



FILED
9-27-16
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
(U 39 E)

A1608006

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

NOTICE OF AVAILABILITY

By this document, notice is provided to the persons named on the attached Service List, that a electronic copies of the two documents constituting the EXHIBITS to Environmental Progress's AMENDED MOTION TO SUSPEND CONSIDERATION OF PACIFIC GAS AND ELECTRIC COMPANY'S APPLICATION FOR APPROVAL OF THE RETIREMENT OF DIABLO CANYON POWER PLANT, IMPLEMENTATION OF THE JOINT PROPOSAL, AND RECOVERY OF ASSOCIATED COSTS THROUGH PROPOSED RATEMAKING MECHANISMS is available at this URL (there are two parts):

<https://files.acrobat.com/a/preview/88d4225d-502b-497d-8ac9-8a2ab8281a9b>

A copy of the document can be obtained by contacting:

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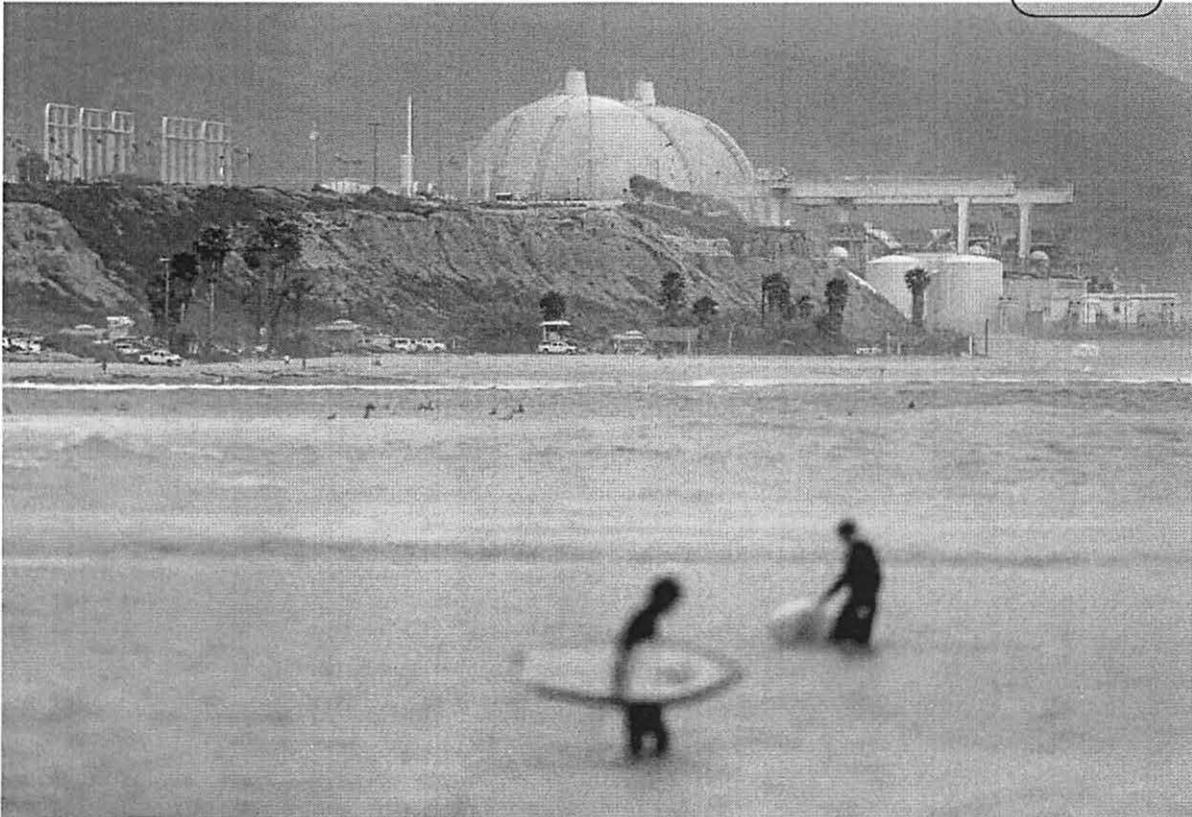
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SFGATE <http://www.sfgate.com/news/article/Court-order-could-lead-to-release-of-e-mails-6783081.php>

Order could lead to release of e-mails between Brown's office, CPUC

EXHIBIT
25

By Jaxon Van Derbeken Updated 3:51 pm, Monday, January 25, 2016



FILE - In this June 7, 2013 file photo, surfers pass in front of the San Onofre nuclear power plant in San Onofre, Calif. Federal regulators have closed a case that questioned whether Southern California Edison violated government rules when it installed faulty equipment at the now-closed San Onofre nuclear power plant. (AP Photo/Gregory Bull, File)

The state Public Utilities Commission must justify its refusal to release e-mails that could reveal a behind-the-scenes role for Gov. Jerry Brown in a multibillion-dollar deal with two utilities that shut down a Southern California nuclear power plant, a San Francisco judge ruled Monday.

An attorney for the utilities' customers says the e-mails could concern the shutdown deal that the commission approved in 2014 with the co-owners of the San Onofre nuclear power plant in San Diego County, Southern California Edison and San Diego Gas and Electric Co. The deal assigned about 70

percent of the \$4.7 billion bill to customers.

The utilities commission says none of the e-mails between Brown's office and the commission concerns the shutdown deal, and that none was sent by the governor personally.

The two companies closed San Onofre after a January 2012 leak of radioactive steam revealed widespread damage to its cooling system. It has not reopened.

A lawyer challenging the \$3.3 billion charge to the utilities' customers is seeking the e-mails as potential evidence of intervention in the shutdown negotiations by the governor's office and top commission officials. The state attorney general's office is also seeking the e-mails as part of its corruption probe of the agency.

The utilities commission argued that Superior Court Judge Ernest Goldsmith had no authority to consider the request. Attorneys for the agency said that under the law, only appellate courts, not Superior Court judges, can intervene in a state regulatory dispute.

In ruling that he has the authority to intervene, Goldsmith called the matter "an extraordinary case" — one involving not routine regulatory matters, but possibly illegal back-channel communications that led to assigning billions of dollars in shutdown costs to Southern Californians.

"Withholding records of allegedly ex parte secret deals resulting in shifting \$3.3 billion of utility losses to ratepayers cannot possibly be a regulatory function of the PUC," Goldsmith said.

The judge added that it was "not realistic" to believe that state lawmakers, in limiting challenges of regulatory disputes to appellate courts, had intended that their legislation "should be invoked to insulate PUC officials accused of corruption from public scrutiny."

"A core value in a democracy is the right of citizens to know the actions of public officials," Goldsmith said.

His ruling means the utilities commission must make its case for withholding the e-mails to another Superior court judge. Goldsmith said he would not hear that case.

A commission spokeswoman said in a statement, "We intend to challenge the San Francisco Superior Court judge's ruling because the law is very clear that the Superior Court lacks jurisdiction."

The statement added, “While we do not typically comment on pending litigation, we want to be clear that the e-mails in question did not relate to the San Onofre settlement, nor were they sent to or from the governor personally.”

Mike Aguirre, the San Diego attorney who is seeking the e-mails, said the ruling removed a key obstacle in obtaining records that are clearly in the public interest.

“We’re hopeful that the Public Utilities Commission will make available all the documents that they have withheld,” Aguirre said. “The door on the back room is slightly ajar, and we are hoping that we can continue to push it open and we will eventually find out how this was done at the PUC.”

Jaxon Van Derbeken is a San Francisco Chronicle staff writer. E-mail: jvanderbeken@sfchronicle.com Twitter: @jvanderbeken

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How a bid to overhaul California's energy regulator fell apart on the Legislature's last day of session

EXHIBIT
26



Assemblyman Mike Gatto was one of the lead authors of measures to overhaul the PUC. (Rich Pedroncelli / Associated Press)

By **Liam Dillon**

SEPTEMBER 2, 2016, 12:05 AM | REPORTING FROM SACRAMENTO

A major effort to overhaul the state's energy regulator surprisingly collapsed after late legislative maneuverings led to the unraveling of the broad coalition that had pushed for changes at the scandal-ridden agency.

The measure would have boosted transparency, strengthened safety rules and shrunk the responsibilities of the California Public Utilities Commission, the agency in charge of regulating the state's electric and gas utilities as well as telecommunications and other major industries.

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The PUC has been under scrutiny since an investigation of the 2010 natural gas pipeline explosion in San Bruno revealed dinner dates, shared talking points and other signs of a close relationship between regulators and utility executives. The furor grew after the 2013 closure of the San Onofre nuclear power plant in Southern California and the recent four-month-long Aliso Canyon gas leak encouraged further criticism of regulators' oversight of utilities and safety standards.

In June, Gov. Jerry Brown and a trio of lawmakers announced they had agreed on a plan to overhaul the agency, what was supposed to be the culmination of years of bipartisan effort. Brown and the legislators released bullet points detailing the changes and the resulting legislation was expected to pass easily.

While two bills in the package made it to Brown's desk, the legislation that included the majority of the changes from Assemblyman Mike Gatto (D-Glendale) and a companion measure from Sen. Jerry Hill (D-San Mateo) never came up for a vote before the Legislature adjourned for the year early Thursday morning.

"We ran out of time and we ran out of consensus," Hill said.

Under the two measures that failed, the PUC would have been required to increase internal auditing and whistleblowing procedures and spin off control of transportation services such as Uber and Lyft to other agencies — a decision based on concerns the PUC was spread too thin. Similarly, the public would have gained easier access to agency records.

But as the Legislature's final hours dwindled, details had yet to be nailed down, and the bills remained stuck in policy committees.

One major problem emerged last weekend when PUC President Michael Picker objected to a part of the bill that would have made it a misdemeanor for agency employees to knowingly release confidential information, arguing it would have opened up employees to criminal prosecution when responding to public records

requests.

“Frankly the PUC wouldn’t support it, and would ask for a veto of the bill if it had that language in it,” Hill said.

But Hill worried that if he took out that provision, telecommunication and cable companies would have tried to kill the measure.

PUC spokeswoman Terri Prosper confirmed Picker’s stance, but said that the agency had worked diligently with lawmakers on the bills and was “stunned at the collapse of the reform legislation.”

Negotiations were still continuing through Wednesday morning with cable company representatives meeting in Hill’s office. By that point, the legislation had long missed key deadlines for the end of the session and could only advance if it received a waiver from normal Senate rules through a bipartisan supermajority vote.

As the clock ticked toward a midnight Thursday deadline, that support wasn’t there.

Around 11 p.m., state Senate GOP leader Jean Fuller (R-Bakersfield) wouldn’t allow Gatto’s bill to come to the floor. Gatto gave up at midnight, blaming Fuller in an interview immediately afterwards.

“It just seems like one of those things when somebody got tired and grouchy and they decided to kill the biggest utility reform bill of the year — arguably the decade,” said Gatto, who is leaving office due to term limits.

Fuller declined to comment. But Assembly GOP leader Chad Mayes of Yucca Valley, who rebuffed last-second maneuvering to have the bill go through his chamber, said the measure was too rushed.

“We recognize the need for changes at the PUC,” Mayes said in a statement. “However, those changes should be crafted in the light of day, not 15 minutes before the end of a two-year legislative session.”

A spokesman for the governor said Brown was disappointed that Gatto and Hill’s measures didn’t pass, but said Brown still intends to sign the two bills that did reach his desk. Those measures will increase public access to PUC proceedings and boost disclosure of private meetings between utility executives and regulators.

The failure of the largest bill frustrated those who have long advocated for changes at the agency, some of whom already believed the package didn’t go far enough to break up the coziness between the PUC and industry.

Former San Diego City Attorney Mike Aguirre, who sued the PUC in the aftermath of the San Onofre case and had praised the overhaul when it was announced in June, said it wasn’t fair to blame Republicans for its

demise. Brown and Gatto didn't make the deal enough of a priority to push it through the Democrat-controlled Legislature, he said.

"It was a tremendous charade put on the public of California for them to stand up and say they had a deal and then not even have Gatto's bill pass," Aguirre said.

Aguirre lost a state appellate court case on Wednesday asking for the release of any emails between Brown and the PUC over the San Onofre shutdown. The bill that failed the same day in Sacramento would have allowed a Superior Court, not an appeals court, to make such decisions. (The substance of Aguirre's case has yet to be decided.)

Wednesday's court ruling emphasized the need for further PUC changes, Hill said. But he believed it might be more difficult in the future.

