



FILED
9-15-16
04:59 PM

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

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

Application 16-08-006

**RESPONSE OF IBEW LOCAL UNION 1245
AND
THE COALITION OF CALIFORNIA UTILITY EMPLOYEES**

September 15, 2016

Marc D. Joseph
Adams Broadwell Joseph & Cardozo
601 Gateway Blvd., Suite 1000
South San Francisco, CA 94080
(650) 589-1660 Voice
(650) 589-5062 Fax
mdjoseph@adamsbroadwell.com

Attorneys for IBEW Local Union 1245 and
the Coalition of California Utility Employees

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

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

Application 16-08-006

**RESPONSE OF IBEW LOCAL UNION 1245
AND
THE COALITION OF CALIFORNIA UTILITY EMPLOYEES**

Pursuant to Rule 2.6, IBEW Local Union 1245 and the Coalition of California Utility Employees submit this response to the PG&E'S Application regarding the retirement of Diablo Canyon. The IBEW represents more than 600 PG&E employees who work at Diablo Canyon and is a member of the Coalition of California Utility Employees. As parties to the Joint Proposal, the IBEW and CUE urge the Commission to swiftly approve the Application.

We have recently seen the *wrong* way to close a nuclear plant. Precipitously closing the San Onofre plant dramatically increased air pollution and emissions of greenhouse gases in Southern California. Nearly 1,500 people abruptly lost their jobs. This Commission, the California ISO and other agencies, along with Southern California Edison and San Diego Gas & Electric, scrambled to reduce the odds of summertime blackouts. With increased reliance on gas fired generation, the failure of Aliso Canyon made the impact of losing SONGS even worse.

PG&E's Application provides the Commission an opportunity to get the transition from Diablo Canyon right.

Diablo Canyon is the largest source of GHG-free energy in California. The plant is critical to California's efforts to reduce GHG emissions. It is indispensable

if we hope to meet the new goal of SB 32 – to reduce GHG emissions by another 40% by 2030. Yet California will have to meet that goal without Diablo Canyon. California will have to take major steps to replace this energy, and full replacement merely keeps our GHG emissions from getting worse. Fortunately, we have just enough time to get this done before the plant closes. The Joint Proposal embodied in the Application describes a plan to make an orderly transition and take the first steps toward maintaining the GHG status quo.

To be clear, the employees at Diablo Canyon wanted the plant to be relicensed, and to continue to operate. When that path became unreachable, we helped craft the Joint Proposal so that our second choice path was as good as possible.

Two final points deserve emphasis. First, it is imperative for California's climate goals that the package of employee retention, retraining and severance benefits be approved. Every employee at the plant now knows that he or she will lose his or her current job by 2025. For most employees, the only reason they have for not immediately looking for another job is the employee retention, retraining and severance package. Yet, the plant cannot be operated safely without most of the current workforce remaining at work. Because there are a limited number of other jobs in the nuclear industry, absent a compelling reason, it would be reasonable for employees to seek those jobs immediately. Failing to approve the employee package is the fastest way to ensure a major exodus of people with the obvious effect that the plant would have to close prematurely and precipitously. Like with SONGS, the only immediate replacement for the 18,000 GWh is gas-fired generation. It is not in California's interest to increase GHG emissions at the very moment in time when SB 32 requires dramatic GHG emission reduction.

Second, the orderly steps needed to keep Diablo Canyon operating until 2025 while replacing its output with GHG-free energy is a *California* obligation, not an obligation of PG&E or its bundled customers alone. PG&E could, on behalf of its

bundled customers, simply purchase replacement capacity and energy from the market. We are awash with excesses of both. This may well be the lowest cost option for bundled customers. Furthermore, PG&E is well on its way toward meeting its 2030 RPS obligations. Diablo Canyon, while GHG-free, is not an eligible renewable energy resource. PG&E's RPS position is not changed with or without Diablo Canyon. But replacing the output of Diablo Canyon with GHG-free resources is California policy and should be funded by all customers. Therefore, all customers, not just bundled customers, must contribute toward keeping the employees needed to operate the plant until 2025 and toward procuring the resources needed to procure replacement GHG-free energy.

The IBEW and CUE urge the Commission to set an expeditious schedule and approve PG&E's Application.

Dated: September 15, 2016

Respectfully submitted,

/s/

Marc D. Joseph
Adams Broadwell Joseph & Cardozo
601 Gateway Blvd., Suite 1000
South San Francisco, CA 94080
(650) 589-1660 Voice
(650) 589-5062 Fax
mdjoseph@adamsbroadwell.com

Attorneys for IBEW Local Union 1245 and
the Coalition of California Utility Employees