015 fact sheet shows the anticipated project schedule for the Mesa Loop-in starting in the month of April, that's not going to happen this month. There's been some unanticipated delays in the processing of the Environmental Impact Report and staff hoped to have it back to us by September of last year. As of right now it looks as if we will have it by the end of this month. We are approximately seven months behind in the processing up to this point. I don't think that's an unrecoverable amount of time. I just wanted to inform the SACCWIS that we are about seven months behind right now.

Robert Oglesby: It would be a good idea to keep a close watch on this one because if there are further delays we'll need to know when we have to advise the Water Board to make a decision.

David Asti: Infrastructure licensing staff made me aware of this about two weeks ago. They were pretty concerned about schedule slippage.

Robert Oglesby: So it sounds like we will know more by the end of this month, next month?

David Asti: Yes the plan is to have it back by the end of this month so we should know within two to three weeks if there is any additional slippage.

Robert Oglesby: We may want to time our report to the full Board in order to have that input because this could be significant.

David Asti: You want this information to finalize the report for this year is that correct?

Robert Oglesby: Yes, it seems to me. It seems to me a big deal. Last thing, Dennis or NRG, I want to ask about the Carlsbad-Encina situation, along the same line, we have in the Report itself there are references to some degree of slippage, perhaps the first quarter, perhaps more for the NRG plant. We have the same question there is a pending litigation and timeframe for resolution of some of those questions. It may be a bigger deal than before if the San Diego area has constraints because of what happens to Aliso Canyon going forth.

Dennis Peters: The latest information from our studies suggests, is that the first online date is first quarter, summer 2018. It's with the appeals court and I think the briefs have been filed. I'm not sure when this is due. If CPUC where here they might know the exact date or maybe NRG knows?

Robert Oglesby: Is someone from NRG here? That's another variable, if it's imminent or not when we have the final. We have two things that could change the perspective on the need for extensions depending on how they fall. Those are all the questions I have. Thank you

Eric Oppenheimer: Are there any other questions from the committee? Do we have public comments on this item or any other item? -NONE.

Jenn Eckerle: Ocean Policy Analyst with Natural Resource Defense Council, along with our colleagues and environmental community including California Coastal Keepers Alliance, we have been involved and following the OTC Policy. We've prepared these comments based on the Draft 2016 SACCWIS. We have some questions and concerns regarding the data presented in the report regarding actual water flow for the OTC facilities. The flow information is very important for the State Water Board as they are currently in the process on how to implement the provisions of Section 2(c) of the Policy, regarding the interim mitigation measures after October 1, 2015.

- The Draft Report states that flow data is sourced from the Federal EPA database; however, in some instances the numbers are considerably different from what State Water Board staff previously shared publicly through the states' California Integrated Water Quality System (CIWQS) database. We ask that a consistent set of data be provided for our purposes related to OTC implementation and that the most appropriate source for accurate information be determined.
- We ask that facilities be required to report actual flow data directly to the State Water Board as part of the reporting requirements on the status of their implementation plans and that data be made readily available to the public.
- The Draft 2016 SACCWIS Report states that the closure and retirement of San Onofre Nuclear Generating Station (SONGS) in 2012 has accelerated aggregate reduction in ocean water intake flows so much that even several limited compliance date deferrals of fossil fuel OTC facilities would mean ocean water usage reductions faster than contemplated by the compliance dates of the adopted OTC-Policy.
- While SONGS is no longer withdrawing water to generate electricity, it is withdrawing water through the intake system to cool the plant and is still impacting the marine environment. This plant is still part of the National Pollutant Discharge Elimination System (NPDES) permitting system for its impacts of water intake. Reducing the intake for San Onofre does not lessen the negative impact on the aquatic environment in the close to 1,100 miles of California's coastline and should not be used as an excuse to defer compliance of other OTC plants. The Draft Report states that the retirement of SONGS and the other OTC facilities well before their compliance date has create accelerated environmental benefits to the policy itself. We have concerns about the

characterization about these accelerated benefits, since the purpose of the OTC Policy was to phase out the environmentally devastating impacts of OTC as quickly as possible. The compliance dates were set to ensure grid reliability, these dates were set as a ceiling not to exceed. The OTC-Policy specifically states that OTC facilities should comply as soon as possible, but no later than the compliance dates. Suggesting that compliance prior to the deadline somehow accelerates the environmental benefit beyond what is contemplated in the OTC-Policy is misleading because the Policy itself requires compliance as soon as possible.

