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JARED BLUMENFELD SECRETARY FOR ENVIRONMENTAL PROTECTION

State Water Resources Control Board

- TO: Wade Crowfoot Secretary for Natural Resources California Natural Resources Agency 715 P Street, 20th Floor Sacramento, CA 95814
- FROM: Karen Mogus fundation Deputy Director, Division of Water Quality STATE WATER RESOURCES CONTROL BOARD P.O. Box 100 Sacramento, CA 95812-0100
- DATE: January 4, 2022
- **SUBJECT**: TRANSMITTAL OF NOTICE OF DECISION FOR AN AMENDMENT TO THE WATER QUALITY CONTROL POLICY ON THE USE OF COASTAL AND ESTUARINE WATERS FOR POWER PLANT COOLING

By transmitting this memorandum, the State Water Resources Control Board (State Water Board) is hereby filing the Notice of Decision for an amendment to the Water Quality Control Policy on the Use of Coastal and Estuarine Waters for Power Plant Cooling (Once-Through Cooling or OTC Policy). The State Water Board adopted the amendment to the OTC Policy on October 19, 2021, under Resolution No. 2021-0048. The amendment extended the compliance date for Redondo Beach Generation Station Units 5, 6, and 8 to December 31, 2023, to address statewide grid reliability concerns. The amendment to the OTC Policy was approved by the Office of Administrative Law on December 23, 2021.

The State Water Board's planning process has been certified as "functionally equivalent" under section 21080.5 of the California Environmental Quality Act (CEQA). Completion of the CEQA process involves the submittal of CEQA document filing fees with the Department of Fish and Wildlife and subsequent filing of a Notice of Decision (rather than a Notice of Determination) with the California Natural Resources Agency. The California Code of Regulations, Title 14, section 753.5(e)(3) Collection Procedures for County Clerks, states the following:

E. JOAQUIN ESQUIVEL, CHAIR | EILEEN SOBECK, EXECUTIVE DIRECTOR

1001 | Street, Sacramento, CA 95814 | Mailing Address: P.O. Box 100, Sacramento, CA 95812-0100 | www.waterboards.ca.gov

"Only one fee shall be paid per project unless the project is tiered or phased, or separate environmental documents are required (Fish and Game Code section 711.4(g))...Only one fee is required when an existing certified EIR is used for multiple project approvals that would result in no additional effect to fish and wildlife".

Through the adoption of Resolution No. 2021-0048, the State Water Board approved and adopted an addendum to the 2010 Substitute Environmental Documentation, which was adopted with the OTC Policy on May 4, 2010. The addendum explains why changes to the OTC Policy do not lead to new significant environmental effects or a substantial increase in the severity of previously identified environmental effects.

Section 753.5(e)(4) also states:

"In the event a project requires multiple notices of determination by lead and/or responsible agencies, the fee shall be paid at or before the time the lead agency files the first notice of determination. Upon payment, the applicant shall retain the receipt for presentation to any additional agencies whose approval may be required. A copy of that receipt shall be attached to any additional notices of determination that may be required for the same project. The copy shall suffice as documentation that the fee was paid."

Therefore, attached are the Environmental Filing Fee Cash Receipt of the CEQA filing for the OTC Policy adoption dated October 1, 2010, and the Notices of Decision for amendments to the OTC Policy dated 2012, 2014, 2016, 2017 and 2020, in order to demonstrate that payment has already been made for the project determinations.

The attached Notice of Decision for State Water Board Resolution No. 2021-0048 is hereby filed with the California Natural Resources Agency.

Please send back one copy of the Notice of Decision as notification that this item has been posted and filed.

If you have any questions regarding this submittal, please contact Katherine Walsh, Supervisor of the Ocean Standards Unit, at (916) 445-2317 or Katherine.Walsh@waterboards.ca.gov.

Attachments:

- 1. Notice of Decision
- 2. Environmental Filing Fee Cash Receipt (October 1, 2010)
- 3. Filed Notice of Decision (2010)
- 4. Environmental Filing Fee Cash Receipt (May 10, 2012)
- 5. Filed Notice of Decision (2012)
- 6. Filed Notice of Decision (2014)

- 7. Filed Notice of Decision (2016)
- 8. File Notice of Decision (2017)
- 9. Filed Notice of Decision (2020)
- 10. OAL Approval (December 23, 2021)
- 11. Resolution No. 2021-0048
- 12. Concise Summary of Regulatory Provisions

- TO: Wade Crowfoot Secretary for Natural Resources California Natural Resources Agency 715 P Street, 20th Floor Sacramento, CA 95814
- FROM: Karen Mogus Deputy Director, Division of Water Quality STATE WATER RESOURCES CONTROL BOARD P.O. Box 100 Sacramento, CA 95812-0100
- DATE: January 4, 2022
- **SUBJECT:** FILING OF NOTICE OF DECISION IN COMPLIANCE WITH SECTION 21080.5 OF THE PUBLIC RESOURCES CODE
- **PROJECT TITLE:** Amendment to the Water Quality Control Policy on the Use of Coastal and Estuarine Waters for Power Plant Cooling
- **LOCATION**: California Coastal and Estuarine Areas
- **DESCRIPTION:** On October 19, 2021, the State Water Resources Control Board (State Water Board) adopted Resolution No. 2021-0048 amending the Water Quality Control Policy on the Use of Coastal and Estuarine Water for Power Plant Cooling (Once-Through Cooling or OTC Policy) to extend the compliance date for Redondo Beach Generation Station Units 5, 6, and 8 to December 31, 2023, to address statewide grid reliability concerns.
- CONTACT PERSON: Katherine Walsh, (916) 445-2317 or Katherine.Walsh@waterboards.ca.gov

This Notice of Decision is to advise that the State Water Board has determined that Resolution No. 2021-0048, adopted on October 19, 2021, has been fully approved. The amendment was approved by the California Office of Administrative Law on December 23, 2021.