The June agreement between the governor and lawmakers on the PUC overhaul came after Gatto had secured a bipartisan vote in the Assembly on a constitutional amendment that would have given voters the opportunity to break up the PUC and allow the Legislature to then assign all of its responsibilities to other agencies.

That vote provided the kind of leverage for changes at the PUC, Hill said, that's unlikely to be there next year.

"I hope we'll still see the potential for reform," he said.

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Brown vetoes transparency bills for troubled state utilities commission

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2 PUC reform bills die, emails will stay secret

Governor's office notes that two other PUC measures passed



[/staff/jeff-mcdonald/](#)

By [Jeff McDonald \(/staff/jeff-mcdonald/\)](#) | 7 p.m. Sept. 1, 2016 | Updated , 8:36 a.m. | Sept. 2, 2016



Assemblyman Mike Gatto, D-Los Angeles, whose Public Utilities Commission reform bill died, commented, "I don't know how to explain to the people of California that their leaders let them down." (*AP file/Alison Noon*)

Advocates hoping for reform at the California Public Utilities Commission were disappointed twice this week, as an overhaul bill died in the legislature and a court ruling allowed certain emails regarding the agency's response to the San Onofre failure to remain secret.

Lawmakers did pass two bills that imposed changes on the commission, which for two years has been under criminal investigation for backchannel dealings with utility executives.

Stronger reforms — agreed to in June by Gov. Jerry Brown and top lawmakers and embraced by both parties — were left in legislative limbo when the session ended at midnight Wednesday.

"It's another broken promise to the people of California and the original promise was half a loaf to begin with," said Jamie Court of Consumer Watchdog, a Santa Monica nonprofit group that has been critical of Brown and the utilities commission. "We are getting about two slices of the full reform loaf we should be."

Brown spokesman Gareth Lacy issued a statement saying it's unfortunate that two of the reform bills did not pass, but noting that two others did.

"The Legislature approved significant PUC reforms and the Governor will sign those bills," he wrote in an email.

Among other changes, the failed legislation would have allowed for Superior Court review when regulators deny California Public Records Act requests. It also would have added an internal auditor to review commission decisions and prohibited former utility executives from serving on the commission for at least two years.

One of the two bills that did pass — and now await the governor's signature — expands disclosure rules for private discussions between regulators and utilities or other stakeholders. It also raises the potential penalty for violations to \$50,000.

The other bill sent to the governor calls on commissioners to improve transparency by making some records more available to the public.

Lawmakers who negotiated the compromise legislation this spring — winning Brown's support — were hard-pressed on Thursday to articulate what went wrong.

"I don't know how to explain to the people of California that their leaders let them down," said Assemblyman Mike Gatto, D-Los Angeles, who proposed a constitutional amendment to strip the commission of most of its authority before agreeing with Brown and others to an overhaul with less fundamental changes.

"You always have to decide whether a bill failed through incompetence or something more malevolent," he said. "I have not decided which of those ended up killing the bill."

Sen. Jerry Hill, D-San Mateo, said one sticking point was an existing law that allows commission employees to be charged with a misdemeanor if they release confidential information.

Hill said commission President Michael Picker wanted that provision removed but some of the regulated entities lobbied for it to remain. Still, he could not blame that impasse for the demise of the larger reforms.

"You never know what the real reason is," Hill said of the legislative failure. "You don't know why it happens."

Procedurally, the Assembly bill sponsored by Gatto did not receive a required hearing before the Senate Committee on Energy, Utilities and Communications — the key panel chaired by Sen. Ben Hueso, D-San Diego.

In a statement Thursday, Hueso blamed the bill's fate on the legislative process, which required support from two-thirds of the Senate to move forward because amendments were made at the last minute.

"The (Gatto) bill did not get the rule waiver it needed to be heard in the Senate Utilities (committee) after the deadline," he said.

The utilities commission has been under increased scrutiny since 2014, when emails released as part of a lawsuit showed that top regulators and utility executives routinely traveled, dined and socialized together and traded favors.

Last year, The San Diego Union-Tribune reported that one focus of investigators was an undisclosed meeting at a luxury hotel in Warsaw, Poland.

At that meeting, former commission President Michael Peevey discussed with Southern California Edison a framework for a deal charging ratepayers billions of dollars for the failure of the San Onofre nuclear plant north of Oceanside.

Utility officials disclosed the 2013 meeting nearly two years late and the company was fined almost \$17 million. The settlement deal, which now may be reopened, cost ratepayers \$3.3 billion of the \$4.7 billion in closure costs.

According to search-warrant affidavits filed by the Attorney's General's Office last year, the criminal investigation is focused on improper discussions between regulators and utility executives, like the meeting between Peevey and Edison three years ago.

After two-plus years of investigation and at least six search warrants being executed at commission offices and elsewhere, no criminal charges have been filed.

San Diego attorney Michael Aguirre, who sued to overturn the decision charging ratepayers for the San Onofre failure, requested emails and other documents from the commission under the California Public Records Act as part of his review.

Aguirre filed another lawsuit last year after the commission identified 65 San Onofre-related emails between regulators and the Governor's Office and declined to release them publicly.

A San Francisco Superior Court judge allowed the lawsuit to proceed but commission lawyers took their case to appellate court, saying the lower court had no legal jurisdiction to hear the case.

In a 16-page ruling issued hours before the reform legislation fizzled, the 1st District Court of Appeal reversed the Superior Court and prohibited it from conducting further proceedings in the case.

"If there is a dispute as to whether the CPUC has complied with the PRA, filing an action against the CPUC in an appellate court ... will not limit the public's right to access to the documents," the judges wrote.

Aguirre disagreed with the ruling, noting that aggrieved parties have a right to be heard at the Superior Court level, but not by an appellate court.

"The appellate court waited until it was too late for the legislature to respond, then announced they were going to shield Gov. Brown's files from disclosure," Aguirre said. "They really are not interested in any kind of reform."

Two of the three judges that signed the ruling were appointed by Brown.

Besides allowing plaintiffs to sue the commission in Superior Court over public-records disputes, the Gatto legislation would have moved oversight of car services like Uber and Lyft away from the commission.

It also would have created a deputy director position in charge of safety and a chief ethics position, and directed the commission to work with federal regulators to move 3 million-plus pounds of nuclear waste from San Onofre away from the San Diego County coast.

PREVIOUS

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Assembly Committee on Utilities and Commerce

Assemblymember Anthony Rendon, Chair

California Legislature

March 19, 2015



The Honorable Michael Picker, President
California Public Utilities Commission
505 Van Ness Avenue
San Francisco CA 94102

RE: San Onofre Nuclear Generating Station Internal And External Emails

Dear President Picker:

On behalf of the Assembly Utilities and Commerce Committee, I want to thank you for your candid testimony before the committee on March 16. Moreover, I want to commend you for committing to reform the California Public Utilities Commission (CPUC), increase transparency, and restore the public's trust.

With regard to repairing the damage to the commission's integrity in the eyes of ratepayers, I want to follow up on several items discussed in the March 16 committee hearing. Specifically, in regard to the settlement on the decommissioning of the San Onofre Nuclear Generating Station (SONGS), I believe it is imperative to investigate and scrutinize the entire settlement process in order to ensure that the settlement process was legitimate and uncorrupted.

Given your testimony to the committee that you had qualms about voting for the settlement and that you based your vote on what you believed to be a legitimate record, I believe it is your duty as president of the commission to shine a bright light on the process and fully investigate all aspects of the process, particularly after recent revelations that suggest the outline of the settlement may have been agreed to in principle in a secret meeting between Southern California Edison and then-President Michael Peevey several months before the public settlement proceeding actually commenced.

As you know, the Public Utilities Code empowers the commission to compel a regulated utility to produce any document that the commission believes is material to the regulating of the utility. This authority was recently exercised by the commission in regard to the Pacific Gas and Electric Company. The CPUC should utilize this authority and compel the Edison Company and Southern California Edison to turn over to the commission all internal and external emails relative to the SONGS, the investigation of the steam generators at SONGS, and the potential settlement or eventual settlement of the SONGS decommissioning with the CPUC.

Letter to CPUC President Michael Picker
March 19, 2015

Moreover, once the commission is in control of these documents I request that the commission provide them to the Assembly Utilities and Commerce Committee without delay.

President Picker, it is my solemn belief that your efforts to reform the commission and restore the public's trust cannot be completed until the dark clouds of the SONGS settlement and the specter of process manipulation by your predecessor are fully and completely removed. Anything short of total transparency will be viewed by public, this committee, and history as a complete failure to meet the duties of the commission.

We may call you back for another public hearing to give additional testimony.

Thank you in advance for your attention to this most vital matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'A. Rendon', with a large, stylized flourish extending to the right.

ANTHONY RENDON, Chair
Assembly Committee on Utilities and Commerce

Brown vetoes transparency bills for troubled state utilities commission



By Melanie Mason . Contact Reporter



OCTOBER 9, 2015, 5:33 PM

Gov. Jerry Brown vetoed on Friday a slate of bills meant to increase transparency at the California Public Utilities Commission, which has come under fire from critics for appearing too cozy with the companies it regulates.

The regulatory body has been beset by scandals after emails between the agency and Pacific Gas & Electric revealed a chummy relationship between officials including then-PUC President Michael Peevey and top utility executives.

Among the measures approved by lawmakers were one that would have limited private communications between regulators and the entities they oversee and another that would have directed the state auditor to hire an inspector general to monitor the agency.

Other proposals would have required legislative review if the commission hired outside counsel for criminal proceedings, eased the process for filing open meetings and public records lawsuits.

In his veto message, Brown said he supported the goals of transparency but said "taken together there are various technical and conflicting issues that make the over 50 proposed reforms unworkable.

"Some prudent prioritization is needed," Brown said, adding his office would continue to work with lawmakers and the commission to implement changes.

On the open meeting and public records lawsuits, he raised the concern that lowering the threshold for such cases could "only result in increased litigation and likely delay Commission decision-making."

Authors of the legislation said they were displeased with Brown's decision.

"I'm not as surprised as I am disappointed," said state Sen. Mark Leno (D-San Francisco), who authored SB 660, which dealt with private PUC communications with utilities.

Leno said Brown "has to understand the commission is only effective as long as it has public trust. And with

all the revelations in the past year, and the ongoing criminal investigations, trust has waned.”

Follow @melmason for more on California government and politics.

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Open Letter to Governor Brown from Scientists and Environmentalists urging that PG&E Proposal to Close Diablo Canyon Power Plant Be Moved from CPUC to Legislature

The Honorable Edmund G. Brown, Jr., Governor of California



August 11, 2016

Dear Governor Brown,

Several months ago we wrote to you to raise our concerns about Diablo Canyon, California's last nuclear plant. Pacific Gas and Electric (PG&E) has now agreed in a Joint Proposal with Friends of the Earth, the Natural Resources Defense Council, the Alliance for Nuclear Responsibility and other groups to close the plant in 2025.

We request that you ask the California Public Utility Commission (CPUC) to delay consideration of that and any other proposal to close Diablo until the legislature and the public, who will have to foot the bill, can openly debate how California can most quickly and cost-effectively stop the damage to the climate from our electrical system emissions. There are serious questions about whether this proposal is good for ratepayers, the environment and the climate.

Retirement of the plant will make a mockery of California's decarbonization efforts. Diablo Canyon's yearly output of 17,600 gigawatt-hours supplies 9 percent of California's total in-state electricity generation and 21 percent of its low-carbon generation. If Diablo closes it will be replaced mainly by natural gas, and California's carbon dioxide emissions will rise.

The Joint Proposal doesn't come close to replacing this lost low-carbon power. It only mandates 4,000 gigawatt-hours per year of energy efficiency and, optionally, new renewable generation, to replace four times as much lost nuclear output. And much of the demand reduction PG&E forecasts to replace Diablo will come about simply from customers switching from PG&E to alternate electricity

providers, with no guarantee that their new electricity supply will come from low-carbon sources.

The inevitable result would be the replacement of Diablo Canyon's zero-emissions power with a mix of renewables and gas with dramatically higher greenhouse emissions. And even if the plant were nominally replaced by lower energy consumption or renewables, there would be no net reduction in emissions and a huge lost opportunity for further progress. Every kilowatt-hour of renewable energy used to replace lost Diablo electricity is a kilowatt-hour that is not available to displace fossil fuels from the grid.

The economic losses from Diablo Canyon's premature closure will also be substantial. Electricity rates will rise from the replacement of cheap nuclear power with more expensive renewable power. According to the Joint Proposal, ratepayers will pay a "non-bypassable charge" to make good decommissioning costs that would have been funded had Diablo completed a typical 60-year service life. San Luis Obispo and Santa Barbara counties will lose \$27 million per year in local tax, 1,500 well-paying jobs at the plant and a yearly payroll of over \$200 million that indirectly supports a further 2,800 local jobs.