Eric Oppenheimer: Staff do you want to address any questions regarding the data availability.

Mariela Carpio-Obeso: The data from the flow was given, as she mentioned, from the EPA flow data and we have the assistance from Renan Jauregui from the NPDES Unit. Did you want to say something about the flows?

Renan Jauregui: Renan Jauregui State Water Board Division of Water Quality. The data that we had available in the database system is not accurate, the best accurate data was found in US EPA's which is exactly the proper data that was submitted. Some of the data that we have in the State Water Boards database was not able to be properly transmitted, but it is supposed to be the same information. We feel that the data submitted by the EPA and dischargers is accurate. The confusion was that we originally provided data from our data base that did not have every single value and was not electronically submitted properly. The data from US EPA is accurate; we can confirm that and ask the dischargers to confirm as well. When they submit those reports they are certifying that the data is accurate.

Eric Oppenheimer: Part of the question was making sure that the data that's publically available is the same data that we are basing decisions on. Do we have a plan to resolve the inconsistency with our own data bases?

Renan Jauregui: We contacted the Office of Information Management and Analysis (OIMA) to make sure that they contact the Regional Boards so they have proper submittal of the data. Some of those issues had to do with the electronic submittal and I think that either the dischargers were not properly submitting or the Regional Boards had not properly flagged it to be electronically submitted. We had hard copies as oppose to electronic versions of the data.

Cy Oggins: Before the SACCWIS gives the report to the State Board do we have the ability to confirm the data that we have here so that we can include in the report the fact that we've made the effort to check the data?

Renan Jauregui: The data that we have in the report is data that went to the EPA from the individual power plants. That data is available to the public through EPA's system. So in essence those values are correct.

Cy Oggins: I just want to make sure that when the SACCWIS gives its report to the State Board that we state that we have double checked the data and the data provided here, that we've based our recommendations on for this report is correct.

Renan Jauregui: We agree to do that.

Neil Millar (To Jenn Eckerle): I want to clarify I did note on page 5 of the report there's a reference to creating accelerated environmental benefits compared to the OTC-Policy itself and one of your concerns is that the Policy says it's supposed to be as soon as possible. Should that reference instead say when compared to the original compliance schedule? Or the expectations of the original compliance schedule?

Jenn Eckerle: Potentially yes. I think the point is that we don't want to say that the accelerated benefits in one area would alleviate the need to meet the compliance deadlines for other plants in other parts of the state.

Neil Millar: It seemed like the reference to the OTC-Policy itself and the original OTC-Policy did not stipulate the compliance requirements that came later. Would that adjustment to the expectations in the original compliance schedule partially address that concern? It sounds it might.

Jenn Eckerle: Yeah.

Neil Millar: You mentioned referring to the SONGS early retirement as an excuse to delay other plants. Are there any references or any material or comments in the report that suggest that? That's a concern because I hadn't seen any reference to rationalizing extensions to other plants.

Jenn Eckerle: I don't think that assumption was explicit we were just concerned that line could be drawn.

Neil Millar: I just wanted to be clear if there was something in the report that lead you to that conclusion. I'm wondering if a minor edit to the report would address one of the concerns?

Mike Jaske: On page 5, 7th line it says "compared to the OTC-Policy itself"; if it said "compared to the original OTC Compliance schedule" it might state the facts more clearly.

Neil Millar: That would take care of the concern.

Eric Oppenheimer (To Marleigh Wood): Did you capture that?

Marleigh Wood: Yes.

Eric Oppenheimer: Are there any other questions before we move on? -NONE.
The next item on the agenda is a presentation by Katherine Rubin with Los Angeles Department of Water and Power (LADWP) on the 2015 Grid Reliability Report.

4. Los Angeles Department of Water and Power (LADWP) on the 2015 Grid Reliability Report:

Katherine Rubin: I'm here because I oversee policy development, regulatory permitting and compliance, but the two people presenting are Kenneth Silver and Jon Dennis.

Kenneth Silver: Review of the information in the LADWP 2015 Grid Reliability Report.

Jon Dennis: Review of charts to explain integrated resource plan that illustrates LADWP Update 2015 grid reliability report summary.