The State Water Board has made the following determinations regarding the abovereferenced project:

- 1. An Addendum to the final Substitute Environmental Document (SED) approved on May 4, 2010, was prepared and approved for this project pursuant to the provisions of the California Environmental Quality Act (CEQA).
- 2. The Addendum to the final SED concluded that the modifications to the proposed project would not lead to new significant environmental effects or a substantial increase in the severity of previously identified environmental effects.
- 3. A statement of overriding considerations was not adopted for this project.
- 4. No new findings were made pursuant to the provisions of CEQA.

The Addendum to the final SED, supporting documentation, and record of project approval is available to the general public at the State Water Board's office at 1001 I Street, Sacramento, CA 95814.

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Karen Mogus, Deputy Director Division of Water Quality State Water Resources Control Board

1/4/2022

Date

Date Received for filing:

Attachment 2



State of California—The Resources Agency DEPARTMENT OF FISH AND GAME 2010 ENVIRONMENTAL FILING FEE CASH RECEIPT

RECEIPT#

STATE CLEARING HOUSE# (#applicable)

SEE INSTRUCTIONS ON REVERSE. TYPE OR PRINT CLEARLY			DATE
State Water Resources Control Board	October 1, 2010		
COUNTY/STATEAGENCY OF FILING Sacramento			DOCUMENTNUMBER
PROJECTTITLE			
Water Quality Control Policy on the Use of Coastal and E	stuarine Waters for Power	Plant Cooling	
PROJECTAPPLICANT NAME State Water Resources Control Board		•	PHONENUMBER
PROJECTAPPLICANTADDRESS	CITY	STATE	(916) 341-5582 ZIP CODE
1001 1 Street, 15th floor	Sacramento	CA	95814
PROJECT APPLICANT (Check appropriate box):			
Local Public Agency C School District	D Other Special District	State Agenc	y 🛄 Private Entity .
	4		<u>.</u>
CHECK APPLICABLE FEES:		\$2,792.25	s \$0.00
			Y
Negative Declaration (ND)(MND)		\$2,010.25	\$ \$0.00
Application Fee Water Diversion (State Water Resources Control Board Only)		\$860.00	
Projects Subject to Certified Regulatory Programs (CRP)		\$949,50	\$ \$949.50
County Administrative Fee		\$50.00	\$\$0.00
Project that is exempt from fees	•		22 22
Notice of Exemption	ě.	10	<i>i</i> :
DFG No Effect Determination (Form Attached)		*	
Other			s
PAYMENT METHOD:			· · · · · · · · · · · · · · · · · · ·
🗋 Cash 🗍 Credit 🗹 Check 🗔 Other		TOTAL RECEIVED	\$ \$949.60
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	•	of Fi	sh + Gamp
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Resources Agency of California

FG 753.5a (Rev, 10/09)

- TO: Lester Snow Secretary for Resources Resources Agency 1416 Ninth Street, Suite 1311 Sacramento, California 95814
- FROM: State Water Resources Control Board (State Water Board) 1001 | Street, Sacramento, CA 95814
- **SUBJECT:** Filing of Notice of Decision in compliance with section 21080.5 of the Public Resources Code

PROJECT TITLE: Water Quality Control Policy on the Use of Coastal and Estuarine Waters for Power Plant Cooling

- LOCATION: California Coastal and Estuarine Areas
- **DESCRIPTION:** State Water Board Resolution No. 2010-0020 (see Attachment A) establishes uniform, technology-based standards to implement federal Clean Water Act section 316(b), which requires that the location, design, construction, and capacity of cooling water intake structures reflect the best technology available for minimizing adverse environmental impact.

CONTACT PERSON:

Joanna Jensen at (916) 341-5582 (email: jjensen@waterboards.ca.gov)

This Notice of Decision is to advise that the State Water Board has determined that Resolution No. 2010-0020, adopted on May 4, 2010, has been fully approved. The amendment was approved by the California Office of Administrative Law on September 27, 2010 (see Attachment B for the approval letter).

The State Water Board has made the following determinations regarding the abovereferenced project:

- The State Water Board found that the project would have a less than significant effect on the environment, if mitigated, after evaluating impacts, alternatives and mitigation measures (see Attachment C for the CEQA Checklist).
- 2. A substitute equivalent document was prepared for this project pursuant to the provisions of CEQA (see the State Water Board's web page at http://www.waterboards.ca.gov/water-issues/programs/npdes/cwa316.shtml).
- 3. A statement of overriding considerations was not adopted for this project.
- 4. Findings were made pursuant to the provisions of CEQA.