These problems are all familiar from the closure of the San Onofre nuclear plant a few years ago.

Despite environmentalists' hopes, San Onofre was replaced mainly by gas-fired generation. Greenhouse emissions and electricity rates increased. California's share of gas-fired generation immediately rose from 45 percent to 61 percent; the loss of San Onofre thus increased the state's dependency on natural gas and worsened this summer's Aliso Canyon gas-storage crisis.

That gas dependency will increase further, to 70 percent or more, if Diablo Canyon closes. When natural gas prices rise again, higher dependency will mean economic vulnerability as well—and undermine California's reputation as a leader on climate policy. Under your own administration, the percentage of electricity generated in-state from clean sources declined, mostly because of San Onofre's

closure. If Diablo retires too in coming years, the state will make no progress on cleaning up its power supply, and may well continue going backwards.

Given the serious harm to the environment, the economy and ratepayer interests that would flow from Diablo's closure, we are deeply troubled by the lack of democratic process surrounding the Joint Proposal. It was decided in secret negotiations between PG&E and unaccountable anti-nuclear groups, some with financial ties to the renewables sector. Sending this proposal to the CPUC, an institution that is struggling with its own crisis of credibility relating to improper relationships with regulated industries, would raise further doubts about the legitimacy of the proceedings.

The CPUC is not the right forum to decide on this important matter, nor is a back-room deal dictated by special interests an appropriate framework for that decision. The loss of one-fifth of California's clean electricity is of such significance as to merit the direct attention of the state legislature. These questions deserve a broad consideration and transparent discussion by the public and their elected representatives. We ask you to support this position and to help initiate the public debate that needs to happen.

The global share of clean energy is declining in part because nuclear plants are being driven off the grids of advanced nations by unfair policies based on hyperbole and myth. The scientific consensus recognizes nuclear power as the safest way to make reliable electricity. It would be a tragedy if we were to allow irrational fear to harm the climate and endanger the future our children and grandchildren. As California's governor you have an opportunity to safeguard your environmental legacy by overcoming anti-nuclear prejudice that is jeopardizing our progress on clean energy.

We look forward to hearing from you.

Sincerely,

Scientists

Brand, Stewart, founder, Whole Earth Catalogue, Long Now Foundation

Brook, Barry, Professor and Chair of Environmental Sustainability, University of Tasmania

Conca, James, Earth and Environmental Scientist

Dickman, Chris, Conservation Scientist, University of Sydney

Emanuel, Kerry, Professor of Atmospheric Science, Massachusetts Institute of Technology

Ellis, Erle C., Ph.D, Professor, Geography & Environmental Systems, University of Maryland

Fargione, Joseph, Ph.D, ecologist

Hansen, James, Climate Science, Awareness, and Solutions Program, Columbia University, Earth Institute, Columbia University

Kharecha, Pushker, Climate Science, Awareness, and Solutions Program, Columbia University, Earth Institute, Columbia University

Lea, David W., Professor, Earth Science, University of California

Marvier, Michelle, Professor, Environmental Studies and Sciences, Santa Clara University

Mascaro, Joseph, Ecologist and Program Manager for Impact Initiatives at Planet Labs

Muller, Elizabeth, Founder and Executive Director, Berkeley Earth

Muller, Richard A., Professor of Physics, UC Berkeley, CoFounder, Berkeley Earth

Noss, Reed, Author, Professor of Conservation Biology at the University of Central Florida.

Raven, Peter H., President Emeritus, Missouri Botanical Garden. Winner of the National Medal of Science, 2001

Terry, Jeff, Professor of Physics, Illinois Institute of Technology

Scholars, Conservationists and Environmentalists

Aegerter, Daniel, Chairman, Armada Investment

Asafu-Adjaye, John, PhD, Senior Fellow, Institute of Economic Affairs, Ghana, Associate Professor of Economics, The University of Queensland, Australia

Blees, Tom, Executive Director, The Science Council

Carl, Jeremy, Research Fellow, Hoover Institution, Stanford University

Coward, Robert, Vice-President/President-Elect, American Nuclear Society

Crary, John, Crary Family Foundation

Cravens, Gwyneth, author, *Power to Save the World*

Dangel, Justin, investor, Goji

Foreman, Christopher, author, *The Promise & Peril of Environmental Justice*, School of Public Policy, University of Maryland.

Gardner, Valerie, Founder, Tiny Blue Dot; Chair, Atherton Environmental Programs Committee

Gogan, Kirsty, Executive Director, Energy for Humanity

Joe Lassiter, Professor, Harvard Business School

Goldstein, Joshua S., Prof. Emeritus of International Relations, American University

Grecheck, Gene, immediate past president, American Nuclear Society

Gruener, Garrett, Managing Director, Gruener Ventures

Guymon, Mel, Guymon Family Foundation

Klein, Andrew, President, American Nuclear Society

Kirsch, Steve, CEO, Token

Lassiter, Joe, Professor, Harvard Business School

Laurance, William, PhD, FAA, FAAAS, FRSQ, Distinguished Research Professor & Australian Laureate, Prince Bernhard Chair in International Nature Conservation, Director of the Centre for Tropical Environmental and Sustainability Science (TESS)

Lavine, John, Professor and Medill Dean Emeritus, Northwestern University

Lewis, Martin, Department of Geography, Stanford University

Lynas, Mark, author, *The God Species, Six Degrees*

Matteson, Heather. Co-Founder, Mothers for Nuclear

McCormick, Steve, Former CEO, The Nature Conservancy

McDonald, Norris, President, Center for Environment, Commerce & Energy/African American Environmentalist Association

Muller, Richard, Professor of Physics, University of California, Berkeley; Co-Founder and Scientific Director

Noss, Reed, Provost's Distinguished Research Professor, Department of Biology, University of Central Florida

Page, Carl, President, Anthropocene Institute

Pierrehumbert, Raymond, Halley Professorship of Physics, University of Oxford

Pinker, Steven, Harvard University, *Better Angels of Our Nature*

Pritzker, Rachel, Pritzker Innovation Fund

Pritzker, Roland, Pritzker Innovation Fund

Rampal, Brett, American Nuclear Society (ANS) , Young Members Group (YMG) Chair

Rhodes, Richard, Pulitzer Prize recipient, author of *Nuclear Renewal* and *The Making of the Atomic Bomb*

Robbins, Paul, Director, Nelson Institute for Environmental Studies

Saran, Samir, Vice President, Observer Research Foundation, Delhi, India

Schwartz, Peter, author, *Art of the Long View*

Shellenberger, Michael, President, Environmental Progress

Stone, Robert, filmmaker, "Pandora's Promise"

Terry, Jeff, Professor of Physics, Illinois Institute of Technology

Tindale, Stephen, Alvin Weinberg Foundation, former Executive Director,
Greenpeace UK

Walker, Barrett P., Alex C. Walker Foundation

Zaitz, Kristin. Co-Founder, Mothers for Nuclear



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Power player got energy deal

 (/staff/jeff-mcdonald/)

By Jeff McDonald (/staff/jeff-mcdonald/) | 6:42 a.m. April 27, 2015



A political insider who organized a tribute dinner for the departing president of the California Public Utilities Commission – and had backchannel dealings with his replacement – is now in business with Southern California Edison.

Her contract with the utility company, which may be worth \$100 million, is pending approval from the commission.

Susan Kennedy, who also was named to the California Health Benefit Exchange board by Gov. Jerry Brown and served as a top aide to the last two governors, founded Advanced Microgrid Solutions less than 18 months ago.

The Bay Area startup has secured four energy-storage contracts with Edison.

“AMS installs advanced energy storage systems in buildings to lower energy costs for consumers and provide clean, instant load reduction to electric utilities,” the company website states. “We’re building a more efficient, more resilient electric grid.”

Kennedy, who served on the California Public Utilities Commission herself from 2003-06, declined to be interviewed. Her company was formed two months after Edison sought proposals for the energy storage work in September 2013.

The company made Chief Commercial Officer Katherine Ryzhaya available for questions about how the firm won the Edison contracts. She said the company’s software and design plans set it apart.

“It’s a pretty transparent process,” Ryzhaya said in a telephone interview. “You know what you’re getting into and they tell you how they’re going to look at your bids. The majority of the selection is quantitative; they take your price, it’s a blind bid and they rank them.”

She said the Edison contracts were reviewed by an independent evaluator and a group of other stakeholders called the Procurement Review Group. She also noted the contracts are performance-based, so the company will only get paid if it delivers.

“We don’t see a penny until we perform,” Ryzhaya said. “We bear 100 percent of the risk.”

Nancy Pfund, a venture capitalist and Advanced Microgrid Solutions adviser who also participated in the interview, said the company beat out numerous competitors for the work, which if successful will redefine energy delivery.

“This is the way innovation happens. If it were so easy, we would have done it years ago,” she said. “A lot of companies competed for these contracts. It’s a testimony to the knowledge and talent and experience of Susan and her team. They understand the regulations. They came up with a very compelling proposal.”

The specific value of the contracts is not known. State rules implemented while Kennedy served on the utilities commission allow Edison and other energy providers to keep the cost of some contracts secret for years.

Edison vice president Colin Cushnie said the utility collected fewer qualified bids than it would have liked.

“We did not really get enough robust bids to meet our minimum,” he said. “We selected all competitive offers that we received.”

Industry estimates suggest that under certain variables, the 50 megawatts of electricity Advanced Microgrid Solutions is contracted to store and deliver to Edison could be worth \$100 million or more.

Forbes magazine called the agreements “a whopping 50 MW order” from a firm that had been “in stealth mode” before it won the Edison contracts.

Kennedy, 54, told Forbes in February that the batteries her firm plans to install across the west Los Angeles basin will allow property owners to trim utility costs by storing power for future use.

“The opportunity to develop energy sources at the customer side of the meter will be the next-generation change in energy,” she told the magazine. “If we succeed, then we will change demand response forever.”

Advanced Microgrid Solutions incorporated in the same San Francisco loft that houses Caliber Strategies, an energy consultancy Kennedy co-founded one month earlier.

Before that, Kennedy spent five years as chief of staff to former Gov. Arnold Schwarzenegger and served on the utilities commission between January 2003 and December 2005 alongside Peevey.

Kennedy organized the February tribute dinner for Peevey, whose tenure is the subject of multiple criminal investigations for possible bribery and public corruption.

Kennedy personally solicited \$5,000 and \$10,000 contributions from labor unions and other groups with interests before the commission to pay for the February gala at the historic Julia Morgan Ballroom in San Francisco, several donors told U-T San Diego.

She also listed Peevey's successor, Michael Picker, as a co-sponsor of the event. Picker maintained that he was wrongly listed as an event sponsor.

Advanced Microgrid Solutions has several other government and energy industry veterans among its leadership, most notably co-founder Jackalyne Pfannenstiel, a former assistant secretary of the U.S. Navy and chair of the California Energy Commission who also spent two decades at Pacific Gas & Electric.

Ryzhaya, the chief commercial officer, formerly worked at PG&E, where she was responsible for negotiating power-purchase agreements like those the obtained by Advanced Microgrid Solutions.

Audrey Lee, the executive in charge of the company's analytics and design, formerly worked at the utilities commission as an adviser to Peevey.

Vice president Manal Yamout also has connections to the power industry and the California Governor's Office. She most recently served as government affairs director for Florida Power & Light and previously held positions in the Brown administration and under Kennedy in the Schwarzenegger administration, her company biography states.

Kennedy was especially complimentary of Yamout in emails she traded with Picker last year, after he was appointed to the commission but before he was named president in December.

"You should try to talk Manal into working for you," she wrote to Picker last April, according to emails obtained by U-T San Diego. "I think she hates consulting. If you are going to make a difference at the commission – you need Manal."

The email exchange with then-Commissioner Picker was one of many.

U-T San Diego reported last month that the new commission president engaged in similar backchannel communications with industry executives and lobbyists as his predecessor.

Kennedy's emails to and from Picker show her counseling him on commission business, offering introductions to industry lobbyists and helping him to comply with state rules governing the disclosure of contributions to the Peevey dinner – all while her Edison deal was in the works.

"We spent eight months working with Edison on the contract," Kennedy told the online news organization Greentech Media in November, days before Edison filed its application with the utilities commission.

Advanced Microgrid Solutions owns four subsidiaries, each of which signed an agreement with Edison to deliver stored energy in different neighborhoods of the greater Los Angeles region.

