



Assuring Reliability and OTC Mitigation

2009 Integrated Energy Policy Report Workshop

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Purpose of Workshop

- Purpose: Gather information from stakeholders to refine policies that assure electric system reliability as SWRCB implements policies to mitigate environmental harm from one-through cooling (OTC) in power plants.
- Not a purpose: Debate whether SWRCB should implement an OTC mitigation policy.



Background for Workshop

- SWRCB received comments in May 2008 that it should draw upon the expertise of the energy agencies in devising the mechanisms to assure electric reliability.
- SWRCB formed an multi-agency working group in June 2008.
- The energy agencies (CEC, CPUC, and CAISO) have been actively participating to assist SWRCB staff.



Context for Workshop

- SWRCB's March 2008 preliminary policy established wet cooling tower usage of sea water as the benchmark for OTC mitigation.
- Staff believes that installation of wet cooling towers in most older OTC plants is too expensive or infeasible.
- Most OTC plants will retire, or repower, rather than refit cooling technologies for the existing power generation equipment.



Reliability Concerns

- Assure that sufficient OTC capacity remains on line until replacement infrastructure is developed and becomes operational.
- Sufficient means that resource adequacy requirements for capacity are satisfied:
 - Total resources meet system requirements
 - Local areas meet LCR needs.
- Mix of existing and new resources continuously has the needed operational flexibility.



General Approach

- Improve analytic, planning and permitting coordination among energy agencies.
- Build upon existing processes to develop necessary information and make appropriate decisions.
- Pursue a mix of infrastructure development compatible with state's preferred resource policies, environmental licensing constraints, and GHG emission reduction goals.



Scope of Effort

- Active participation by energy agency staff in SWRCB working group since June 2008.
- Intensive discussions among energy agency technical staff to devise a common approach since September 2008.
- Multiple meetings of principals of the three energy agencies to assure approach developed by technical staff is acceptable since December 2008.



Status of Efforts

- A proposed approach has been submitted to SWRCB staff for their consideration, and for inclusion in the forthcoming OTC mitigation policy.
- Feedback from SWRCB staff is being used to adapt the initial proposal.
- Energy agencies expect SWRCB staff to accept the proposed approach.



What is Involved?

- Improved analysis of generation and non-generation options to replace OTC capacity.
- Incorporation of initial and updated analysis in decision processes.
- Pursuit of replacement infrastructure through adapted procurement proceedings at CPUC and transmission planning at CAISO.
- In addition to licensing generation proposals, CEC will focus on SCAQMD issues and evaluation of options for LADWP.



What Comes Next?

- May 11 - receive input from stakeholders that will either validate or refute various assumptions that the energy agencies have used in developing our proposal to SWRCB.
- Finalize input to SWRCB.
- Publish the implementation proposal.
- July 9 - conduct another 2009 IEPR workshop after SWRCB releases its proposed policy to discuss the details of the implementation proposal.