Attachment 3

Notice of Decision

This is to certify that the final environmental document, with comments and responses and record of project approval, is available to the general public at the State Water Board's office at 1001 I Street, Sacramento, CA 95814.

puller

10/1/10

Date

Vicky Whitney Deputy Director Division of Water Quality State Water Resources Control Board

Date received for filing:



2 copies - Project Applicant, DFG/ASB

FROM:

Sacramento, CA 95814 State Water Resources Control Board P.O. Box 100 Sacramento, CA 95812-0100

1416 Ninth Street, Suite 1311

California Secretary for Natural Resources California Natural Resources Agency

SUBJECT:

Filing of Notice of Decision in compliance with section 21080.5 of the Public Resources Code

PROJECT TITLE: Amendment to the Water Quality Control Policy on the Use of Coastal and Estuarine Waters for Power Plant Cooling

LOCATION: California Coastal and Estuarine Areas

Mr. John Laird

DESCRIPTION:

State Water Board Resolution No. 2011-0033 amended deadlines for the Los Angeles Department of Water and Power to comply with the implementation schedule in the Statewide Water Quality Control Policy on the Use of Coastal and Estuarine Waters for Power Plant Cooling (policy). The amendment to the Policy also requires specified fossil-fueled power plants that are not able to comply by December 31, 2022 to install devices by December 31, 2020 that will minimize environmental impacts caused by once through cooling.

CONTACT PERSON:

Shuka Rastegarpour (916) 341-5576 (srastegarpour@waterboards.ca.gov)

This Notice of Decision is to advise that the State Water Board has determined that Resolution No. 2011-0033, adopted on July 19, 2011, has been fully approved. The amendment was approved by the California Office of Administrative Law on March 12, 2012 (see Attachment B for the approval letter).

The State Water Board has made the following determinations regarding the above-referenced project:

 The State Water Board found that the project would have a less than significant effect on the environment, if mitigated, after evaluating impacts, alternatives and mitigation measures.

TO:

- 2. A substitute equivalent document was prepared for this project pursuant to the provisions of CEQA (see the State Water Board's web page at <u>http://www.waterboards.ca.gov/water_issues/programs/npdes/cwa316.shtml</u>).
- 3. The Policy Amendment incorporates mitigation measures that will reduce any adverse frects on the environment to an insignificant level.
- 4. A statement of overriding considerations was not adopted for this project.
- 5. Findings were made pursuant to the provisions of CEQA.

The final environmental document, with comments and responses and record of project approval, is available to the general public at the State Water Board's office at 1001 | Street, Sacramento, CA 95814.

Ken Harris Assistant Deputy Director Division of Water Quality State Water Resources Control Board

Date received for filing:

MAY 1 7 2012

Resources Agency of California

Mr. John Laird California Secretary for Natural Resources California Natural Resources Agency 1416 Ninth Street, Suite 1311 Sacramento, CA 95814 State Water Resources Control Board FROM: P.O. Box 100 Sacramento, CA 95812-0100 Filing of Notice of Decision in compliance with section 21080.5 SUBJECT: of the Public Resources Code Amendment to the Water Quality Control Policy on the Use of Coastal **PROJECT TITLE:** and Estuarine Waters for Power Plant Cooling California Coastal and Estuarine Areas LOCATION: State Water Resources Control Board (State Water Board) Resolution **DESCRIPTION:** No. 2013-0018 amended the responsibility of National Pollutant Discharge Elimination System Permit issuance for existing power plants. and the review of impingement and entrainment studies for purposes of Track 2 compliance, to the Regional Water Boards. The proposed project constitutes a minor change to the previously adopted Policy and the changes do not trigger any conditions identified in title 14, California Code of Regulations, section 15162.

CONTACT PERSON:

Ms. Shuka Rastegarpour (916) 341-5576 (srastegarpour@waterboards.ca.gov)

This Notice of Decision is to advise that the State Water Board has determined that Resolution No. 2013-0018, adopted on June 18, 2013, has been fully approved. The amendment was approved by the California Office of Administrative Law on February 27, 2014.

The State Water Board has made the following determinations regarding the above-referenced project:

- 1. An Addendum to the final Substitute Environmental Documentation (SED) approved on May 4, 2010 was prepared and approved for this project pursuant to the provisions of California Environmental Quality Act (CEQA).
- 2. The Addendum to the final SED concluded that the modifications to the proposed project would not lead to new significant environmental effects or a substantial increase in the severity of previously identified environmental effects.
- 3. A statement of overriding considerations was not adopted for this project.
- 4. No new findings were made pursuant to the provisions of CEQA.

TO:

The addendum to the final SED, supporting documentation and record of project approval, is available to the general public at the State Water Board's office at 1001 I Street, Sacramento, CA 95814.