The contracts are part of Edison's local capacity requirement – a state mandate that calls on California's investor-owned utilities to generate a certain amount of energy within "a specific transmission-constrained area" to meet peak consumer demand.

The Advanced Microgrid Solutions plan is to deploy shipping container-sized batteries in office buildings and other commercial or industrial sites. They would store power generated in low-demand hours, then make it available during high-demand periods.

The company has been circumspect about its investors, declining in several interviews to identify partners or financial backers.

According to an April 2014 filing with the U.S. Securities and Exchange Commission signed by Kennedy, Advanced Microgrid Solutions offered \$1.5 million in securities to a targeted group of sophisticated investors. The record shows she sold \$1 million worth of debt.

In July, the company reported selling 1.6 million common stock options for 2 cents each or \$32,000, California Department of Business Oversight records show. Four months later, it sold 1.3 million additional options for \$26,000.

Matthew Freedman is a staff attorney at The Utility Reform Network, a San Francisco consumer group that works to reduce utility rates in California.

Freedman said Advanced Microgrid Solutions is unusually well-connected, but does not appear to have received special treatment from Edison.

“Since this is a power purchase contract, the company doesn’t get paid unless it performs,” Freedman said. “So ratepayers aren’t forking over any money if the project never materializes or performs poorly.”

According to an energy storage evaluation tool produced in 2013 by the Electric Power Research Institute, an industry-funded think tank based in Palo Alto, one kilowatt of battery storage can be worth as much as \$2,000. By that measure, 50 megawatts of power could be worth as much as \$100 million.

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CPUC approves Edison energy deals

Former Schwarzenegger aide among those providing power



[\(/staff/jeff-mcdonald/\)](#)

By Jeff McDonald [\(/staff/jeff-mcdonald/\)](#) | 5:49 p.m. Nov. 19, 2015



CEO Susan Kennedy of Advanced Microgrid Solutions speaks during a panel discussion at the National Clean Energy Summit 8.0 at the Mandalay Bay Convention Center on August 24, 2015, in Las Vegas (Photo by Ethan Miller/Getty Images)

The California Public Utilities Commission approved a series of purchasing agreements for Southern California Edison on Thursday that includes contracts with a San Francisco startup founded by a former commission member.

On a unanimous vote, the commission adopted a plan Edison submitted in response to commission orders to procure up to 2,500 megawatts of new power.

Four of the 80 or so contracts are with limited-liability companies owned by Advanced Microgrid Solutions, a firm opened by former Commissioner Susan Kennedy. Kennedy formerly worked as chief of staff to Gov. Arnold Schwarzenegger and a top aide to Gov. Gray Davis.

"It has been a long trek, but I'm very happy we've got some contracts now," Commissioner Michel Florio said moments before the approval.

The utility proposed more than 80 contracts that include electricity from solar sources, gas-fired plants and the technology being marketed by Kennedy's company, energy storage.

The price Edison is paying will not be made public for up to three years, although industry estimates have pegged the Advanced Microgrid share around \$100 million.

Edison said the array of contracts will ensure a more reliable power supply for years to come. It said each of the bids were evaluated strictly on their merit and not connections with former utility regulators or political officials.

"The process was competitive and rigorous and ensured a level playing field for all bidders," the company said.

Kennedy and Advanced Microgrid Solutions did not respond to a request for comment. The company said earlier this year that it did not receive any special treatment in securing contracts.

Energy consultant Bill Powers filed a request in June urging the commission to reject the contracts proposed by Edison because they are too reliant on fossil fuels and appear to favor industry insiders like Kennedy.

"It's pretty clear that the incumbent power players won this round," Powers said Thursday. "All of the big players that already had their belly up at the bar got their drinks."

Powers said regulators should be approving more energy from renewable sources rather than gas-fired plants, especially given the emphasis by people like Gov. Jerry Brown on grappling with climate change.

"This decision is almost diametrically opposite of what you would expect procurement to look like in 2015," Powers said. "This could be a 1975 procurement package. It really is stunning that despite all the rhetoric, the state would allow this kind of status quo."

The San Diego Union-Tribune reported earlier this year that Kennedy had undisclosed communications with commission President Michael Picker, talking up the benefits of energy storage. The commission said the email exchange did not need to be reported under commission rules because it did not urge any particular action by Picker.

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CPUC boss had questions before disclosing party role

Picker eventually decided he wouldn't 'win any fights' on the matter



[\(/staff/jeff-mcdonald/\)](#)

By [Jeff McDonald \(/staff/jeff-mcdonald/\)](#) | 6:53 a.m. March 27, 2015



California Public Utilities Commission President Michael Picker asked several questions of agency lawyers before agreeing to publicly disclose his role in sponsoring a farewell party for his predecessor.

The \$250-a-plate tribute for Michael Peevey, who stepped down amid investigations into back-channel communications and possible favoritism of utility companies, was held at the Julia Morgan Ballroom in San Francisco last month.

Picker was listed as a sponsor, triggering a requirement that he disclose more than \$55,000 raised in his name from people who have interests before the commission.

The dinner drew fire because it came amid criminal probes of commission relationships with the kinds of stakeholders who attended the event. The Goldman School of Public Policy at the University of California Berkeley was to receive proceeds of the event but turned them down amid criticism.

According to emails obtained by U-T San Diego, commission attorneys informed Picker that he would have to disclose that funds were raised in his name.

Picker inquired whether the money raised could be divided among him and other sponsors, staying under a \$5,000 reporting threshold. Attorney Christine Hammond said no. He also inquired whether some action was required on his part — such as directly calling someone to ask for money — to trigger the reporting requirement. Hammond said no to that, too.

"You will have to do the reporting, as none of the other sponsors can satisfy your reporting requirement," Hammond wrote on Jan. 2.

She underlined the "you."

She advised Picker to gather information about the actual cost of the party, which he did two weeks later in an email to Susan Kennedy, the event planner and a former gubernatorial chief of staff.

"I'm not sure I'll win any fights about the behesting," Picker wrote Jan. 19 to Kennedy, also a former utilities commissioner herself.

Picker says his only real role in the event was to pay for his own ticket, that his listing as a sponsor was a mistake and he made no effort to enlist other attendees. His spokeswoman, Terrie Prosper, [told U-T San Diego \(http://www.utsandiego.com/news/2015/mar/10/michael-picker-payment-peevey-party/\)](http://www.utsandiego.com/news/2015/mar/10/michael-picker-payment-peevey-party/) on Feb. 24 that the commission would provide documentation of his payment within a few days, but has yet to do so.

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6 April 2015

Assemblymember Anthony Rendon
Chair, Assembly Committee on Utilities and Commerce
State Capitol
P.O. Box 942849
Sacramento, CA 94249-0063

Re: Response to Public Utilities Commission President Picker's letter

In his 3 April 2015 letter to you, California Public Utilities Commission (CPUC) President Michael Picker does not sound like he believes it is "imperative to investigate and scrutinize the entire [San Onofre] settlement process in order to ensure that the settlement process was legitimate and uncorrupted," as you requested. Instead, President Picker provides "faulty rationales for decisions and actions" of the CPUC in the San Onofre case.¹

The San Onofre "settlement" refers to an agreement to end the incipient investigation into who should pay the \$5,000,000,000 in damages caused by the closure of the San Onofre nuclear power plant after its four defective new steam generators failed in January 2012. The CPUC made utility customers pay for most, if not all, of the damages.²

Evidence shows there may have been a criminal or unlawful scheme to close the investigation. On 23 January 2015, San Francisco Superior Court Judge Linda Colfax found probable cause to believe there was evidence "used as the means of committing a felony" located at former CPUC President Michael Peevey's home in La Canada, California.

Found in Peevey's home office desk drawer were notes of a secret deal to end the CPUC's San Onofre investigation. Special Agent Reye Diaz of the California Department of Justice described the notes as "RSG Notes on Hotel Bristol Stationary." The "RSG" was an abbreviation for the Replacement Steam Generators. An article written by Jeff McDonald of the San Diego Union Tribune reported the RSG notes were uncovered in the search.

The Union Tribune RSG article forced Edison to admit its lawyer Stephen Pickett and then Peevey met on 26 March 2013 at the Bristol Hotel in Warsaw, Poland. Ed Randolph, Director of the CPUC

¹ The Japanese Diet Fukushima report cited "faulty rationales for decisions and actions" offered by Japanese regulators as the root cause of the Fukushima disaster.

² As discussed below, the CPUC represented utility customers benefited from the settlement because amounts they would have charged was reduced. However, these amounts were not part of the proceedings, were not audited, and were not reflected in any customer bill.

Energy Division, also was present. Edison admitted a “framework” to end the investigation was discussed at the meeting and recorded by Pickett in notes (on Bristol Hotel stationery) kept by Peevey.³ Those were the notes agent Reyes found in Peevey’s desk drawer. The collaborators were in Poland at the Bristol Hotel to attend a meeting sponsored the California Foundation on the Environment and Economy (CFEE).⁴

All four generators were operational as of February 2011. They failed in January 2012. The failure of the generators caused a chain reaction, forcing the plant to close, and advancing the problem of deciding where and how to store the 3,600,000 pounds of high-level deadly nuclear waste San Onofre produced.⁵ Determining how the steam generators failed was critical to deciding who should pay the damages. It was important to know if Edison acted knowingly, recklessly, or negligently.

The generators failed because they developed cracks in the tubes used to generate steam to turn the turbines. Thus, it was essential that the following questions be answered: (1) What error(s) led to the tube failure(s)?; (2) At what stage were those errors made?; (3) Who made those errors?; (4) What might have been done, and by whom, and at what stage, to have averted those errors?; and (5) What arrangements in place elsewhere, technical or administrative or both, that were successful in averting these errors somehow didn't work adequately for the SONGS RSGs?⁶ The plan at Warsaw was to keep these questions from being explored or answered in the CPUC San Onofre investigation.

After the plant failed in January 2012, Peevey and Commissioner Michel Florio were able to postpone the start of any investigation for months. It was not until November 2012 that the CPUC issued an Order of Investigation in the San Onofre case.⁷ However, the investigation was immediately put on hold. Following an ex parte discussion between the assigned-Administrative Law Judge and Edison’s Vice President for San Onofre, Russell Worden, and after ex parte meetings between Commissioner Florio’s staff and Edison’s Senior Vice President of Regulatory Affairs, Les Starck, and Edison Director of Regulatory Affairs, Mike Hoover, the investigation was paused under a 10 December 2012 CPUC Administrative Law Judge (working under Florio) ruling.⁸

³ The notes were the subject of a public records request in June 2013, but the CPUC and Peevey failed to produce them.

⁴ CPUC Commissioners meet outside public view with utility executives at utility sponsored CFEE” conferences” and “Study Travel Projects.”

⁵ Edison has delegated the duty to safely store the 3,600,000 pounds of high level nuclear waste in shallow graves of canisters along the shoreline in North County San Diego. As discussed later, Edison attempted to shift blame for the defective steam generators to a subcontractor, Mitsubishi Heavy Industries (MHI).

⁶ CPUC’s retained expert, Dr. Robert Budnitz, provided these questions. The CPUC stopped him from answering them.

⁷ The cost of the Replacement Steam Generators (RSGs) were never permanently in rates, but the CPUC acted as if they had been permanently placed in rates. But Edison had failed to take the needed steps to get final approval – something it was required to do within six months of the RSGs being operational in February 2011.

⁸ Under the 10 December 2012 ruling, the assigned Administrative Law Judge issued a ruling stating, “The Commission intends to approach this inquiry in stages,” with the investigation into

The case was on hold when Peevey and Pickett met in Warsaw on 26 March 2013.⁹ The investigation was never allowed to proceed. After the secret meeting at the Bristol hotel, there were 35 secret follow-up meetings Edison attended along with the CPUC Office of Ratepayer Advocate and The Utility Reform Network (TURN). No other parties were informed of, or invited to attend, the “settlement” meetings.¹⁰

During 2012-2014, there were countless back-door meetings with Edison about San Onofre involving the CPUC. In addition to the meeting in Poland and the other 35 secret meetings, there were meetings in London, Los Angeles (the private California Club) and San Francisco. Commissioners Picker, Peevey, and Sandoval participated in several of those meetings. There were also many phone conversations between Edison and CPUC officials regarding San Onofre. Picker participated in many of these secret discussions, both while at the Governor’s office and when he was at the CPUC. After the secret Warsaw meeting, Picker met with Peevey about San Onofre at the very private club – the California Club — in Los Angeles. **Picker has failed to produce his emails with Edison and others regarding the plan to end the investigation.**¹¹

The “settlement” was announced on 27 March 2014 through a media blitzkrieg unleashed to mislead the public they were to receive a \$1.4 billion refund. According to the rationale offered, the investigation was no longer needed because utility customers would be paid back for the steam generators. However, customers were required to pay the remaining \$3.3 billion in damages. The press juggernaut was coordinated with Peevey and Florio, who issued press releases the same day the settlement was announced:

Said President Peevey, “I am pleased that the parties have come to a proposed settlement that they believe is in the interest of ratepayers. The proposed settlement will come before the CPUC for consideration after a public hearing to evaluate it closely.”

