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March 29, 2016

Kerby E. Zozula
Manager, Engineering Division
Ventura County Air Pollution Control District
669 County Square Drive, 2nd Floor
Ventura, CA 93003

Subject: Application for an Authority to Construct/Determination of Compliance for the Proposed Puente Power Project (ATC No. 00013-370)

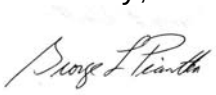
Dear Mr. Zozula:

The Puente Power Project (P3 or project) Application for an Authority to Construct (ATC)/Determination of Compliance (DOC) was submitted to the Ventura County Air Pollution Control District (VCAPCD) on March 19, 2015, and was accepted as complete on May 28, 2015. The project includes the installation of a new simple-cycle GE 7HA.01 natural gas fired combustion turbine generator (CTG). As discussed in the ATC/DOC application package, the P3 triggers the VCAPCD New Source Review (NSR) emission offset requirements for NOx emissions, and the Applicant has obtained a sufficient amount of NOx emission reduction credits (ERCs) from Southern California Edison (SCE) to cover this NOx ERC requirement.

VCAPCD Rule 26.6(F) requires that the quarterly operating profiles of the P3 be compared to the quarterly operating profiles of the SCE NOx ERCs to ensure that the minimum 80% total required by Rule 26.6(F) is achieved. The P3 is expected to be a peaking facility that will be dispatched and used only when needed for grid support requirements. Therefore, it is difficult to predict the expected number of hours the plant will actually operate. Because the P3 will replace many of the grid support activities currently being provided by Mandalay Generating Station (MGS) Units 1 and 2, the Applicant believes the quarterly operating profiles for the P3 will be similar to quarterly profiles for MGS Units 1 and 2. In the enclosed summary tables, the Applicant sets the P3 quarterly operating profiles equal to the three-year average quarterly operating profiles for MGS Units 1 and 2. This analysis is based on the actual gross electrical output for MGS Units 1 and 2. As shown in these tables, the expected quarterly operating profiles for the P3 comply with the 80% total required by Rule 26.6(F).

If you have any questions or comments, please do not hesitate to contact me at (760) 710-2156.

Sincerely,



George L. Piantka, PE
Sr. Director, Regulatory Environmental Services
NRG Energy, Inc.

Enclosures (Tables 1 and 2)

cc: CEC Dockets
Leonard Scandura, SJVAPCD
Michael J. Carroll, Latham & Watkins
Anne Connell, AECOM

Table 1
Combined Gross Output (MW-hr) for MGS Units 1 and 2 (2013 to 2015)

Quarter	Gross Output (MW-hr)
2013-Q1	42,345
2013-Q2	70,616
2013-Q3	47,538
2013-Q4	76,407
Total	236,906
2014-Q1	31,665
2014-Q2	28,688
2014-Q3	27,856
2014-Q4	69,204
Total	157,413
2015-Q1	5,781
2015-Q2	67,153
2015-Q3	137,473
2015-Q4	55,874
Total	266,281

3-Year Avg	Gross Output (MW-hr)
Q1	26,597
Q2	55,486
Q3	70,956
Q4	67,161
Total	220,200

Table 2
VCAPCD Rule 26.6(F) Quarterly Operating Profile Check for P3 NOx ERCs

Calendar Quarter	MGS Units 1 and 2 3-Year Average Combined Gross MW-hr Output	MGS Units 1 and 2 3-Year Average Quarterly Operating Profile	Expected P3 Average Quarterly Operating Profile	Quarterly Operating Profile of SCE NOx ERCs[a]	VCAPCD Rule 26.6(F) Quarterly Operating Profile Adjustment[b]	VCAPCD Rule 26.6(F) Minimum Threshold	P3 Complies with VCAPCD Rule 26.6(F)?
Q1	26,597	12.1%	12.1%	25.0%	12.1%		
Q2	55,486	25.2%	25.2%	25.0%	25.0%		
Q3	70,956	32.2%	32.2%	25.0%	25.0%		
Q4	67,161	30.5%	30.5%	25.0%	25.0%		
Total =	220,200	100.0%	100.0%	100.0%	87.1%	80%	Yes

Notes:
a. Based on SCE NOx ERCs quarterly operating profiles shown in http://www.vcapcd.org/pubs/Engineering/permits2000/Forms/ERCReport.pdf.
b. Per VCAPCD Rule 26.6(F), lower of quarterly operating profile for project vs. quarterly operating profile for ERC used for project.