Victoria A. Whitney, Deputy Directo Division of Water Quality State Water Resources Control Board

2/14

Date

Date received for filing:

Attachment 7

Notice of Decision

TO:	Mr. John Laird California Secretary for Natural Resources California Natural Resources Agency 1416 Ninth Street, Suite 1311 Sacramento, CA 95814
FROM:	State Water Resources Control Board P.O. Box 100 Sacramento, CA 95812-0100
SUBJECT:	Filing of Notice of Decision in compliance with section 21080.5 of the Public Resources Code
PROJECT TITLE:	Amendment to the Water Quality Control Policy on the Use of Coastal and Estuarine Waters for Power Plant Cooling
LOCATION:	California Coastal and Estuarine Areas
DESCRIPTION:	State Water Resources Control Board (State Water Board) Resolution No. 2015-0018 amended the Policy to extend the compliance deadline for Moss Landing Power Plant from December 31, 2017 to December 31, 2020. The proposed project constitutes a minor change to the previously adopted Policy and the change does not trigger any conditions identified in title 14, California Code of Regulations, section 15162.

CONTACT PERSON: Maria de la Paz Carpio-Obeso, (916) 341-5858 (MarielaPaz.Carpio-Obeso @waterboards.ca.gov)

This Notice of Decision is to advise that the State Water Board has determined that Resolution No. 2015-0018, adopted on April 7, 2015, has been fully approved. The amendment was approved by the California Office of Administrative Law on July 18, 2016.

The State Water Board has made the following determinations regarding the above-referenced project:

- 1. An Addendum to the final Substitute Environmental Documentation (SED) approved on May 4, 2010 was prepared and approved for this project pursuant to the provisions of California Environmental Quality Act (CEQA).
- The Addendum to the final SED concluded that the modifications to the proposed project would not lead to new significant environmental effects or a substantial increase in the severity of previously identified environmental effects.
- 3. A statement of overriding considerations was not adopted for this project.
- 4. No new findings were made pursuant to the provisions of CEQA.

The addendum to the final SED, supporting documentation and record of project approval, is available to the general public at the State Water Board's office at 1001 I Street, Sacramento, CA 95814.

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Karen Larsen, Deputy Director Division of Water Quality State Water Resources Control Board

10/2016

Date received for filing:

TO:	Mr. John Laird California Secretary for Natural Resources California Natural Resources Agency 1416 Ninth Street, Suite 1311 Sacramento, CA 95814
FROM:	State Water Resources Control Board P.O. Box 100 Sacramento, CA 95812-0100
SUBJECT:	Filing of Notice of Decision in compliance with section 21080.5 of the Public Resources Code
PROJECT TITLE:	Amendment to the Water Quality Control Policy on the Use of Coastal and Estuarine Waters for Power Plant Cooling
LOCATION:	California Coastal and Estuarine Areas
DESCRIPTION:	State Water Resources Control Board (State Water Board) Resolution No. 2017-0047 amended the Policy to extend the compliance deadline for Encina Power Station, Units 2-5, from December 31, 2017, to December 31, 2018. The proposed project constitutes a minor change to the previously adopted Policy and the change does not trigger any conditions identified in title 14, California Code of Regulations, section 15162.
CONTACT PERSON:	Mariela Carpio-Obeso, (916) 341-5858

CONTACT PERSON: Mariela Carpio-Obeso, (916) 341-5858 (MarielaPaz.Carpio-Obeso@waterboards.ca.gov)

This Notice of Decision is to advise that the State Water Board has determined that Resolution No. 2017-0047, adopted on August 15, 2017, has been fully approved. The amendment was approved by the California Office of Administrative Law on November 20, 2017.

The State Water Board has made the following determinations regarding the above-referenced project:

- 1. An Addendum to the final Substitute Environmental Documentation (SED) approved on May 4, 2010, was prepared and approved for this project pursuant to the provisions of California Environmental Quality Act (CEQA).
- 2. The Addendum to the final SED concluded that the modifications to the proposed project would not lead to new significant environmental effects or a substantial increase in the severity of previously identified environmental effects.
- 3. A statement of overriding considerations was not adopted for this project.
- 4. No new findings were made pursuant to the provisions of CEQA.

The addendum to the final SED, supporting documentation and record of project approval, is available to the general public at the State Water Board's office at 1001 I Street, Sacramento, CA 95814.

Karen Larsen, Deputy Director Division of Water Quality State Water Resources Control Board

1/30/2017

Date

Date received for filing:

- TO: Wade Crowfoot Secretary for Natural Resources California Natural Resources Agency 1416 Ninth Street, Suite 1311 Sacramento, CA 95814
- FROM: Karen Mogus Deputy Director, Division of Water Quality State Water Resources Control Board P.O. Box 100 Sacramento, CA 95812-0100
- **SUBJECT**: FILING OF NOTICE OF DECISION IN COMPLIANCE WITH SECTION 21080.5 OF THE PUBLIC RESOURCES CODE
- **PROJECT TITLE**: Amendment to the Water Quality Control Policy on the Use of Coastal and Estuarine Waters for Power Plant Cooling
- **LOCATION**: California Coastal and Estuarine Areas
- DESCRIPTION: On September 1, 2020, the State Water Resources Control Board (State Water Board) adopted Resolution No. 2020-0029 amending the Water Quality Control Policy on the Use of Coastal and Estuarine Water for Power Plant Cooling (Once-Through Cooling or OTC Policy) to extend the compliance dates for Alamitos Generating Station Units 3, 4, and 5 to December 31, 2023; Huntington Beach Generating Station Unit 2 to December 31, 2023; Ormond Beach Generating Station Units 1 and 2 to December 31, 2023; and Redondo Beach Generation Station Units 5, 6, and 8 to December 31, 2021, to address statewide grid reliability concerns that are projected to start summer 2021. Additionally, the amendment amended the compliance dates for Diablo Canyon Nuclear Power Plant Units 1 and 2 to conform with the Nuclear Regulatory Commission license expiration date for each unit: November 2, 2024, for Unit 1 and August 26, 2025, for Unit 2. The amendment also amended Section 3.B(5) of the OTC Policy to clarify the amendment process, Section 3.B(3) of the OTC Policy to change Los Angeles Department of Water and Power's annual grid reliability report due date from December 31 of each year to January 31 of each year, and included non-substantive changes to

