

CALIFORNIA ENERGY COMMISSION1516 Ninth Street
Sacramento, California 95814Main website: www.energy.ca.gov

In the matter of:)	Docket No. 09-IEP-10
)	
Preparation of the 2009 Integrated Energy)	NOTICE OF COMMITTEE
Policy Report (2009 IEPR))	WORKSHOP
_____)	

Notice of Committee Workshop on Options for Maintaining Electric System Reliability When Eliminating Once-Through Cooling Power Plants

The California Energy Commission's (Energy Commission) 2009 Integrated Energy Policy Report Committee, in conjunction with representatives of the California Public Utilities Commission (CPUC) and the California Independent System Operator (California ISO), will conduct a workshop to receive input concerning a wide range of issues relating to the electric system consequences of efforts by the State Water Resources Control Board (SWRCB) to mitigate biological harm from the use of ocean water by power plants employing water intake equipment known as once-through cooling (OTC). Commissioner Jeffrey D. Byron is the Presiding Member and Vice Chair James D. Boyd is the Associate Member of the 2009 IEPR Committee. Other Commissioners may attend and participate in this workshop. In addition, Commissioners and staff from the California Public Utilities Commission may attend and participate. The workshop will be held:

MONDAY, MAY 11, 2009

10 a.m.

CALIFORNIA ENERGY COMMISSION
1516 Ninth Street
First Floor, Hearing Room A
Sacramento, California
(Wheelchair Accessible)

DOCKET
09-IEP-10
DATE _____
RECD. APR 27 2009

Remote Attendance

Webcast - Presentations and audio from this meeting will be broadcast over the Internet through Windows Media. For details, please go to www.energy.ca.gov/webcast/.

Conference Call - To participate in the meeting by phone, please call **(888) 566-5914** by 10 a.m. Passcode: **IEPR** Call Leader: **Lynette Esternon-Green**

Purpose

This workshop seeks to obtain input from various categories of stakeholders about the reliability issues associated with implementation of the OTC mitigation policies proposed by the SWRCB in its March 2008 policy document. The energy agencies support the SWRCB's long-term goal of substantial elimination of OTC, and this workshop will not provide a forum to debate this goal.

Staffs of the state's energy agencies (Energy Commission, CPUC, and the California ISO) have been engaged in discussions with SWRCB staff, and other state agencies, about specific implementation mechanisms that might simultaneously achieve the SWRCB's goal of elimination of OTC as a cooling technology while assuring system and local reliability for the state's electrical grid. To assist in advising SWRCB, the energy agencies seek input from various stakeholder categories, including:

- a. Environmental agencies with a direct role in regulating not only ocean water intake and discharge, but other environmental consequences of power plant operations;
- b. Generators and their perspectives about refitting existing power plants to comply with the proposed wet cooling tower standard proposed by SWRCB;
- c. Utilities with some influence over purchase of electricity through procurement policies and strategies, or with their own compliance concerns for power plants owned by the utility; and
- d. Environmental groups with an interest in the OTC issue or the demand-side programs or infrastructure development that might be required to mitigate OTC concerns.

Background

In its March 2008 OTC policy document, SWRCB staff proposed a shift from OTC to wet cooling towers, or the equivalent from an OTC mitigation perspective. Numerous parties commented to SWRCB in May 2008 that major capital expenditures for water intake/discharge and cooling system upgrades were cost prohibitive for old power plants. The implication is that older power plants would be retired, perhaps repowered, rather than refitted. The SWRCB has clearly communicated its awareness that retiring without capacity replacement could create reliability concerns and proposes a state-wide task force of various agencies, including those with energy expertise, to assist it in reviewing generator compliance filings so as to avoid such electric system consequences.

In some regions, developing replacement capacity might be extremely difficult. The South Coast Air Quality Management District illustrates an air quality jurisdiction within which replacing old, inefficient steam generators using OTC with modern combined

cycle generators may confront limitations on the availability of emission reduction credits through existing market or regulatory mechanisms.

Simultaneously, the development of state energy policy and the collaboration among the Energy Commission, CPUC and California Air Resources Board (CARB) to establish an AB 32 greenhouse gas (GHG) mitigation strategy raises major questions about the extent to which some existing OTC capacity might be replaced with preferred resources rather than conventional fossil power plants. Increased reliance upon energy efficiency or customer-side of the meter renewables might reduce load growth and, consequently, allow some retirement of existing OTC capacity with little or no replacement by conventional power plants. In addition, supply-side renewables might play a role in substituting for existing generating capacity in load pockets if transmission upgrades needed to interconnect to the grid and deliver to load centers were also developed.

Reliance upon development of a revised resource mix, augmented by necessary transmission system upgrades, to achieve OTC mitigation implies a much tighter coordination among the energy agencies, and with SWRCB and other environmental agencies. Proceedings of the Energy Commission, CPUC and California ISO (as well as planning decisions by other major utilities operating as their own balancing authorities) may need to have linkages strengthened and timelines accelerated in order to assure that suitable resources are developed to replace existing OTC capacity in a timely manner.

Written Comments

Written comments on the workshop topics must be submitted by 5:00 p.m. on May 25, 2009. Please include the docket number 09-IEP-10 and indicate "2009 IEPR – OTC" in the subject line or first paragraph of your comments. Please hand deliver or mail an original to:

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 09-IEP-10
1516 Ninth Street
Sacramento, CA 95814-5512

The Energy Commission encourages comments by e-mail. Please include your name or organization's in the name of the file. Those submitting comments by electronic mail should provide them in either Microsoft Word format or as a Portable Document (PDF) to [docket@energy.state.ca.us]. **One paper copy** must also be sent to the Energy Commission's Docket Unit.

Participants may also provide an original and ten copies at the beginning of the workshop. All written materials relating to this workshop will be filed with the Dockets Unit and become part of the public record in this proceeding.

Public Participation

The Energy Commission's Public Adviser's Office provides the public assistance in participating in Energy Commission activities. If you want information on how to participate in this forum, please contact Elena Miller, Public Adviser, at (916) 654-4489 or toll free at (800) 822-6228, by FAX at (916) 654-4493, or by e-mail at [PublicAdviser@energy.state.ca.us]. If you have a disability and require assistance to participate, please contact Lou Quiroz at (916) 654-5146 at least five days in advance.

Please direct all news media inquiries to the Media and Public Communications Office at (916) 654-4989, or by e-mail at [mediaoffice@energy.state.ca.us]. If you have questions on the technical subject matter of this forum, please call Michael Jaske, by phone at (916)-654-4777, or by email at [mjaske@energy.state.ca.us]. For general questions regarding the IEPR proceeding, please contact Lynette Esternon-Green, IEPR project manager, by phone at (916) 653-2728 or by e-mail at [lesterno@energy.state.ca.us].

The service list for the 2009 IEPR is handled electronically. Notices and documents for this proceeding are posted to the Energy Commission website at [www.energy.ca.gov/2009_energypolicy/index.html]. When new information is posted, an e-mail will be sent to those on the energy policy e-mail list server. We encourage those who are interested in receiving these notices to sign up for the list server through the website [www.energy.ca.gov/listservers/index.html].

Original signed by _____
JEFFREY D. BYRON
Commissioner and Presiding Member
Integrated Energy Policy Report Committee

Original signed by _____
JAMES D. BOYD
Vice Chair and Associate Member
Integrated Energy Policy Report Committee

Mail Lists: Energypolicy

Note: California Energy Commission's formal name is State Energy Resources Conservation and Development Commission.