Said Commissioner Florio, “After an 18 month proceeding, it is encouraging that the parties have come to a proposed resolution. If approved, it would save us another two years of litigation and offer ratepayers a more expeditious relief.”

TURN went so far as to issue a press release claiming utility customers were getting a \$1.4 billion refund.¹² Several newspapers were misled and carried headlines proclaiming the refunds were coming. As stated above, not a single utility customer bill shows any reduction due to the San Onofre settlement.

who was responsible for the failed steam generators to come at the end stages *after* it was decided how much would be paid. There was no citation to any such CPUC determination.

⁹ On 6 March 2013 a “root cause” report was issued showing Edison had been warned about the tube defects but decided not to use correction options in order to evade safety license requirements.

¹⁰ CPUC Rule 12 requires all parties to be invited to one settlement conference. No such conference was held. Instead, there was only a meeting on 27 March 2014 to announce the “done deal.”

¹¹ A lawsuit has been filed against Picker to require him to reveal his San Onofre related emails and communications.

¹² TURN removed and replaced the offering press release changing the word “refund” to “savings.”

Under the “settlement,” utility customers are required to continue to pay Edison for the failed plant, even though it produces no electricity for customers. They are also required for expensive replacement power Edison bought to replace power no longer generated at San Onofre. The CPUC imposed these charges without determining if Edison officials acted wrongfully.

After the “settlement” was announced, the CPUC gave utility customer advocates less than three hours to challenge the \$5 billion settlement at a 14 May 2014 “evidentiary” hearing. However, during cross-examination, Edison President Ronald L. Litzinger admitted there was nothing in the record that would allow the CPUC to evaluate the extent of Edison’s culpability.¹³ When asked during the hearing whether he had secret meetings with Edison to discuss how to kill the San Onofre investigation, Peevey lashed out, but did not answer the question and did not mention his secret Warsaw meeting:

COMMISSIONER PEEVEY: The only comment I would make is that I came here today hoping to be educated. I walk out of here without that happening. I am very disappointed by the whole back and forth here. It has not illuminated the settlement one iota. As far as TURN goes, I think it's general knowledge my relationship with TURN is, to be fair, chilly. And I have never talked to Mr. Freedman on this topic during that whole time at all. Period. Mr. Freedman. That's it. Sorry.

MR. AGUIRRE: What about Southern Cal Edison?

COMMISSIONER PEEVEY: Sorry. Edison?

MR. AGUIRRE: Yeah.

COMMISSIONER PEEVEY: I'm not here to answer your questions.

ALJ DARLING: Mr. Aguirre.

COMMISSIONER PEEVEY: I'm not here to answer your goddamn question. Now shut up. Shut up.

Peevey’s outburst came after utility consumer advocates gave the following offer of proof when the Administrative Law Judge asked for one:

Let me give you my offer of proof. It's our contention that the representation by the Commission that there was going to be an investigation into the reasonableness of Southern California Edison's deployment of the defective steam generators was a promise of an investigation with the intent not to perform it. It is our contention that you, Ms. Darling, Judge Darling, entered a ruling that put the investigation off into the remote future in order to avoid any such investigation. It's our position that Mr. Peevey helped to orchestrate this settlement through Mr. Freedman and others, and it wasn't a settlement negotiation. It was a meeting to figure out how not to have the reasonableness investigation. The rulings that you

¹³ 14 May 2014 Reporter Transcript, p. 2745

made prohibiting any kind of discovery into the relevant issues, when the dis- -- when the settlement was announced, the coordinated press releases that falsely stated, from Mr. Florio and Mr. Peevey, that the parties had settled which was picked up as part of the blitzkrieg in which the ratepayers were misinformed that they were going to get a \$1.4 billion refund was a collusive, not bona fide basis for this settlement. And we have a right to try to develop that record, which you are not permitting us to do.

And let me just ask this.

MR. AGUIRRE: Mr. Peevey—

ALJ DARLING: --any questions-

MR. AGUIRRE—did you have any discussions with any parties”

ALJ DARLING: No.

MR. AGUIRRE: -- about the settlement process while it was taking place, sir? ¹⁴

Picker claims in his 3 April 2015 letter he approved the settlement based on the “record.” However, there being no examination permitted by the CPUC into whether Edison acted reasonably, recklessly or knowingly, how can the decision to make utility customers pay \$3.3 billion be justified? The Chairman asked at the 19 March 2015 Committee hearing how this could be, and Michael Picker answered falsely:

Picker: “At the point that it became very clear that you could not make the system functional everything beyond that went to the cost of the utility.”¹⁵

The opposite of what Picker said was true. When it became very clear you could not make the San Onofre system work, the cost was shifted to utility customers, not Edison. ¹⁶ Again, no Edison bill shows any reduction attributed to the San Onofre settlement. ¹⁷ Also, Picker seems to be operating under the misapprehension that Edison was found to have acted reasonably. When the Chairman asked Picker why Edison should receive any part of a recovery from the manufacturer of the defective generators, Picker implied in his answer that Edison acted “fairly and honestly” in procuring the equipment.”¹⁸

¹⁴ 14 May 2014 Reporter Transcript pp. 2772-2773.

¹⁵ See 19 March 2015 hearing at 1:53:25.

¹⁶ The reported “savings” supposedly came from a reduction in charges that had not yet been billed to customers.

¹⁷ There was no audit of the settlement; Edison did not submit it to any reputable third party expert to evaluate its fairness. The CPUC did not evaluate the settlement against the level of Edison officials’ wrongdoing in deploying the defective generators. There was no \$1,400,000 refund.

¹⁸ See 19 March 2015 hearing at 1:53:25 2:00:02

The record does not support Picker's claim Edison acted "fairly and honestly." Again, Edison itself admitted in its responses to data request the CPUC did not determine Edison acted reasonably. The CPUC blocked every effort utility customer advocates made to gather evidence relevant to Edison's conduct. However, there was substantial evidence gathered from other sources showing Edison officials may have engaged in serious wrongdoing in deploying the defective steam generators.

A 30 November 2004 letter from Edison Vice President for San Onofre, Dwight Nunn, admitted facts that show a Nuclear Regulatory Commission (NRC) safety license amendment was required for the new steam generators at San Onofre, but which Edison failed to obtain. An Edison engineer on the project admitted Edison intentionally evaded the NRC licensing.¹⁹ An NRC official admitted (based on what is now known by the public, but which was known to Edison at the time) a license amendment was required, but none would have been granted on the proposed experimental generators. Edison made significant changes in the design of the RSGs which required Edison to obtain a safety license amendment.²⁰ It never did so. The CPUC prohibited the utility customer advocates from developing or presenting this evidence.

While Picker proclaims his goal to be transparent, again, the opposite is true. Two sets of very expensive lawyers have been hired to assert privileges to avoid production of evidence, even evidence of criminal wrongdoing. Picker retained criminal defense attorneys to provide him and others with a criminal defense at \$800 per hour with a budget of \$5.2 million without first determining whether it was in the CPUC's best interest to do so, and without finding those receiving the defense acted in good faith. This retention was made in violation of Government Code § 995.8.

The same criminal defense firm is representing the CPUC witnesses, which only works to stymie any investigation. Picker is using the law firms to choke off document production and to restrain witness cooperation. Picker has been asked to bring the CPUC into compliance with Government Code § 995.8. He has been asked to waive all privileges. The public good in ferreting out crimes and wrongful conduct far outweighs any secrecy values.

Picker's choices and decisions to ratify and participate in the old Peevey ways at the CPUC was brought to light in a series of disturbing emails between him and Susan Kennedy regarding his sponsorship of the Peevey celebration dinner on 12 February 2015. In one exchange, Picker makes fun of the fact that he intentionally misled a reporter about whether he paid for the Peevey dinner. Other emails are more damaging because they show Picker is under the heavy influence of Ms. Kennedy, who has a multi-million contract before the CPUC.

Picker reassigned the investigation proceedings to Commissioner Sandoval, without providing any reason for the change. However, Commissioner Sandoval met ex parte with Edison executives relating to the San Onofre failure.²¹ Much of the irregularity of the proceedings was brought to the

¹⁹ San Onofre engineer Boguslaw Olech made the admissions in a January 2012 article in the Nuclear Engineering International.

²⁰ On 13 May 2013 the Atomic Safety and Licensing Board issued a decision finding the new steam generators had: 377 more tubes than the original; did not have a stay cylinder supporting the tube sheet; and had a broached tube design rather than an "egg crate" tube support. See, 13 May 2013 report (pp. 3-4)

²¹ 4 April 2012 meeting with Edison executives, with Sandoval's comments recorded in notes. She discussed the root cause issue of the RSG failure. (CPUC document PRA 1262 3236-3244)

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6 April 2015

attention of Commissioner Sandoval and the other commissioners. None of them made any inquiry in the facts. They blindly voted in lock-step with Peevey in favor of the proposal to kill the San Onofre investigation. This reassignment does nothing to improve the transparency of the Commission or the trust of the public in the Commission.

So far, none of the California legislative committees have permitted those advocates who opposed the CPUC-Edison plan to kill the San Onofre investigation to come before them. In the interest of developing a proper and accurate legislative record, and to support your goal of legislative oversight of the CPUC, I earnestly and respectfully request an opportunity to appear before your Committee and urge you to schedule a joint appearance before the Committee with Mr. Picker and me, placing us both under oath to provide testimony on these critical issues.

With the bulk of \$5 billion in damages for the failed nuclear plant being imposed on Southern California residents, and with the safety threat posed by 3.6 million pounds of nuclear waste left sitting on Southern California shores, the voting constituents should be permitted to witness a discussion under oath as to what really happened at the nuclear plant, and how Edison and the CPUC handled it. As you so eloquently said, it is "imperative to investigate and scrutinize the entire [San Onofre] settlement process in order to ensure that the settlement process was legitimate and uncorrupted."

Very truly yours,

/s/ Michael J. Aguirre
Michael J. Aguirre, Esq.

Judge: Regulator should release Brown e-mails on nuclear shutdown

EXHIBIT

23

By Jaxon Van Derbeken Updated 6:57 pm, Saturday, November 28, 2015

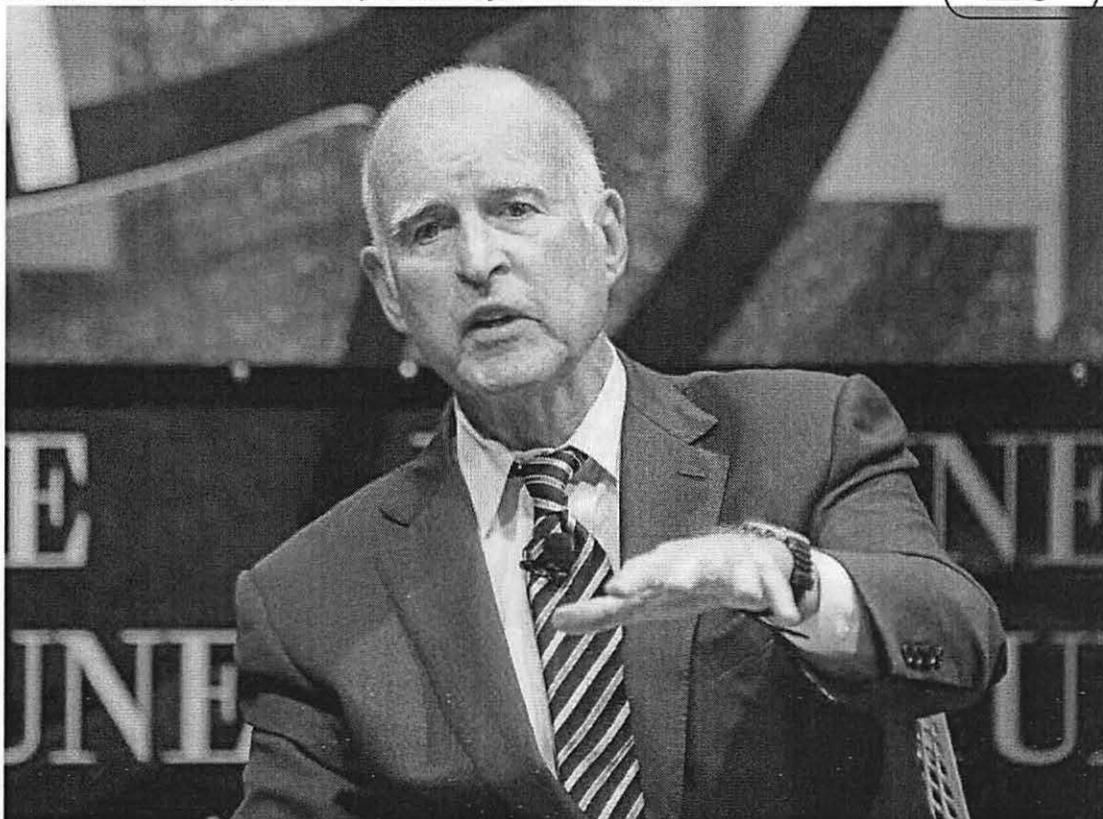


IMAGE 1 OF 6

Gov. Jerry Brown speaks at the Fortune Global Forum at Fairmont Hotel on November 2, 2015 in San Francisco. E-mails sent to and from Brown are at the heart of a dispute over shutdown costs for the San Onofre ... more

A San Francisco judge is urging the state Public Utilities Commission to stop “stonewalling” and release e-mails that could reveal a behind-the-scenes role for Gov. Jerry Brown in a multibillion-dollar deal with two utilities that shut down a Southern California nuclear power plant.

