

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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Application of Pacific Gas and Electric Company for Approval of the Retirement of Diablo Canyon Power Plant, Implementation of the Joint Proposal, And Recovery of Associated Costs Through Proposed Ratemaking Mechanisms (U39E)

Application 16-08-006
(Filed August 11, 2016)

**PROTEST OF THE
CALIFORNIA SOLAR ENERGY INDUSTRIES ASSOCIATION**

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September 15, 2016

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OF THE STATE OF CALIFORNIA**

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Pursuant to Rule 2.6 of the Rules of Practice and Procedure of the California Public Utilities Commission (Commission), the California Solar Energy Industries Association (CALSEIA) protests the Application of Pacific Gas and Electric (PG&E) regarding retirement of Diablo Canyon Power Plant (Diablo Canyon) in 2025 (Application).

1. INTEREST OF CALSEIA IN THIS PROCEEDING

CALSEIA is a 501(C)(6) not-for-profit solar industry trade association representing 390 company members involved in the solar energy and energy storage market in California. CALSEIA is an active participant in multiple Commission proceedings addressing state policy and electric utility planning. Utility procurement processes have direct economic impacts on the ability of our member companies to compete in the marketplace. CALSEIA's licensed contractor membership relies upon CALSEIA's involvement in regulatory proceedings that may affect their businesses.

PG&E proposes to replace the power generated at Diablo Canyon with a prescribed mix of resources. If granted this authority, it would impact the needs of the electric system and thereby impact the opportunities available to customers to install self-generation and energy

storage systems. CALSEIA seeks a fair playing field where customer generation and energy storage is able to compete in the marketplace with centrally planned resources.

2. SERVICE

Service of notices, orders and other correspondence in this proceeding should be directed to CALSEIA at the address set forth below:

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CALSEIA requests email-only service.

3. PROTEST OF THE APPLICATION

In its application, PG&E commits not to seek relicensing of Diablo Canyon and to retire the plant when its current operating license expires in 2025. It proposes a plan for retaining workers through the operating life of the plant and retraining them for quality employment after the plant closes. To replace the power currently generated by Diablo Canyon, PG&E proposes a mix of resources and a plan for procuring them.

This resource procurement plan conflicts with the Commission's movement toward a planning process that is more comprehensively aligned with state goals. With passage of SB 350 in 2015, Public Utilities Code Section 454.51 requires the Commission to identify a preferred portfolio of energy resources, and Section 454.52 requires the Commission to oversee an integrated resource planning (IRP) process for utilities. The resource procurement plan in the Application is duplicative with this effort and is unnecessary. It would complicate the IRP process and impair its ability to consider utility resource procurement holistically.

The resource procurement plan in the Application also lacks an objective. It is not clear whether PG&E's intention is to replace the power generated at Diablo Canyon at the least cost, with the least environmental impact, or some combination of the two. There is no analysis showing that the resource procurement plan would align with any state policy or that its cost would be just and reasonable. It is the job of the IRP process to establish objectives for resource procurement, and PG&E's proposal interferes with that process. The proposal also ignores California's loading order by including RPS procurement and excluding demand response and distributed generation.

This is a challenging time at the Commission with major changes to utility planning underway, including the IRP process in Rulemaking (R.) 16-02-007, the distribution resources planning process in R.14-08-013, an overhaul of the demand response process in R.13-09-011, and more. It is appropriate and exciting that the Legislature and the Commission are leading California in a new direction. Technology has changed and the regulatory structure is adapting. However, these efforts are extremely time intensive. Parties are stretched thin. There is no reason parties should be forced to waste time and resources litigating PG&E's long-term procurement in two separate venues when doing so will clearly end in a suboptimal result. There is no reason PG&E should be allowed to pursue a limited resource procurement plan when an integrated resource planning process is underway.

CALSEIA has no objection to the employee retention and economic development portions of PG&E's plan to shut down Diablo Canyon, but resource procurement should be excluded from this proceeding. CALSEIA urges the Commission to direct PG&E to re-file its application without the resource procurement plan.

4. CONCLUSION

CALSEIA appreciates the opportunity to offer comments in this proceeding. If the resource planning element of the Application is retained CALSEIA will do its best to participate meaningfully, but we submit that the better course of action is to eliminate PG&E's proposed duplicity.

Respectfully submitted this September 15, 2016 at Sacramento, California.

By: /s/ Brad Heavner
Brad Heavner

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