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**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

(U 39 E)

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

**PG&E'S RESPONSE  
ON BEHALF OF JOINT PARTIES  
TO ENVIRONMENTAL PROGRESS'  
MOTION TO SUSPEND THE PROCEEDING**

WILLIAM MANHEIM  
CHARLES MIDDLEKAUFF  
MARY GANDESBERY  
GRADY MATHAI-JACKSON

Pacific Gas and Electric Company  
77 Beale Street, B30A  
San Francisco, CA 94105  
Telephone: (415) 973-6628  
Facsimile: (415) 973-5520  
E-mail: wvm3@pge.com

Attorneys for  
PACIFIC GAS AND ELECTRIC COMPANY

Dated: September 21, 2016

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On September 7, 2016, Environmental Progress filed a motion asking the California Public Utilities Commission (“Commission”) to suspend indefinitely<sup>1</sup> its consideration of the Application filed by Pacific Gas and Electric Company (“PG&E”) on August 11, 2016 to address the proposed retirement of Diablo Canyon Power Plant (“Diablo Canyon”) in 2024 (Unit 1) and 2025 (Unit 2) and the replacement of its energy with a greenhouse gas (“GHG”) free portfolio of replacement resources and energy efficiency.<sup>2</sup> The Application implements the “Joint Proposal” of PG&E, Friends of the Earth, Natural Resources Defense Council, Environment California, International Brotherhood of Electrical Workers Local 1245, Coalition of California Utility Employees, and Alliance for Nuclear Responsibility (collectively, the “Joint Parties”). The Joint

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<sup>1</sup> Environmental Progress Motion at p. 19.

<sup>2</sup> Environmental Progress subsequently amended and refiled its motion on September 15, 2016. For purposes of this response Environmental progress’ amended motion is referred to as the “Environmental Progress Motion.”

Parties ask that the Commission deny the motion and continue the public process for review of this critically important proposal.

As Environmental Progress well knows, time is of the essence. Diablo Canyon will be retired over the next 8-9 years when its operating licenses expire. It is imperative that the State of California have a thoughtful replacement plan, tested through an open public process, that is capable of being implemented with the resulting replacement resources selected, permitted and constructed prior to Diablo Canyon's closure. This is a multi-year process that can be done properly if the Commission starts now. Delay limits options, truncates process, and stifles the consideration and implementation of creative solutions. In addition, the Diablo Canyon employees are living under a cloud of tremendous uncertainty as to whether the Commission will approve the employee program. Indefinite delay could cause employees to find other employment and disperse one of the finest teams in the industry. If Environmental Progress disagrees with the Joint Proposal, it should participate in the Commission process and voice its concerns. The motion fails to raise any legitimate reason for delay.

In the Application, PG&E proposed a schedule that allows for active participation by interested parties and thorough consideration of the issues, including testimony, hearings, briefing, and a final decision by June 2017.<sup>3</sup> The public process is already well underway. PG&E and the Joint Parties have held five public workshops in San Francisco and San Luis Obispo to explain the Joint Proposal and answer questions. The Joint Parties have also initiated discussions with stakeholders to address concerns and attempt to resolve differences. In addition, parties have already sent PG&E over 100 data requests which PG&E is actively

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<sup>3</sup> See Application at p. 18 (providing proposed schedule).

answering. The Application and proposed schedule fully comply with Rule 3.2 of the Commission’s Rules of Practice and Procedure for rate-setting applications.

Environmental Progress’s motion inappropriately attacks the integrity of the Commission and implies that it cannot be trusted to review the Diablo Canyon application.<sup>4</sup> Rather, Environmental Progress argues, no action should be taken until the legislature considers these issues. There is nothing stopping the California Legislature from reviewing Diablo Canyon’s retirement and replacement if it wishes to do so. But, meanwhile, the Legislature has charged the Commission with the legal authority and the obligation to conduct resource planning for the load serving entities subject to its jurisdiction. The Commission must proceed with review of the Diablo Canyon Application unless the Legislature otherwise so mandates. For these reasons, Environmental Progress’ motion should be summarily denied.

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<sup>4</sup> Environmental Progress refers to a number of allegations arising out of a separate Commission proceeding related to a settlement in a separate proceeding involving the San Onofre Nuclear Generating Station (“SONGS”). The issues and circumstances in that proceeding are unrelated and irrelevant to the Diablo Canyon Application and provide no basis for limiting or delaying consideration of the Diablo Canyon Application.