improve readability and accessibility. The proposed project constitutes minor changes to the previously adopted OTC Policy and the changes do not trigger any conditions identified in title 14, California Code of Regulations, section 15162.

CONTACT PERSON: Katherine Walsh, (916) 445-2317 or Katherine.Walsh@waterboards.ca.gov

This Notice of Decision is to advise that the State Water Board has determined that Resolution No. 2020-0029, adopted on September 1, 2020, has been fully approved. The amendment was approved by the California Office of Administrative Law on November 30, 2020.

The State Water Board has made the following determinations regarding the abovereferenced project:

- 1. An Addendum to the final Substitute Environmental Document (SED) approved on May 4, 2010, was prepared and approved for this project pursuant to the provisions of the California Environmental Quality Act (CEQA).
- 2. The Addendum to the final SED concluded that the modifications to the proposed project would not lead to new significant environmental effects or a substantial increase in the severity of previously identified environmental effects.
- 3. A statement of overriding considerations was not adopted for this project.
- 4. No new findings were made pursuant to the provisions of CEQA.

The Addendum to the final SED, supporting documentation, and record of project approval is available to the general public at the State Water Board's office at 1001 I Street, Sacramento, CA 95814.

Karen Mogus, Deputy Director Division of Water Quality State Water Resources Control Board

December 22, 2020

Date

Date received for filing:

State of California Office of Administrative Law

In re: State Water Resources Control Board

Regulatory Action:

Title 23, California Code of Regulations

Amend sections: 2922

NOTICE OF APPROVAL OF REGULATORY ACTION

Government Code Section 11353

OAL Matter Number: 2021-1109-02

OAL Matter Type: Regular (S)

On October 19, 2021, the State Water Resources Control Board adopted Resolution No. 2021-0048, amending the statewide Water Quality Control Policy on the Use of Coastal and Estuarine Waters for Power Plant Cooling to extend the compliance date for Redondo Beach Generating Station Units 5, 6, and 8 from December 31, 2021 to December 31, 2023.

OAL approves this regulatory action pursuant to section 11353 of the Government Code.

Date: December 23, 2021

anna tow Thomas

Anna Thomas Attorney

For: Kenneth J. Pogue Director

Original: Eileen Sobeck, Executive Director Copy: Katherine Walsh

STATE WATER RESOURCES CONTROL BOARD RESOLUTION NO. 2021-0048

AMENDMENT TO THE WATER QUALITY CONTROL POLICY ON THE USE OF COASTAL AND ESTUARINE WATERS FOR POWER PLANT COOLING TO REVISE THE COMPLIANCE SCHEDULE FOR REDONDO BEACH GENERATING STATION

WHEREAS:

- 1. The State Water Resources Control Board ("State Water Board") is designated as the state water pollution control agency for all purposes stated in the Clean Water Act, including water quality control planning and waste discharge regulation.
- 2. The State Water Board is responsible for adopting state policy for water quality control, which may consist of water quality principles, guidelines, and objectives deemed essential for water quality control.
- On May 4, 2010, the State Water Board adopted the statewide "Water Quality Control Policy on the Use of Coastal and Estuarine Waters for Power Plant Cooling" ("Once-Through Cooling" or "OTC Policy") under <u>Resolution No. 2010-0020</u>. The Office of Administrative Law approved the OTC Policy on September 27, 2010, and the OTC Policy became effective on October 1, 2010. The OTC Policy was amended in 2011, 2013, 2015, 2017, and 2020.
- 4. The OTC Policy establishes uniform, technology-based standards to implement Clean Water Act section 316(b), which requires that the location, design, construction, and capacity of cooling water intake structures reflect the best technology available for minimizing adverse environmental impacts.
- 5. The OTC Policy applies to nine existing power plants located along the California coast, and is implemented through National Pollutant Discharge Elimination System ("NPDES") permits, issued pursuant to Clean Water Act section 402, which authorize the point source discharge of pollutants to navigable waters. The OTC Policy originally affected nineteen once-through cooling power plants, and ten of those facilities have ceased all once-through cooling operations since adoption of the OTC Policy.
- 6. The OTC Policy establishes a schedule that provides the latest compliance date for the replacement, repowering, or retirement of each remaining power plant still utilizing once-through cooling operations while accounting for potential impacts to California's electrical supply.

