



Ormond Beach Generating Station
6635 S. Edison Drive
Oxnard, CA 93033

October 29, 2018

Ms. Eileen Sobeck
Executive Director
State Water Resources Board
Division of Water Quality, 15th Floor
1001 I Street
Sacramento, CA 95814

Re: Grid Reliability Information Request for Ormond Beach Generating Station

Dear Ms. Sobeck,

NRG California South LP ("GenOn"), owner and operator of the Ormond Beach Generating Station (OBGS), submits this response to the State Water Resources Control Board's (SWRCB) September 12, 2018 request for the most current information for OBGS pursuant to the Use of Coastal and Estuarine Water for Power Plant Cooling (Policy) and California Water Code §13383. OBGS previously reported the future compliance mechanisms to the SWRCB in letters submitted on November 7, 2013, February 12, 2016, May 6, 2016, January 4, 2017, and January 19, 2018. SWRBC summarized the status of OBGS as follows:

Attachment A – Grid Reliability Information Request Questions

ORMOND BEACH GENERATING STATION

The State Water Board's current understanding of the proposed path for compliance with the OTC Policy for each OTC unit at Ormond Beach Generating Station is:

The final OTC Policy compliance date for Ormond Beach Unit 1 (741 megawatts [MW]) and Unit 2 (775 MW) is December 31, 2020. In February 2018, NRG notified the California Public Utilities Commission (CPUC) of its intent to shut down and retire Ormond Beach ahead of schedule (October 1, 2018). However, the California Independent System Operator's (CAISO) 2019 Local Capacity Technical Analysis Final Report¹ (released May 15, 2018) identifies that at least one Ormond Beach unit is needed to meet "local capacity requirements" for reliable operation of the local transmission system due to load increase. Moreover, the reliability need cannot be addressed with other alternatives in time to meet the 2019 calendar year. CPUC is pursuing a Resource Adequacy (RA) contract with Southern California Edison (SCE). On July 26, 2018, the CAISO Board of Governors authorized one unit at Ormond Beach for reliability must-run (RMR) designation. If SCE does not procure one of the Ormond Beach units under its RA solicitation, CAISO will pursue an RMR contract. The need for one Ormond Beach unit will be mitigated after the Moorpark-Pardee #4 230 kV transmission project is in service, currently scheduled for December 31, 2020.

The questions posed, and responses are provided are provided below:

1. *Has any of the above information changed? If so, please provide corrected information.*

GenOn currently intends to retire OBGS by the OTC compliance deadline of December 31, 2020 and does not expect to continue to operate OBGS beyond the OTC compliance deadline.

By letter dated February 28, 2018, "Notice of Amendment to Schedule 1 of the Participating Generator Agreement and Meter Service Agreement and Notice of Change in Long-Term Status for Ormond Beach", GenOn had provided notice to the California Independent System Operator that it intended to cease operations at OBGS as of October 1, 2018. That notice was withdrawn on September 28, 2018 by submittal of "Withdrawal of Notice of Amendment to Schedule 1 of the Participating Generator Agreement and Meter Service Agreement and Notice of Change in Long-Term Status for Ormond Beach." GenOn no longer intends to retire the generating facility prior to December 31, 2020. The facility is subject to the Bilateral Resource Adequacy Capacity Agreements to Meet Local Area Reliability Needs in 2019 Pursuant to D.18-06-030 for which Advice Letter 3854-E was approved by the Public Utilities Commission of the State of California on September 26, 2018.

2. *Is there any other information that the State Water Board should be made aware?*

There is no other information that the SWRCB should be made aware.

Please note that NRG no longer provides operational support for OBGS. Accordingly, future correspondence should be addressed to:

Thomas Di Ciolli
Ormond Beach Generating Station
6635 S. Edison Drive
Oxnard, CA 93033

If you have any questions or comments, please do not hesitate to contact me at (805) 986-7241 or Thomas.Diciolli@genon.com.

Sincerely,



Thomas Di Ciolli
Plant Manager