

## DOCKETED

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**Ventura County Taxpayers Association**

*Additional submitted attachment is included below.*



September 13, 2017

California Energy Commission,

Dear Commissioners,

Ventura County Taxpayers Association is writing to urge you to approve the Puente Power Project.

NRG Energy Inc. is proposing to build a new power plant at its existing Mandalay Generating Station on Harbor Boulevard at the beach. The plan, called the Puente Power Project, calls for the new plant to replace two existing facilities that are required by state law to discontinue by 2020.

This proposal will boost Oxnard economic prosperity right from the start, generating over \$5 million dollars in local taxes including over a million dollars that will go directly to Oxnard, needed for local schools, police and fire departments.

The Puente Project would also bring employment. The Oxnard community, the residents and the city will benefit from \$25 million in payroll from approximately 90 new construction jobs during the demolition and construction phase of the project.

Not to be overlooked, the Puente Project will provide \$2.8 million in annual property taxes in addition to taxes the Mandalay Generating Station already pays.

But is Puente needed?

Social justice and environmental advocates as well as the City of Oxnard oppose the new gas-fired power plant. Opponents argue that the California Energy Commission (CEC) should deny application for construction on grounds Puente will be “obsolete before it is open” - assuming yet-to-be developed battery technology will be available by 2020 to store solar power.

The California Independent System Operators (CISO) which oversees maintenance of the state’s power grid, released a study suggesting if additional resources including new solar power were combined with demand response technologies (consumers reduce demand) and yet to be developed battery storage - then construction of Puente could be avoided.

The study noted the existing Mandalay facility, which owner NRG has stated is “capable of operating well into the future,” could be retrofit to comply with the 2020 standards for “closed-cycle-cooling” as a stop-gap, until alternative (solar and battery) resource solutions are available.

However those “alternative resources” will translate into even higher utility costs for ratepayers. That is because CISO estimated incremental solar resources plus grid connected battery storage are expected to cost between \$850 million and \$1.1 billion - compared to \$299 million if Puente was approved.

In additional to higher energy costs if Puente is rejected, what will happen to the old power plants? NRG has no obligation to remove either Ormond Beach or the Mandalay plant but have committed to remove both only if Puente is approved.

Without this commitment, how would Oxnard accomplish the removal? Likely the old plants would remain for decades as rusting monuments to questionable decisions, not unlike the Petrochem petroleum refinery near Ventura Avenue that was abandoned 30 years ago.

Water quality in the Channel Islands Harbor is also an oft neglected issue. It is excellent now because of the flow created by the Edison Canal. NRG has promised to work with the city to maintain flow through the canal, even after the old plant is removed. How will the city manage to do this without their help?

If Puente is not approved, Oxnard will forgo tens of millions in economic activity and \$2.8 million in annual property taxes. NRG would then make a determination if alternate cooling systems at the older Mandalay and Ormond Beach Generating Station are economically viable.

If they were deemed to be uneconomical they would be retired. The structures would remain in place until another redevelopment opportunity provided the revenue for NRG to demolish them.

Ventura County Taxpayers Association believes the Puente project is needed and we urge the CEC to approve NRG's plan. Puente will comply with stricter air and water quality standards, insure timely removal of the old plants, give attention to water quality problems in the harbor and provide a boost to the local economy.

Ron Golden,  
Chairman, Ventura County Taxpayers Association