- 7. Section 3.A of the OTC Policy requires the owner or operator of an affected fossilfuel power plant to submit an implementation plan to the State Water Board by April 1, 2011, selecting one of two OTC Policy compliance tracks and describing the general design, construction, or operational measures to implement the compliance track. The State Water Board received implementation plans from all owners and/or operators as requested, including the implementation plan for AES-Southland, Inc. ("AES") Redondo Beach. AES plans to comply with the OTC Policy through ceasing once-through cooling operations at Redondo Beach by its compliance date.
- 8. The Statewide Advisory Committee on Cooling Water Intake Structures ("SACCWIS") is composed of representatives from the California Air Resources Board, the California Coastal Commission, the California Public Utilities Commission ("CPUC"), the California Energy Commission ("CEC"), the California State Lands Commission, the California Independent System Operator ("CAISO"), and the State Water Board. The purpose of the committee is to review implementation plans and schedules and to advise the State Water Board on OTC Policy implementation, in order to ensure that the implementation schedule takes into account local area and grid reliability, including permitting constraints.

Redondo Beach Generating Station

- 9. On September 1, 2020, the State Water Board adopted <u>Resolution No. 2020-0029</u>, in part amending the OTC Policy to extend the compliance date for Redondo Beach Generating Station ("Redondo Beach") Units 5, 6, and 8 from December 1, 2020, through December 1, 2021, to support local and system-wide grid reliability.
- 10. Large portions of the western United States experienced extreme and prolonged heat conditions from August 14 through 19, 2020, impacting the demand for and supply of electric generation. Generation resources were constrained, and imports of electricity were significantly reduced. As a result, the CAISO declared Stage 3 Emergencies on August 14 and 15, 2020, resulting in rotating but controlled blackouts of California (collectively, the August 2020 blackouts).
- 11. As a result of the August 2020 blackouts, the State Water Board recognized in <u>Resolution No. 2020-0029</u> that the CPUC, CEC, and CAISO may revise their forecasting models to account for unexpectedly high peak energy demands during widespread extreme high temperatures, and may determine a need to request additional extensions of compliance dates to maintain grid reliability and to avoid similar blackouts in the future.
- 12. The CPUC opened <u>Rulemaking (R.)20-11-003</u> on November 20, 2020, to consider a suite of actions within its authority to address potential grid reliability issues starting in summer 2021. Additionally, Governor Gavin Newsom ordered the CPUC, CEC, and CAISO to investigate and report on the root causes of the events leading to the August 2020 blackouts.

- 13. On January 13, 2021, the CPUC, CEC, and CAISO released the Final Root Cause Analysis Report. These causes of the August 2020 blackouts were primarily related to climate change-induced extreme weather conditions, availability of energy supply, and adequacy of market practices to meet associated energy demands.
- 14. As a part of CPUC R.20-11-003, the CPUC adopted <u>Decision (D.)21-02-028</u> on February 11, 2021, directing the state's three largest investor-owned utilities to seek contracts for energy capacity that will be available for the net peak demand in the summer of 2021. Building on R.20-11-003, the CPUC adopted <u>D.21-03-056</u> on March 25, 2021, to direct the state's three largest investor-owned utilities to take actions to decrease peak and net peak demand and increase peak and net peak supply in the summers of 2021 and 2022.
- 15. The CPUC in D.21-03-056 also increased the Planning Reserve Margin from 15 percent to 17.5 percent on a temporary basis in the summers of 2021 and 2022, applicable to the state's three largest investor owned utilities. This change increased the reserve for electricity capacity supply side resources during moments when the grid is experiencing stress. The CPUC modified D.21-03-056 on June 25, 2021, to clarify several programmatic elements that affected entities to which the Decision applied.
- 16. The CPUC, CEC, and CAISO conducted a comprehensive system-wide analysis, or stack analysis, to compare forecasted demand to the capacity of all existing resources and resources expected to be online in 2022. This stack analysis reflected conditions present during the August 2020 blackouts, and demonstrated that energy supply is insufficient to meet projected demand in 2022. The stack analysis incorporated a 17.5 percent Planning Reserve Margin. The stack analysis projected a 414 MW shortfall would occur during July and a 2,563 MW shortfall would occur during September 2022. With expedited procurement from CPUC, this shortfall was negated in July and reduced to 1,063 MW in September. The CPUC, CEC, and CAISO also identified a band of uncertainty that could impact grid reliability in the summer of 2023, as well as a potential 500 MW increase in net peak demand in 2023. Redondo Beach's Net Qualifying Capacity would provide approximately 834 MW to alleviate the projected shortfall in 2022 and the band of uncertainty in 2023.
- 17. On March 26, 2021, the SACCWIS met and approved the *Final 2021 Report of the* <u>SACCWIS</u>. This report assessed electric system reliability. The SACCWIS recommended the State Water Board consider extending the compliance date of Redondo Beach Units 5, 6, and 8 for two years through December 31, 2023, to help alleviate projected system-wide shortfalls during periods of high peak and net peak demand.