Conclusion: Los Angeles Department of Water and Power (LADWP) on the 2015 Grid Reliability Report:

Jon Dennis: The repowering projects driving this 2015 Grid Reliability Report are important aspects of a transformation that begin with our renewable portfolio standard. Over the next 15 years LA will replace over 70 percent of its existing power supply to reduce the environmental impacts and achieve the 50% Renewables Portfolio Standards target by 2030 as mandated in Senate Bill 350 of the Clean Energy and Pollution Reduction Act.

Eric Oppenheimer: Questions from the committee? Public comments on this item?
-NONE.

5. ISO Reliability Report:

Dennis Peters: The Policy requires that ISO and LA submit a Reliability Report by December 31st of each year. The ISO complied with that requirement by submitting on December 30th of 2015. Two links to those reports are posted on our public website and the Water Board's website. The 2016 Local Capacity Technical Analysis which was completed in May of 2015 is essentially a study of the local capacity requirements that are needed in each of the ten local capacity areas. We posted our 2014-2015 Transmission Plan; this process results in a report that is approved by our Board in the March timeframe. The 2014-2015 report would have been approved in March of 2015. That was submitted as well.

Eric Oppenheimer: Questions? Any public comments on the ISO Reliability Report?
-NONE.

6. Draft 2016 SACCWIS Report to the State Water Board and designating a SACCWIS representative to present the 2016 SACCWIS Report to the State Water Board:

Eric Oppenheimer: Mr. Oglesby, you described some questions regarding some future scenarios that could play out and could require later requests to modify the OTC schedule. Are those concerns that would affect approval of the Draft Report?

Robert Oglesby: During the report we just received there are a couple of things pending that look like we will have some clarity on in the near future. They are pretty significant items, one of them is the Mesa Loop-in and the other is the litigation related to Carlsbad. The report before us now is optimistic and recommends no changes in the schedule. Perhaps, we present this report before the Board soon with a qualification that we may need to return if things change. Alternatively, if the cue up for the Water Board is a little bit down the road, we may want to see if there are circumstances or changes in the proceedings that want us to revisit the report that we've heard today.

Neil Millar: I'm not quite sure I agree that the report is actually optimistic because there are two issues identified that could result in extensions being necessary. I wouldn't want to characterize that as we don't see there will be a need just that we don't have the basis for requesting an extension at this time and these are two issues that need to be monitored. I'm fine either way; presenting an earlier report qualifying those issues and indicating that we could be back depending on what happens with those two mitigations. I think these issues would need to be emphasized even if the report was presented early. My natural inclination is to avoid delaying an update pending future information because that could result in delays until we have some clarity on things that might not really firm up that quickly. I believe we need to properly qualify these issues in that's there's a real risk in our views that a compliance extension could be required and that it's more of a case of us not having the basis to request an extension as oppose to not thinking that any extension is necessary.

Robert Oglesby: I completely agree with these points. I think the circumstance I'd want to avoid would be calendaring an item before the full Water Board that takes up this report with the intention to present the concerns that are contained in the report and then in the interim having something happen. So I think we could proceed down that line with that caveat. Perhaps we should go forward with the acknowledgement that even if it's scheduled on the full Boards' agenda we may need to make a course correction if decisions come out in the interim?

Neil Millar: I'd be comfortable with that.

Eric Oppenheimer: Question for Counsel. Is there a requirement in terms of timing when this needs to go to the full Board or is there a typical timing; maybe not a legal requirement?

Marieigh Wood: The way the Policy is written, the SACCWIS is required to report to the Board annually. I believe the date is March 31st of each year. We've had a little bit of slippage in terms of we've been late a couple of years in a row. We've been looking at adopting a report each year by March 31st if possible, again its April 18th so we haven't done it yet this year but we are trying to stay on track. I don't believe that you would

want to wait until the situation firms up to adopt a report. I understand that the issue is maybe the scenario changes before the SACCWIS representative can report to the Board. It's perfectly fair to add in any new information that comes up in that time and express the intent that the SACCWIS will meet again, is keeping an eye on these things, and will supplement the report when the information is available.

Eric Oppenheimer: Do we have this tentatively scheduled or targeted for a Board meeting date?

Rik Rasmussen: It would probably be late summer. It just all depends on how much water fix hearings impact the Board's schedule.

Eric Oppenheimer: And this group meets quarterly?

Marieigh Wood: No, the Policy directs the group to meet at least annually. The Inter-Agency Work Group which is a staff level group associated meets regularly, I understand at least once a month if not more.

Eric Oppenheimer: It may be helpful to get an update on the scheduling and a little more precision as Mr. Oglesby put it on the two pending items that could influence the larger schedule. Is there a vehicle to do that? Would that be helpful or is that not helpful?

