

**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 08/11/2016)

PROTEST OF THE ENERGY USERS FORUM

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Dated: September 15, 2016

I. Introduction

Pursuant to Rule 2.6 of the Commission's Rules of Practice and Procedure, Energy Users Forum (EUF) hereby submits this Protest to Pacific Gas and Electric Company's (PG&E) Application for Approval of the Retirement of the Diablo Canyon Power Plant, Implementation of the Joint Proposal, and Recovery of Associated Costs Through Proposed Ratemaking Mechanisms ("Application"). This Protest is submitted within 30 days of the date the notice of the filing first appeared in the Daily Calendar, August 16, 2016, as required under Rule 2.6. EUF represents the interest of medium and large commercial and industrial customers of PG&E, taking service under both bundled and direct access service, and is concerned about the increased ratepayer costs that would result from the Joint Proposal as well as the fairness, procedural deficiencies, and market impacts of the Joint Proposal. Furthermore, the schedule proposed by PG&E does not provide sufficient time for evaluation of the Joint Proposal. EUF supports the schedule being proposed or supported by other entities interested in this proceeding including the California Large Energy Consumers Association (CLECA), the Energy Users and Producers Coalition (EPUC), the Commission's Office of Ratepayer Advocates (ORA) and The Utility Reform Network (TURN) if the Commission does not reject the Application outright.

II. Protest

The CPUC should reject the Application for many reasons. The Joint Proposal was developed by a select set of Parties to the exclusion of others and does not result in a Proposal that is fair to ratepayers, alternate service providers, and other interested parties.

A. The discussion on whether to retire a generation facility which provides a significant amount of power for PG&E's customers should have been addressed as part of the Integrated Resource Planning (IRP) process. Not only would this have allowed for the review of all supply options together and in a consistent matter, other interested parties could have participated in the decision-making process.

B. New costs are created by the Joint Proposal and, despite the optimistic claims in the Application, it is likely that total costs will increase for some, if not, all customers. The appropriateness and cost allocation of any cost changes should be thoroughly reviewed by the Commission and be subject to the critique of ratepayer representatives.

C. With the possible exception of additional Energy Efficiency investments otherwise mandated, it seems unfair that customers of alternate service providers should have to pay for the resources PG&E needs to obtain to replace Diablo Canyon. PG&E's justifications for charging these costs to other customers or their service providers ring hollow and are insufficient for such anti-competitive action.

D. The actions required by the Joint Proposal could have unwarranted and deleterious impacts on the dynamics of a number of markets including energy efficiency, renewable energy, the CAISO Day-Ahead Market, and tilt the marketplace against alternate service providers such as Community Choice Aggregators and Energy Service Providers. The possible impacts on these markets need to be examined and changes need to be made to avoid or mitigate these impacts.

III. Procedural Schedule

EUF supports the alternative procedural schedule supported by various other intervenors:

Event	PG&E	Alternative
ORA/Intervenor testimony	October 28	January 27, 2017
Rebuttal Testimony	November 30	February 2017
Evidentiary hearings	December 13-16	March 2017
Opening briefs	January 16, 2017	April 2017
Reply briefs	February 3, 2017	May 2017
Proposed Decision	May 2017	July 2017
Final Decision	June 2017	August 2017

The alternative schedule allows more time for parties to understand and examine the Joint Proposal and provide meaningful input to the Commission.

IV. Categorization

EUF agrees that the Categorization of this proceeding should be Ratesetting.

V. Need for Hearings

Hearings will be required because there are many significant disputed facts, facts not yet introduced, and facts that need to be examined. Facts that need to be examined include whether it is reasonable to retire both units on the schedule proposed in the Joint Proposal; the reasonableness of proposed costs, allocation of costs and the reasonableness of the Joint Proposal's cost allocation proposals and cost impacts on customers; the fairness of the Joint

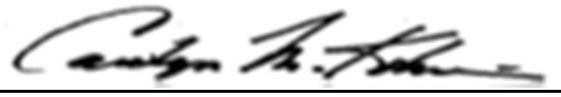
Proposal on customers, on subsets of customers, on customers who can provide demand response, and on alternate service providers; and the possible impacts on other markets.

VI. Conclusion

The Joint Proposal that is the subject of this Application was not adequately justified, based on questionable facts or interpretation of facts, could increase costs to customers, discriminates against alternate service providers and their customers, and was developed in a vacuum with the majority of the interested parties missing, rather than being developed using the existing, and public, CPUC resource planning processes. EUF urges the CPUC to reject the Application, or if not rejected, allow adequate examination of the Joint Proposal such that light can be shed on its deficiencies.

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Respectfully submitted,

By 

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