- 18. The Amendment to the Water Quality Control Policy on the Use of Coastal and Estuarine Waters for Power Plant Cooling to Extend the Compliance Schedule for the Redondo Beach Generating Station ("Amendment") extends the compliance date for Redondo Beach Units 5, 6, and 8 by two years from December 31, 2021, to December 31, 2023, as recommended by the SACCWIS. The amendment revises the implementation schedule for Milestone 30 of Table 1 in Section 3.E of the OTC Policy. The Amendment to the Water Quality Control Plan on the Use of Coastal and Estuarine Waters for Power Plant Cooling for Extension of the Compliance Schedule for the Redondo Beach Generating Station Staff Report ("Staff Report") includes the rationale and considerations for the extension, an addendum to the 2010 Final Substitute Environmental Documentation, and additional information to support the Amendment.
- 19. The State Water Board adopted the OTC Policy with the explicit purpose of minimizing adverse environmental impacts to marine life resulting from use of coastal and estuarine waters for power plant cooling, and the State Water Board remains committed to timely compliance with the OTC Policy by owners and operators of affected power plants. Further, the State Water Board recognizes that OTC Policy compliance dates provide certainty to communities in planning for future land use.

In adopting the OTC Policy, the State Water Board recognized that power generating facilities are part of a state-wide electrical grid and that changes in generating capacity resulting from OTC Policy compliance may have an impact on the grid and power availability, requiring long-term planning for transmission, generation, and demand resources. The OTC Policy provided a lengthy compliance schedule based upon extensive consultation with the energy agencies in order to facilitate planning for potential replacement, repowering, or retirement of affected power plants while avoiding disruption in the state's electrical supply. The OTC Policy requires compliance as soon as possible, but no later than the dates set forth in the Policy Implementation Schedule (Policy Section 2.B.(1)), providing for State Water Board consideration of suspensions or revisions of compliance dates recommended by the energy agencies "[b]ased upon the need for continued operation of an existing power plant to maintain the reliability of the electrical system" (OTC Policy section 2.B.(2), Policy Section 3.B.) Provisions for NPDES permits implementing the OTC Policy further emphasize that compliance schedule revisions recommended by the SACCWIS are those "necessary to maintain reliability of the electric system." (OTC Policy section 3.C.(1).) The OTC Policy also directs that, where the energy agencies make a unanimous recommendation for compliance date revisions based on grid reliability, the State Water Board "shall afford significant weight to the recommendation." (OTC Policy section 3.B(5).)

20. The CPUC, CEC, and CAISO unanimously voted in favor of recommending the extension to Redondo Beach's compliance date at the March 26, 2021 meeting of the SACCWIS.

- 21. On August 11, 2021, the CEC released its Preliminary 2022 Summer Supply Stack Analysis, which is intended to better inform the public about potential implications should the ongoing drought and extreme heat events persist into summer 2022. The CEC adopted a final revised version of this stack analysis on September 8, 2021. This stack analysis accounted for both average and extreme weather planning reserve margins. Results confirmed that additional capacity is needed in September 2022 under the average scenario planning reserve margin, before counting Redondo Beach's net qualifying capacity. Under the extreme weather planning reserve margin, potential energy shortfalls range from approximately 200 MW to 4,350 MW, before counting Redondo Beach's net qualifying capacity. Either planning reserve margin scenario results in projected shortfalls that further indicate Redondo Beach's capacity is needed to partially offset the shortfalls during periods of high net peak demand.
- 22. The CPUC, CEC, and CAISO may further revise their forecasting models or projections to account for stressors on the grid posed by climate change or other factors that may impact availability of peak or net peak supply and peak or net peak demand, and may determine that there is a need to request additional extensions of final compliance dates to maintain grid reliability. However, on June 30, 2021, the CPUC in D.21-06-035 did not recommend any additional extensions of OTC Policy compliance dates beyond the extension for Redondo Beach through 2023.
- 23. The State Water Board's primary responsibility and jurisdiction is to implement CWA 316(b) and ensure that the beneficial uses of the state's coastal and estuarine waters are protected. The compliance schedule revision for Redondo Beach is adopted in order to provide for grid reliability needed in the short term and should not be interpreted in any way as the State Water Board retreating from its goal of phasing out adverse environmental impacts resulting from use of coastal and estuarine waters for once-through cooling.

California Environmental Quality Act

- 24. The California Natural Resources Agency approved the State Water Board's water quality control planning process, which includes state policies for water quality control, as a certified regulatory program that adequately satisfies the California Environmental Quality Act (CEQA) requirements for preparing environmental documents (California Code of Regulations, title 23, section 3777). A substitute environmental document (SED) is used in place of an environmental impact report as CEQA environmental documentation.
- 25. The Staff Report contains the required environmental documentation under the State Water Board's CEQA regulations. The change in compliance date does not constitute a project within the meaning of CEQA. Nonetheless, the Staff Report includes an addendum to the Final SED, which was adopted with the OTC Policy on May 4, 2010. The addendum concludes that extending the compliance date does not lead to new significant environmental impacts or a substantial increase in the severity of previously identified environmental effects.

26. Consistent with CEQA, the State Water Board finds the Staff Report does not engage in speculation, but rather analyzes the project and the alternatives to the project, and concludes that the project will not result in any additional environmental impacts. This finding reflects the State Water Board's independent judgment.