Robert Oglesby: It seems that there is a desire to adopt this report today based on the information that we have in front of us. It seems to me though given the calendaring of the full Board meeting and the likely timing of a couple key decisions we may want to ask the IAWG to monitor those two things and report back to and then if necessary reconvene the SACCWIS to consider the information and whether it would be appropriate at that point to modify the recommendation related to keeping on track or changing the schedule.

Eric Oppenheimer: Sounds like a good path forward, so is there a technical way we would make that happen?

Marieigh Wood: If the IAWG identifies issues that are salient to SACCWIS recommendations that would necessitate the SACCWIS to meet.

Eric Oppenheimer: What Mr. Oglesby suggested was a report back of the IAWG on the status of those two items and then we could determine at that point if an interim meeting of the committee was needed.

Robert Oglesby: Yes

Eric Oppenheimer: Question, comment?

Cy Oggins: I'm not comfortable approving any kind of extension without seeing a detailed staff report. I think for the public as well.

Eric Oppenheimer: I don't think that it would be an approval of an extension. It would just be more information on the schedule time line on the Mesa Loop-in.

Robert Oglesby: Mesa Loop-in as well as the litigation of Carlsbad because these could affect reliability and we would have that conversation at that time.

Eric Oppenheimer: Can we request six months? Is that a reasonable timeline for an update on the schedule, more information, and more precision?

Robert Oglesby: I would ask the IAWG to monitor those two decisions and report back after those two proceedings are concluded. At that point we will have a better idea of whether to reconvene and reassess.

Marieigh Wood: As Rik is pointing out to me the Draft Report basically says that will happen.

Neil Millar: Would it be reasonable to target a meeting at least a month prior to the presentation of the report and recommendations?

Robert Oglesby: Yes, based the calendar of the Board, since you're saying later summer, a great deal would be known at least about the Mesa Loop-in as even in a month.

Eric Oppenheimer: So there's a recommendation to actually convene this group again?

Robert Oglesby: My point would be to hear from the IAWG and then we decide whether we should meet again or stay the current course.

Rik Rasmussen: In both scenarios there's still time if extensions are needed for those plants as pointed out in the report. We wouldn't necessarily have to start that process in the next two months. We do have time before we would need to recommend to our Board that an extension would happen. Roughly, it would be 2018 when we would need to start that process at the latest.

Marieigh Wood: I want to point out that there are no restrictions on how often this group meets. The restrictions we were talking about are reporting to the State Water Board are related to their heavy calendar coming up for the summer months for the drought related issues. The only restriction on this group is the Bagley Keene 10 day notice.

Eric Oppenheimer: That update that we've been discussing won't actually flow from this report?

Marieigh Wood: The IAWG to my knowledge is always monitoring everything that is going on and the Draft Report you see here is just an expression of what they see on the ground right now, taking into account the entire picture.

Mike Jaske: On page 29 of the Draft Report, the very last sentence of that page states that SACCWIS intends to provide a supplemental report to the Board this year. The sense of the IAWG was that these uncertainties would lead to at least another meeting of SACCWIS to present our technical conclusions and for you likely to supplement this report.

Action Items:

Approval of 2016 SACCWIS Report and Representative:

Eric Oppenheimer: So before any other discussion on the report itself, and adoption, and before we entertain a motion on the report we need to designate a representative. Mr. Oglesby, I believe that you presented to the Board last year; any volunteers for this year? Mr. Oglesby, would you like to do it again?

Robert Oglesby: I do not have any problem to do it again.

Eric Oppenheimer: In the report there was one modification that we talked about on page 5 line 7. You want to read it? We want to ensure we are in agreement.

Marieigh Wood: On page 5 the single paragraph the statement that continues “thus creating accelerated environmental benefits compared to the OTC-Policy itself” delete “OTC- Policy itself” and substitute “original compliance schedule”.

Eric Oppenheimer: Do we have a motion to approve the Draft SACCWIS Report to the State Water Board and designate Mr. Oglesby as the SACCWIS representative?

Neil Millar: Motion.

Cy Oggins: Second.

Eric Oppenheimer: All in favor?

Vote:

4 In favor.

0 Opposed.

0 Abstain.

Eric Oppenheimer: Motion carries.

Eric Oppenheimer: Are there any public comments on any other issue? Anything else from the committee before we close out? -NONE.

Adjourn