



O R A N G E C O U N T Y  
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April 4, 2011

The Honorable Jared Huffman, Chair and Members  
Assembly Committee on Water, Parks and Wildlife  
1020 N Street, Room 160  
Sacramento, CA 95814

**Re: AB 1180 (Bradford) – Oppose**

Dear Assembly Member Huffman and Members of the Committee:

Orange County Coastkeeper represents the interests of southern Californians who are concerned about the health and beauty of our coastal ecosystems, and who support effective public processes to protect them. Orange County Coastkeeper is in opposition to AB 1180 (Bradford), which would require the State Water Resources Control Board (State Water Board) to spend extremely scarce funds to conduct analyses that have already been completed in depth. Specifically, AB 1180 would require the State Water Board to prepare a “report to the Legislature on the economic impacts to utility ratepayers because of the implementation of the Statewide Water Quality Control Policy on the Use of Coastal and Estuarine Waters for Power Plant Cooling, adopted May 4, 2010.” This analysis, in fact, has already been completed as part of the extensive process to adopt the above-referenced State Water Board Policy, a Policy that is now well into the process of implementation.

Our organization has been closely involved over the last six years with the development and implementation of the State Water Board’s Policy to address the significant impacts of once-through cooling (OTC) systems. These antiquated cooling systems allow coastal power plants, including those located in Huntington Beach in Orange County, Big Creek/Ventura, Los Angeles Basin and San Diego, to withdraw more than 15 billion gallons per day (BGD) of cooling water. The sheer amount of water withdrawn kills virtually all aquatic life in their paths, including tens of billions of larvae, while millions of adult fish are lost due to impingement, many of which are in southern California. These OTC systems, many of which have been in operation for 30 years or more, present a considerable and chronic stressor to the State’s coastal aquatic ecosystems by reducing important fisheries and contributing to the overall degradation of the State’s marine and estuarine environments.<sup>i</sup>

In Orange County, the Huntington Beach Generation System (HBGS) owned by AES Corporation has a maximum capacity total pumping capacity at 514 million gallons per day for its 4 steam generating units, all of which use OTC. Once-through cooling water is combined with wastes generated by HBGS and discharged through a submerged structure approximately 1,200 feet offshore in the Pacific Ocean. Although, the submerged end of the conduit is fitted with a velocity cap, the casualties in the fish and other marine life due to this and other OTCs are still really high.<sup>ii</sup> The 12 southern California plants using OTC alone kill up to 30% of the number of fish recreationally caught off southern California each and every year. The negative impacts of withdrawing water from the ocean are significant and constant. HBGS and other power plants in southern California show that despite measures like velocity caps, smaller

organisms, such as larvae and eggs, are drawn through the cooling system (entrainment) and killed, and the need for better technology-based standards is great.<sup>iii</sup>

Federal Clean Water Act Section 316(b) and state law both require the State Water Board to reduce the impacts of these archaic cooling systems. In response to these mandates, the State Water Board adopted the Policy in May 2010 after extensive independent study and public review. The State Water Board reinforced its position in a December 2010 hearing, at which it considered and specifically rejected industry-proposed amendments that would have weakened the Policy. The final adopted Policy was the result of a five-year public process involving the California Energy Commission, California Public Utilities Commission, California Independent System Operator, State Lands Commission, Ocean Protection Council, U.S. EPA, and wide variety of stakeholders representing power plants (including Los Angeles Department Water and Power and private entities), fishing interests, conservation groups, environmental justice organizations and energy experts. Extensive independent studies to assess the feasibility and potential grid reliability impacts of the OTC Policy were reflected in the final Policy.

AB 1180's requested report "on the economic impacts to utility ratepayers because of the . . . Policy" was an integral part of this effort. In the report, *Electric Grid Reliability Impacts from Regulation of Once-Through Cooling in California*, a specific and detailed analysis was done on Cost to the Ratepayer, which took into account different scenarios and impacts for replacing different cooling systems. Economics and ratepayer impacts were specific elements of two separate, independent studies incorporated into the Policy's comprehensive Substitute Environmental Document (SED), which itself provided specific estimates of the increases in costs to ratepayers under different industry scenarios.<sup>iv</sup>

The industry is now in the process of completing and submitting to the State Water Board their plans for implementing the final adopted OTC Policy. *The Statewide Policy on the Use of Coastal and Estuarine Waters for Power Plant Cooling* (Policy) requires that a Statewide Advisory Committee on Cooling Water Intake Structures (SACCWIS) be convened to ensure that the implementation of the Policy will not cause disruption in the State's electrical power supply. The first meeting of the SACCWIS will be held on April 8, 2011 where the State Water Board and a committee of energy experts will review the plans for consistency with the Policy and with the Policy's additional goal of ensuring grid reliability.<sup>v</sup> The implementation plans will be finalized and approved this year, and their implementation will begin immediately. Any potential new rate changes resulting from amendments to an individual regulated power entity's implementation plan will best be calculated at this point by the oversight authority, rather than the State Water Board, which has completed this task as cited above.