Offsetting Impacts

- 27. AES, or future owners and operators of Redondo Beach, will be required to continue implementing measures to mitigate interim marine life impingement and entrainment impacts up to and until final compliance with the OTC Policy, in accordance with requirements set forth in OTC Policy Section 2.C.(3).
- 28. In a letter dated June 9, 2021, AES indicated its commitment to a voluntary environmental benefits package to enhance coastal resources in the areas affected by the power generating station in the event that the State Water Board approves the two-year compliance date extension for Redondo Beach. AES expressed its intent to provide 1.5 million dollars in grant funds for enhancement of regional wetlands projects, education and outreach in nearby disadvantaged communities and enhancement of marine facilities during the two-year period comprising the extension. Potential recipients of these grant funds include: Los Cerritos Wetlands Authority (\$1,000,000) for wetlands restoration projects within Los Cerritos Wetlands; Tree People (\$250,000) for expansion of existing programs to provide education and outreach in areas determined to be disadvantaged in South and South Central Los Angeles County; and Bolsa Chica Conservancy (\$250,000) for facility upgrades, educational programs and other activities associated with the Bolsa Chica Wetlands Project.

The voluntary payments proposed by AES are unrelated to any requirement or obligation imposed pursuant to CEQA, either by the State Water Board or Regional Water Quality Control Boards or any other public agency. The payments are also unrelated to ongoing interim mitigation requirements imposed by OTC Policy Section 2.C.(3), which are requirements that continue to apply in full until Policy compliance is achieved.

While the State Water Board finds that AES' proposed expenditures would provide value to existing coastal restoration projects and community outreach efforts, the voluntary benefits described do not affect this Board's conclusions about approving the compliance date extension. Approval of the proposed OTC Policy amendment is entirely independent of any benefit that may accrue from the voluntary environmental programs that AES agrees to fund. Nonetheless, the Board recognizes the value in AES' proposed expenditures to benefit coastal resources and expects AES to fulfill the commitments described.

Public Process

- 29. The State Water Board provided a written public comment period from June 14, 2021, through noon on July 16, 2021, consistent with state and federal public participation requirements.
- 30. The State Water Board carefully considered comments received and responded to comments. Based on the comments, the State Water Board revised the Staff Report. The responses to comments and revisions to the Staff Report do not add significant new information that is material to the State Water Board's decision or that would otherwise warrant action that is not a logical outgrowth of the proposed Amendment that was previously subject to a written comment period. Therefore, it is not necessary to afford interested persons with an additional written comment period to address the responses to comments or revisions to the Staff Report.
- 31. The State Water Board conducted a public hearing on October 19, 2021, to solicit comments regarding the proposed amendment to the OTC Policy and has reviewed and carefully considered all comments and testimony received.

Effective Date

32. The Amendment to the OTC Policy will become effective upon approval by the Office of Administrative Law.

THEREFORE BE IT RESOLVED THAT:

The State Water Board:

- 1. Approves and adopts the Staff Report and Addendum to the 2010 Final SED and directs the Executive Director or designee to transmit the Notice of Decision to the Secretary of Resources.
- 2. Adopts the Amendment to the OTC Policy to extend the compliance date for Redondo Beach Generating Station Units 5, 6, and 8 by two years from December 31, 2021, to December 31, 2023.
- 3. Authorizes the Executive Director or designee to submit the amendment to the Office of Administrative Law for review and approval.

4. If, during the approval process, State Water Board staff or the Office of Administrative Law determines that minor, non-substantive modifications to the language of the Amendment are needed for clarity or consistency, the Executive Director or designee may make such changes and shall inform the State Water Board of any such changes.

CERTIFICATION

The undersigned Clerk to the Board does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Resources Control Board held on October 19, 2021.

- AYE: Chair E. Joaquin Esquivel Vice Chair Dorene D'Adamo Board Member Sean Maguire Board Member Laurel Firestone Board Member Nichole Morgan
- NAY: None
- ABSENT: None
- ABSTAIN: None

nine Townsend

Jeanine Townsend Clerk to the Board

Concise Summary of Regulator Provisions

California Code of Regulations, Title 23, Division 3, Chapter 22:

Section 2922. Amendment to the Policy on the Use of Coastal and Estuarine Water for Power Plant Cooling

23 CCR § 2922

Cal Admin. Code tit. 23, §2922

Barclays Official California Code of Regulations TITLE 23. Waters Division 3. State Water Resources Control Board and Regional Water Quality Control Boards Chapter 22. State Policy for Water Quality Control

§ 2922 Policy on the Use of Coastal and Estuarine Waters for Power Plant Cooling.

The following is to be added to the end of § 2922:

(g) On October 19, 2021, the State Water Board amended the Water Quality Control Policy on the Use of Coastal and Estuarine Waters for Power Plant Cooling (Once-Through Cooling or OTC Policy) under Resolution No. 2021-0048.

Resolution No. 2021-0048 amended the OTC Policy to extend the compliance date for Redondo Beach Generating Station Units 5, 6, and 8 to December 31, 2023, to address statewide grid reliability concerns.