Superior Court Judge Ernest Goldsmith acknowledged that he may not have the legal authority to order the state to turn over the e-mails, which the commission says were communications involving Brown and the president of the regulatory agency’s governing board, Michael Picker, about the

closure of the San Onofre nuclear plant in San Diego County. The commission is legally justified in refusing to release the e-mails, its attorneys say.

But it's in the public's interest for the commission to "do the right thing" and reveal as much documentation as possible about what went into a deal that would cost Southern California utility customers more than \$3.3 billion, the judge said.

The experience of another major California utility — Pacific Gas and Electric Co. — after the San Bruno disaster shows that "when something is big enough, it's just got to come out," Goldsmith said.

Suing the state

The utilities commission approved a shutdown deal last year with the San Onofre plant's co-owners, Southern California Edison and San Diego Gas and Electric Co., that assigned about 70 percent of the \$4.7 billion shutdown bill to the firms' customers. The companies closed San Onofre after a January 2012 leak of radioactive steam revealed widespread damage to its cooling system.

Mike Aguirre, a San Diego attorney, sued the state commission on behalf of utility customers who argued that their share of the costs was too high. He went to court seeking to invalidate the shutdown deal after evidence emerged that the then-president of the commission and a Southern California Edison executive had met secretly in a Polish hotel to come up with the deal's framework.

Seeking documents related to the secret negotiations, Aguirre filed a request under the state Public Records Act. When the utilities commission balked at turning over some of the documents, he filed another lawsuit.

Aguirre ultimately learned that the agency had withheld about 130 e-mails involving either Picker or Brown related to the San Onofre closure.

The commission says it doesn't have to release those e-mails because they were sent as part of the regulatory agency's internal deliberations about the proposed San Onofre settlement — an exception that is spelled out in the Public Records Act. They also argue that all of Brown's communications with the commission are privileged because he is the governor.

'Doesn't sound right'

Separately, they say Aguirre must file his legal challenge in appellate court — not Goldsmith's Superior Court.

The judge said the commission's attorneys might be right that Aguirre is in the wrong court, but that the state agency should surrender the e-mails anyway.

"There's something about this that just doesn't sound right about stonewalling public information like this," Goldsmith told commission lawyers at a court hearing this month.

"Respectfully, your honor, we disagree that we're stonewalling," commission lawyer Jonathan Koltz replied.

The 65 e-mails that Brown either sent or received date from 2013 and 2014. The 63 listing Picker as the sender or recipient date from 2014, the year the governor named him to the utilities commission. Before that, Picker served five years as a senior energy adviser to Brown.

Aguirre became interested in the correspondence after he obtained an e-mail from Southern California Edison that its chief executive officer sent to company directors, which Aguirre says hints at the governor's involvement in the San Onofre shutdown talks.

In the e-mail — sent June 6, 2013, the day before Southern California Edison announced the San Onofre closure — CEO Ted Craver wrote that he had talked with Brown several times on the phone.

"I indicated that I imagined his office would get media calls tomorrow about this and would be looking for his reaction," Craver told the directors. "I indicated that if he was so moved, it would help if he could indicate we had talked and that he thought the company was acting responsibly and focused on the right things. He indicated a willingness to do that."

At the time, Sen. Barbara Boxer, D-Calif., had called for a federal criminal investigation after documents emerged suggesting Southern California Edison's executives knowingly used defective technology that damaged the San Onofre plant and led to its shutdown 11 months after it was installed.

Brown asked how Southern California Edison was going to deal with Boxer, and "fished" on whether the company was going to "blast" the senator, Craver wrote.

'Taking the high road'

The CEO told Brown "no," and that Southern California Edison was "taking the high road," Craver wrote. He added the company would emphasize its commitment to "system reliability for the customers."

"He said he agreed that was the best approach," Craver wrote.

The day after Craver sent his e-mail, Brown's office issued a statement about the proposed San Onofre decommissioning. The governor said that since the plant "went offline last year, energy utilities and the state have worked to provide Southern California with reliable electric power year round."

The governor said he had directed experts to focus on energy "reliability for decades to come."

"It appears from the record that CPUC and officials from the governor's office, including the governor himself, were involved in the discussions at the CPUC regarding the San Onofre issue," Aguirre's law partner, Maria Severson, told Goldsmith. "The interest of public disclosure as to who and what was behind the decision to make utility customers pay over \$3.3 billion for the errors of Edison is of vital importance."

Brown spokesman Evan Westrup said in an e-mail last week that Southern California Edison and public officials had given the governor "courtesy notice of the action" to close San Onofre. But he said the way Craver characterized Brown's comments was "false." He did not elaborate, nor did he say whether the governor's office had a position on the e-mail disclosure dispute.

Westrup said the statement that Brown issued when the San Onofre shutdown was announced "speaks for itself."

'Funny business'

At a Nov. 5 court hearing in San Francisco, Goldsmith acknowledged that he may be powerless to force the utilities commission to turn over the e-mails involving the governor and Picker. But he urged the agency to disclose the documents all the same, and set another hearing for Dec. 9.

"I frankly don't know why these two learned lawyers (representing the commission) are standing in front of me opposing it when the meaning of the (Public Records Act) is so clear that information of

this type should be out there,” Goldsmith said.

“And it raises a question in the court’s mind and I imagine the public’s mind that, hey, there’s some funny business that went on,” Goldsmith said. “There’s some decisions that were made that they don’t want any sunlight to focus on it.”

The judge said the public’s perception was likely to be, “There’s something you don’t want out there, that the PUC doesn’t want out to the public, and you’re standing on their rights under this, and they’re arguing that, hey, this ought to be out there in the public light, and it should.

“Now, if I had a way to do it, I’d do it,” he said.

Ironically, Brown vetoed a bill in October that would have granted Superior Court judges such as Goldsmith the power to resolve commission records disputes involving the Public Records Act. People fighting state government’s refusal to turn over documents must now go straight to an appeals court.

Aguirre said appellate courts often refuse to take such cases without even holding a hearing, something that doesn’t happen in Superior Court.

Brown “vetoed the legislation that would have made it clear and would have given us our day in court,” Aguirre said.

The Public Utilities Commission initially tried the same strategy when it refused to turn over documents the city of San Bruno requested after the September 2010 explosion of a PG&E gas pipeline killed eight city residents. The agency first argued that San Bruno should file in an appellate court, but eventually gave in and disclosed some of the documents in 2014.

PG&E later released other e-mails that revealed its executives had secretly lobbied the utilities commission to assign a preferred administrative law judge to a key rate case stemming from the San Bruno disaster. Additional e-mails showed a pattern of backdoor communications between PG&E and other state utilities and the commission, leading state and federal prosecutors to open investigations into possible violations of law. No charges have been filed.

As part of the state investigation, agents searched former commission President Michael Peevey’s home in January and found his notes related to the San Onofre closure talks he held with a Southern

California Edison executive in March 2013 in a hotel in Warsaw, Poland. Aguirre says the notes are proof that Peevey improperly negotiated the shutdown deal, and that the Brown and Picker e-mails are critical to understanding how the utilities commission ultimately approved it.

“We believe the e-mails will show that the process was thoroughly compromised,” Aguirre said in an interview.

‘This is a big deal’

Goldsmith urged the utilities commission to reach an agreement with Aguirre similar to the one it struck over the e-mails that San Bruno sought.

“This is a big deal,” he said. “This is not a trivial issue to the taxpayers of California. And just like the San Bruno events were not a trivial deal, and when something is big enough, it’s just got to come out. It’s going to come out, and it’s either going to be horribly painful, or you can just do the right thing.”

Goldsmith told Koltz, the commission’s lawyer, “The whole country knows about the San Bruno affair, and I don’t know that this is any less important.”

“I don’t believe it is, your honor,” Koltz replied. He agreed to meet with Aguirre in advance of the Dec. 9 court date.

Jaxon Van Derbeken is a San Francisco Chronicle staff writer. E-mail: jvanderbeken@sfchronicle.com Twitter: [@jvanderbeken](https://twitter.com/jvanderbeken)

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Judge calls for review of CPUC emails

Ruling: Utilities commission won't get last word on withholding San Onofre emails



[/staff/jeff-mcdonald/](#)

By [Jeff McDonald](#) [/staff/jeff-mcdonald/](#) | 12:38 p.m. Jan. 25, 2016 | Updated , 5:05 p.m.



A San Francisco Superior Court judge on Monday rejected the California Public Utilities Commission's request to dismiss a lawsuit aimed at forcing regulators to release dozens of emails to and from Gov. Jerry Brown's office regarding the San Onofre nuclear plant failure.

"Withholding records of allegedly ex parte secret deals resulting in shifting \$3.3 billion of utility losses to ratepayers cannot possibly be a regulatory function of the PUC," Judge Ernest Goldsmith said. "It is not realistic that the Legislature intended that (Public Utilities Code) Sec. 1759 should be invoked to insulate PUC officials accused of corruption from public scrutiny."

San Diego consumer attorney Michael Aguirre sued the commission in March after it declined to turn over documents he sought under the California Public Records Act.

Goldsmith stopped short of ordering the disputed records released. Instead, unless commission lawyers seek and receive an order from a higher court, the documents will be reviewed in private by another judge, who will then decide whether they can be withheld from the public.

"Absent some kind of stay imposed by some other court, I see this as proceeding ahead with the review," said attorney Maria Severson, who filed the case on behalf of Aguirre, her law partner. "These records will have to go to a judge now."

Spokeswoman Terrie Prosper said the commission intends to challenge the ruling, which came at the end of a 50-minute hearing in San Francisco Superior Court, just a few blocks from the commission's Van Ness Avenue headquarters.

"The law is very clear that the Superior Court lacks jurisdiction," she wrote in an email. "The CPUC has a legal and ethical obligation to ensure that only those courts with jurisdiction hear cases involving the CPUC."

The PUC has special judicial authority and a staff of judges to hear appeals that arise out of its official proceedings on matters affecting privately owned power, telecommunications, water and transit companies.

What's in dispute is whether the agency's actions on an unregulated issue — such as public records law — can be appealed to Superior Court or must go to the higher level of the appellate court.

"If the lawsuit is filed in the correct court, we are fully prepared to provide the necessary factual and legal basis for the CPUC's application of the Public Records Act," Propser wrote. And "while we do not typically comment on pending litigation, I want to be clear that the emails in question did not relate to the San Onofre settlement, nor were they sent to or from the Governor personally."

Aguirre sought records related to the January 2012 closure of the San Onofre nuclear power plant on the north San Diego County coast, a failure that has resulted in a wide range of commission business, not just the \$4.7 billion settlement of premature closure costs approved by the commission in November 2014. The agreement assigned 70 percent of the costs to customers rather than to utility shareholders.

Southern California Edison, majority owner of the failed power plant, disclosed last year that the framework for the deal was sketched out at a 2013 meeting in Warsaw, Poland, between one of its vice presidents and former commission President Michael Peevey.