The CPUC has already begun incorporating anticipated changes as a result of the OTC policy. CPUC is now in the middle of its Long Term Procurement Plan process, and is ordering utilities to assume the implementation of the OTC Policy in their procurement plans.<sup>vi</sup> The CPUC, which is charged in large part with protecting the interests of ratepayers, will examine economics in assessing OTC compliance consistent with the goals and structure of its ongoing Long Term Procurement Plan process.<sup>vii</sup>

The State Water Board, California Ocean Protection Council and California Public Utilities Commission have extensively engaged in and analyzed the impact of the OTC policy on ratepayers' costs. Therefore, yet another economics review by the State Water Board, in addition to its two independent studies and its SED, would be an unnecessary expenditure of funds on an already-completed and –analyzed Policy that is well underway.

For the reasons articulated above, we urge your "**NO**" vote on AB 1180, which would expend extremely limited State Water Board funds on unnecessary additional analysis of an adopted Policy that has already

undergone five years of extensive study and public review. The state's limited funds for clean water, and for healthy coastal, bay and Delta ecosystems, can and should be far more efficiently allocated.

Regards,



Garry Brown  
Executive Director  
Orange County Coastkeeper

cc: The Honorable Assembly Member Steven Bradford

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<sup>i</sup> *Water Quality Control Policy on the Use of Coastal and Estuarine Waters for Power Plant Cooling: Final Substitute Environmental Document*, p. 1 (May 4, 2010), available at:

[http://www.waterboards.ca.gov/water\\_issues/programs/npdes/docs/cwa316may2010/sed\\_final.pdf](http://www.waterboards.ca.gov/water_issues/programs/npdes/docs/cwa316may2010/sed_final.pdf)

<sup>ii</sup> *California's Coastal Power Plants: Alternative Cooling System Analysis*, p. G-4-G-5, available at:

[http://www.swrcb.ca.gov/water\\_issues/programs/npdes/docs/cooling/ch7g.pdf](http://www.swrcb.ca.gov/water_issues/programs/npdes/docs/cooling/ch7g.pdf)

<sup>iii</sup> *Note of Public Hearing: Proposed Water Quality Control Policy on the Use of Coastal and Estuarine Waters for Power Plant Cooling*, p. 1 (July 9, 2009), available at:

[http://www.swrcb.ca.gov/water\\_issues/programs/npdes/docs/cwa316/notice\\_otc.pdf](http://www.swrcb.ca.gov/water_issues/programs/npdes/docs/cwa316/notice_otc.pdf)

<sup>iv</sup> *Electric Grid Reliability Impacts from Regulation of Once-Through Cooling in California*, p. 3-4 (April 2008), available at:

[http://www.opc.ca.gov/webmaster/ftp/project\\_pages/OTC/reliability%20study/reliability\\_study%20FINAL.pdf](http://www.opc.ca.gov/webmaster/ftp/project_pages/OTC/reliability%20study/reliability_study%20FINAL.pdf)

<sup>v</sup> *Ocean Standards-CWA § 316(b) Regulation*, available at:

[http://www.waterboards.ca.gov/water\\_issues/programs/ocean/cwa316/saccwis/index.shtml](http://www.waterboards.ca.gov/water_issues/programs/ocean/cwa316/saccwis/index.shtml)

<sup>vi</sup> The CPUC's February 2011 Standardized Planning Assumptions for System Resource Plans provides different procurement scenarios for analysis. See <http://docs.cpuc.ca.gov/efile/RULINGS/130669.pdf>. All of the scenarios assume implementation of the State Water Board's OTC Policy. This means that the CPUC will be examining the economics of these scenarios as part of the Long Term Procurement process, which is projected to be completed and voted on in December.

<sup>vii</sup> See <http://www.dra.ca.gov/DRA/energy/LTTP.htm>