

**CALIFORNIA ENERGY COMMISSION**1516 Ninth Street  
Sacramento, California 95814Main website: [www.energy.ca.gov](http://www.energy.ca.gov)

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

## Committee Workshop on Inter-Agency Analysis of Generation and Transmission Options for Eliminating Reliance upon 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 present the joint proposal of the three energy agencies.<sup>1</sup> This proposal was submitted to the State Water Resources Control Board (SWRCB) for their use in developing a policy 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.

This workshop is also noticed as part of the CPUC's 2008 Long-term Procurement Plan (LTPP) rulemaking – R.08-02-007. CPUC commissioners and CPUC staff associated with the 2008 LTPP rulemaking may attend.

The workshop will be held:

<b>DOCKET</b> <b>09-IEP-10</b>
DATE _____
RECD. <u>July 14 2009</u>

**TUESDAY, JULY 28, 2009**  
9:30 a.m.  
CALIFORNIA ENERGY COMMISSION  
1516 Ninth Street  
First Floor, Hearing Room A  
Sacramento, California  
(Wheelchair Accessible)

<sup>1</sup> For purposes of this Notice, the Energy Commission, CPUC, and California ISO will be referred to as energy agencies.

## **Remote Attendance**

**Web Conferencing** - Presentations and audio from the meeting will be broadcast via our WebEx web conferencing system. For details on how to participate via WebEx, please see the "Participation through WebEx" section at the end of this notice.

## **Purpose**

This workshop seeks to obtain feedback from stakeholders about the joint energy agency proposal to reduce and/or eliminate reliability issues associated with implementation of the OTC mitigation policies proposed by the SWRCB in its June 2009 policy document. 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 eliminating OTC as a cooling technology while assuring system and local reliability for the state's electrical grid. The joint energy agency proposal is intended to assure that replacement infrastructure is identified, permitted, and developed before power plants using OTC technologies shut down in response to SWRCB mitigation requirements. The SWRCB staff draft policy document released for formal comment about June 30, 2009, includes this joint energy agency proposal and intends to rely upon it as part of its OTC mitigation policy.

The energy agencies support the SWRCB's long-term goal of substantially eliminating OTC, and this workshop will not provide a forum to debate this goal.

A background paper will be posted online at [[www.energy.ca.gov/2009\\_energypolicy/index.html](http://www.energy.ca.gov/2009_energypolicy/index.html)] prior to the workshop.

## **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. At the May 11, 2009, workshop in this proceeding, several power plant operators confirmed that they would retire their units rather than invest large sums in older power plants operating at very low annual capacity factors. The SWRCB has clearly communicated its awareness that retiring without capacity replacement could create reliability concerns and proposes a statewide task force of various agencies, including those with energy expertise, to assist it in reviewing generator compliance filings to avoid such electric system consequences. It also created an Inter-agency Working Group to seek advice about its proposed policy, and this forum provided an opportunity for the energy agencies to develop and communicate their joint implementation proposal to SWRCB.

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 Assembly Bill 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. The joint proposal of the energy agencies to be discussed at this workshop involves more intensive analyses, adjustments to CPUC-supervised procurement practices by utilities, explicit examination of OTC power plant retirement in the annual California ISO transmission planning process, and has implications for permitting generation and transmission proposals.

## **Written Comments**

Written comments on the workshop topics must be submitted by 5:00 p.m. on August 11, 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].

## **Participation through WebEx, the Energy Commission's on-line meeting service**

### **Computer Log on with a Direct Phone Number:**

- Please go to [https://energy.webex.com] and enter the unique meeting number **920 292 991**
- When prompted, enter your information and the following meeting password **meeting@10** (Please note that the password is case sensitive.)
- After you log in, a prompt will appear on-screen for you to provide your phone number. In the Number box, type your area code and phone number and click OK to receive a call back on your phone for the audio of the meeting. International callers can use the "Country/Region" button to help make their connection.

**Computer Log on for Callers with an Extension Phone Number, etc.:**

Please go to [<https://energy.webex.com>] and enter the unique meeting number **920 292 991**

- When prompted, enter your information and the following meeting password **meeting@10** (Please note that the password is case sensitive.)
- After you log in, a prompt will ask for your phone number. CLICK CANCEL.
- Instead call 1-866-469-3239 (toll-free in the U.S. and Canada). When prompted, enter the meeting number 920 292 991 and your unique Attendee ID number which is listed in the top left area of your screen after you log in. International callers can dial in using the "Show all global call-in numbers" link (also in the top left area).

**Telephone Only (No Computer Access):**

Call 1-866-469-3239 (toll-free in the U.S. and Canada) and when prompted enter the unique meeting number **920 292 991**. International callers can select their number from [<https://energy.webex.com/energy/globalcallin.php>]

If you have difficulty joining the meeting, please call the WebEx Technical Support number at 1-866-229-3239. Please be aware that the meeting's WebEx audio and on-screen activity may be recorded.

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JEFFREY D. BYRON  
Commissioner and Presiding Member  
Integrated Energy Policy Report Committee

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JAMES D. BOYD  
Vice Chair and Associate Member  
Integrated Energy Policy Report Committee

Mail Lists: [Energy policy](#)

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