Edison disclosed the meeting nearly two years after the fact, and days after The San Diego Union-Tribune reported that notes from the meeting had been seized by state agents executing a search warrant at Peevey's Los Angeles area home. The commission is under investigation for its friendly dealings with the utility executives it's supposed to oversee.

Commission lawyers released hundreds of records in response to Aguirre's document request. They withheld 65 emails to and from the Governor's Office under the executive-privilege and deliberative-process exemptions. They also withheld scores of San Onofre-related emails sent or received by commission President Michael Picker.

In court papers and at three different hearings held in the case, commission lawyers told Goldsmith that he had no jurisdiction over the panel because it is a quasi-judicial agency and the Utilities Code says any appeals of commission decisions must be filed in an appellate court.

"This is a case dealing with our official duty to respond to the Public Records Act," commission lawyer Jonathan Koltz told Goldsmith on Monday. "A plaintiff that has a problem with that response has the right to go to the court of appeal."

Severson and Aguirre argued that responding to California Public Records Act requests is a non-regulatory administrative duty, subject first to the Government Code and state constitution — not the Utilities Code.

The judge concurred. "This is not a garden variety matter," he said. "A core value in a democracy is the right of citizens to know the actions taken by public officials."

The commission has retained at least two private criminal-defense law firms to respond to public records requests and search warrants from the state Attorney General's Office. It is spending as much as \$5 million of ratepayer funds, much of it to review records for potential privileges that might prevent them from being released.

Investigators from the Attorney General's office have sought and received at least six separate search warrants as part of their ongoing criminal probe. No charges have been filed.

Aguirre praised the judge, saying he was very careful and very narrow in his ruling.

"The door to the backroom where all the secret deals are made is slightly ajar," Aguirre said in a telephone interview following the decision. "Our goal is to push it all the way open."

Severson noted the commission is not obligated to exercise the exemptions cited in court filings.

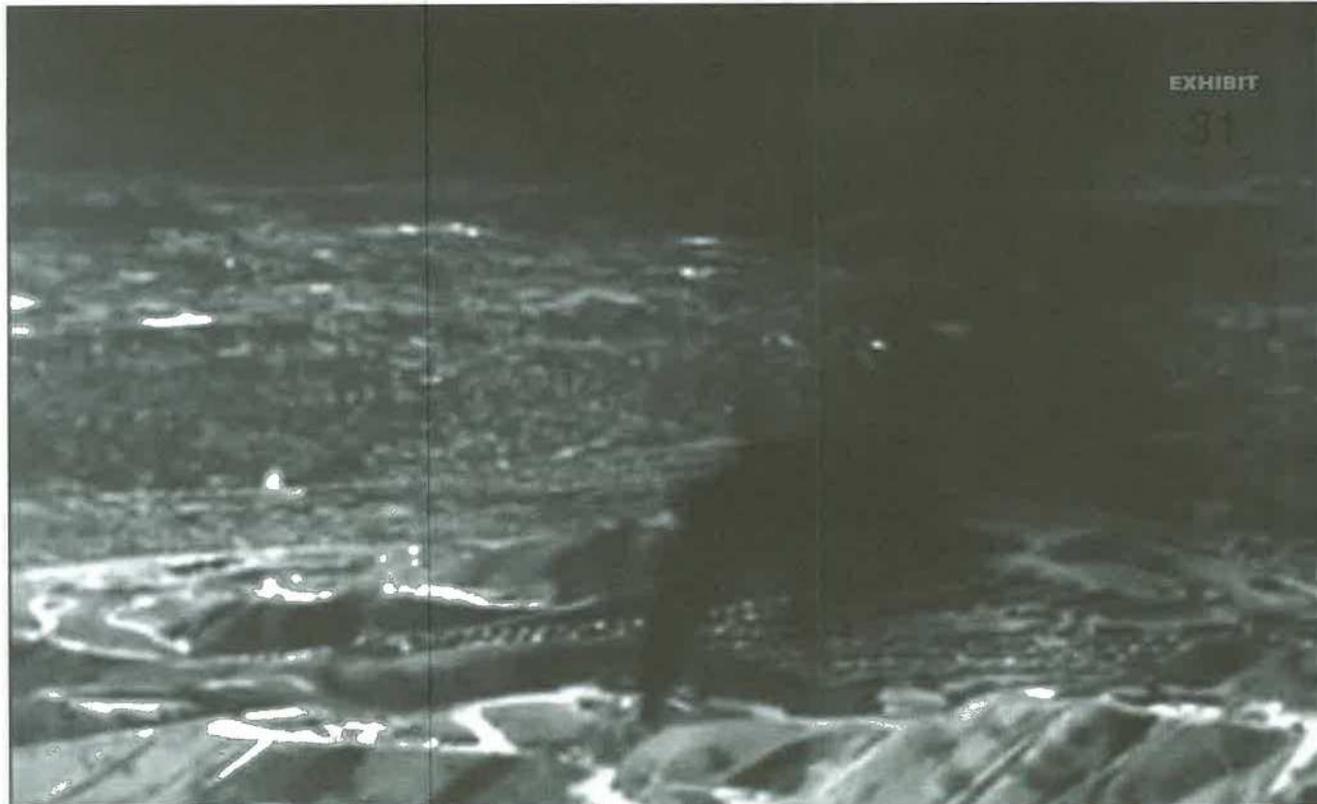
"It's important to remember that even if there are exemptions, they can always be waived," she said. "What is in these documents that is causing them to hunker down?"

Unless the commission appeals the Monday order, the case will be assigned to a San Francisco Superior Court trial judge. That judge would review the emails to and from the Governor's Office and Picker to determine whether they should be released under the open-records law.

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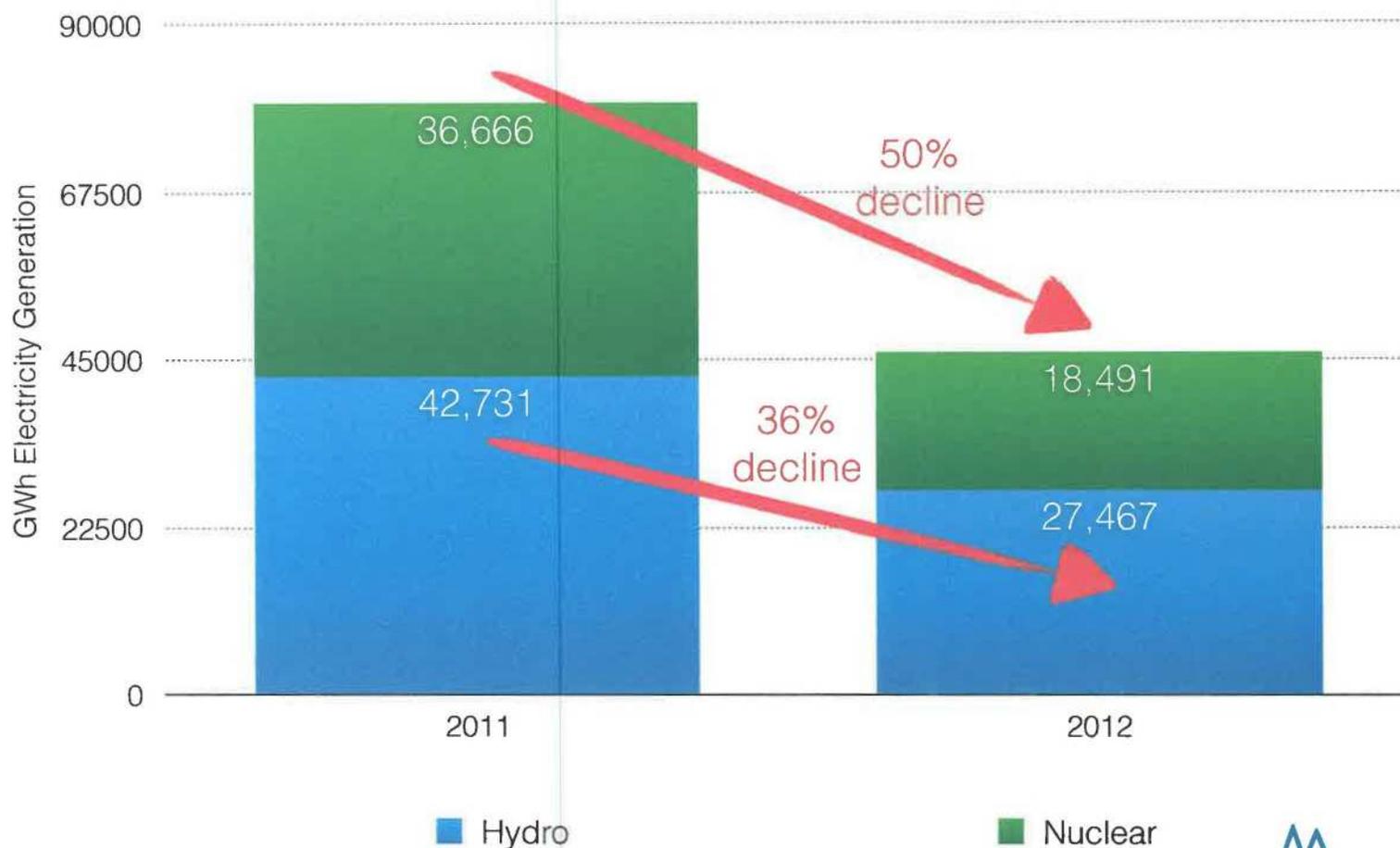
California Power Sector Emissions Remain High After SONGS Closure

September 7, 2016

Above: Methane gas leaking from Aliso Canyon, California, where it was stored to provide rapid back-up power to solar & wind. Source: Environmental Defense Fund

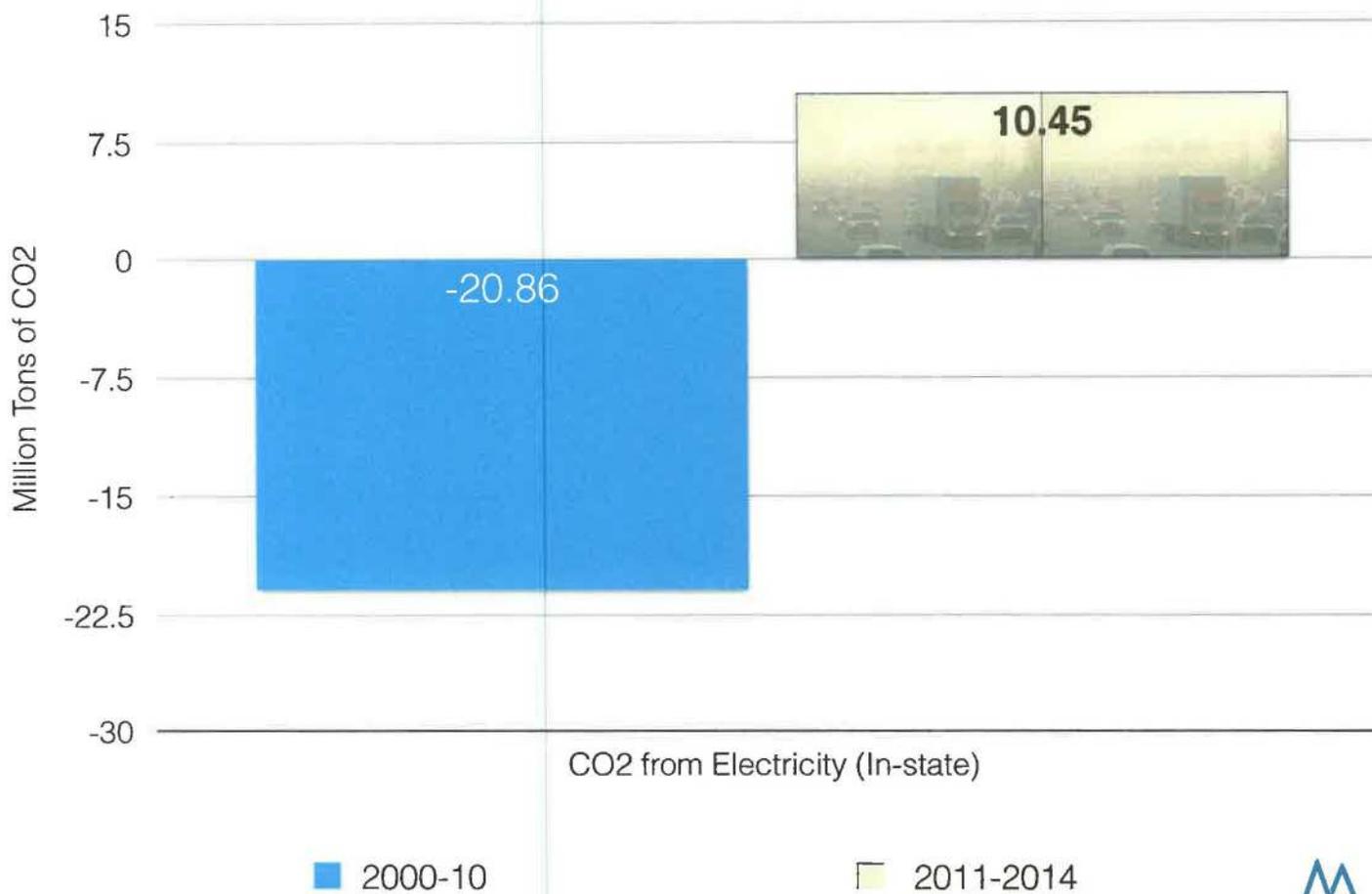


Loss of Nuclear Greater than Loss of Hydro

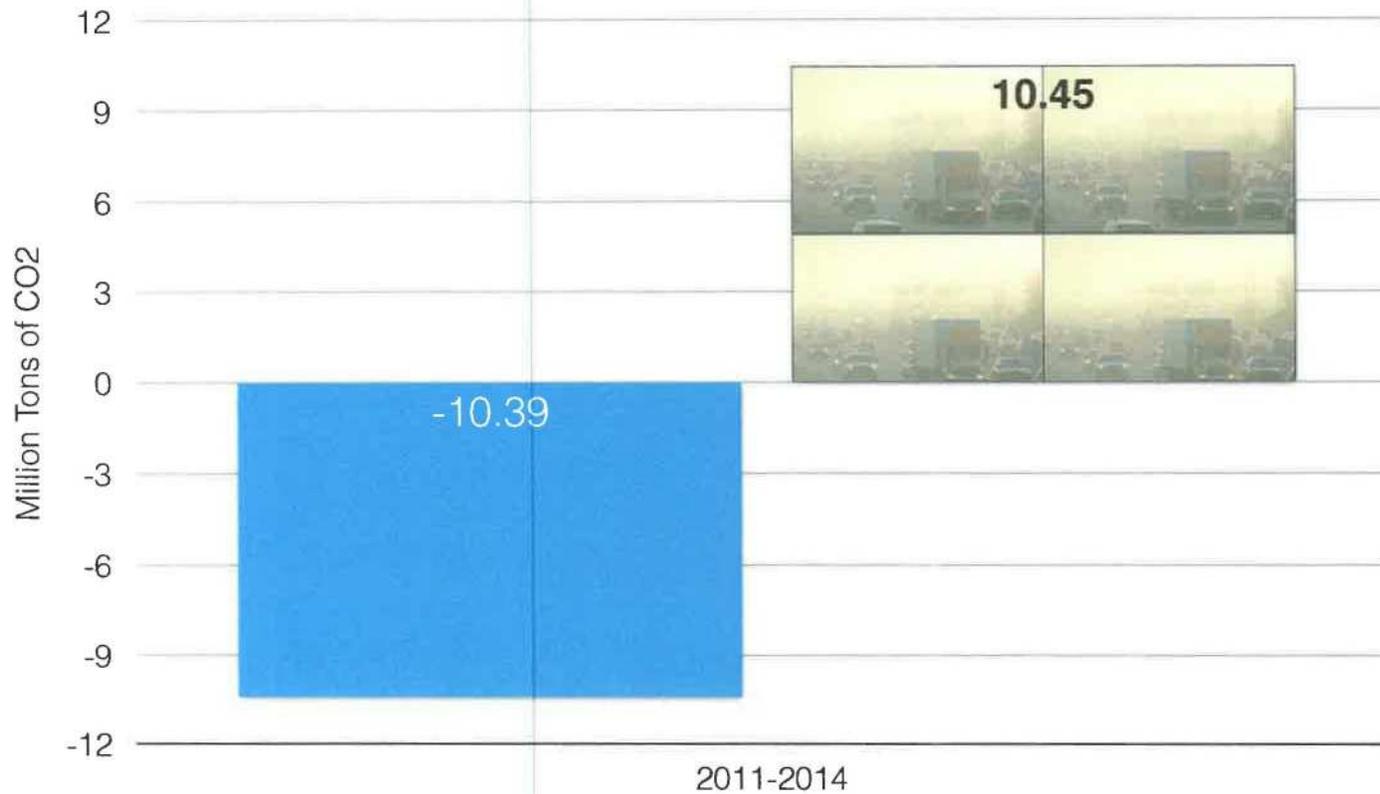


California Almanac, "In-State Generation by Fuel Type"
http://energyalmanac.ca.gov/electricity/electric_generation_capacity.html

In-State Power Sector Emissions Rose After 2011



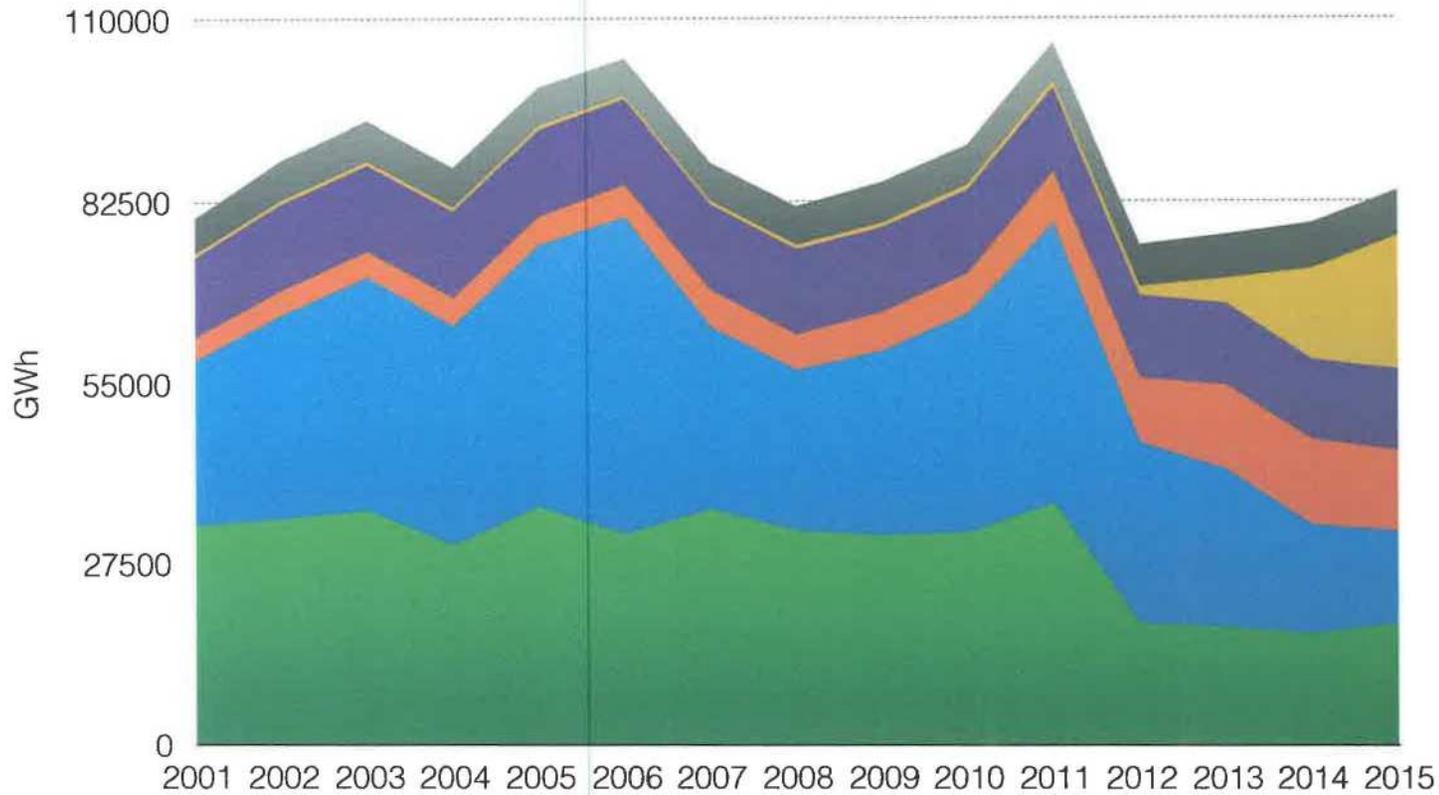
Decline in Emissions from Out-of-State Power Canceled Out by Rise of In-State Power Emissions



■ Change in CO2 from Power Imports

■ Change in CO2 from In-State Power

Loss of Nuclear & Hydro Not Made Up by Solar



■ Nuclear
 ■ Hydro
 ■ Wind
 ■ Geothermal
 ■ Solar
 ■ Biomass

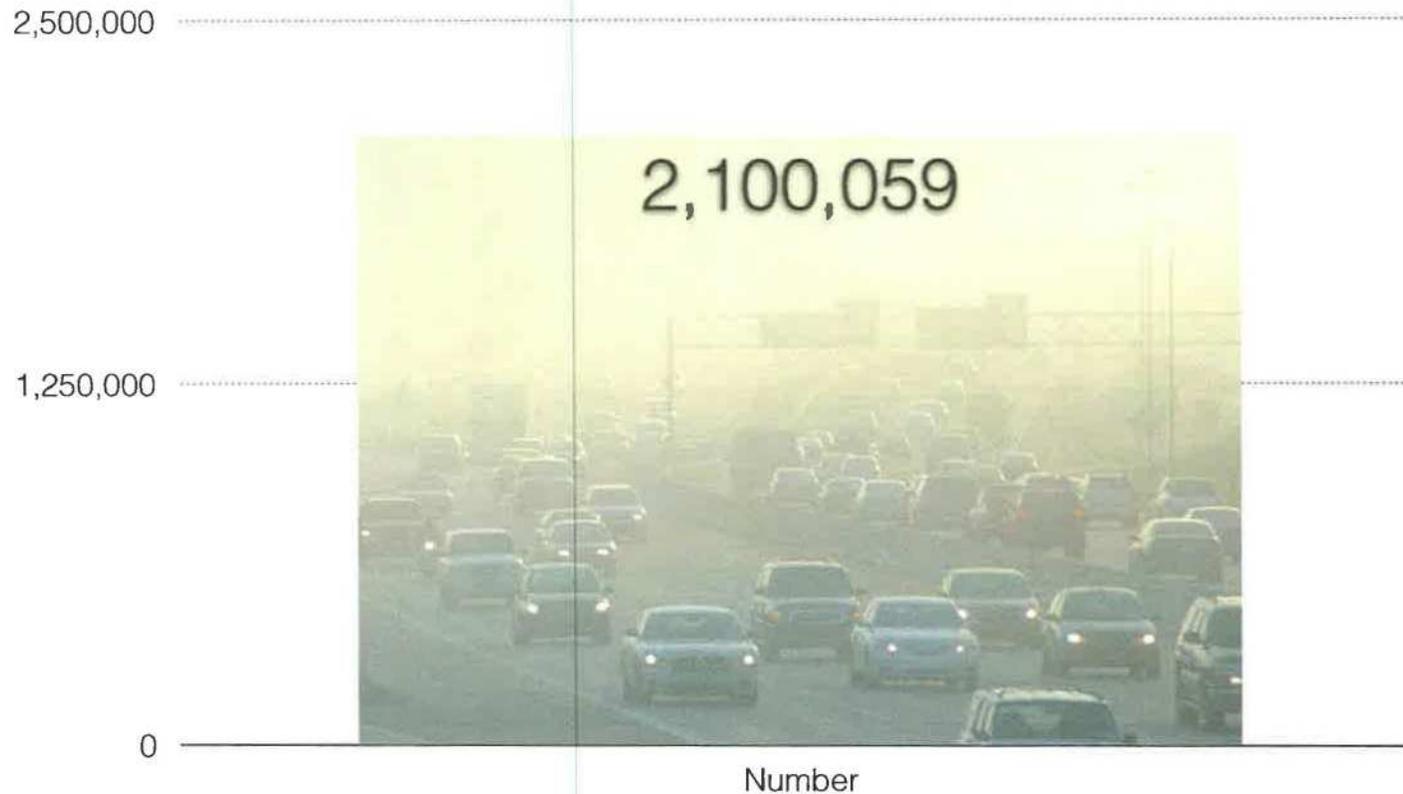
Includes distributed solar

Source: US Energy Information Administration



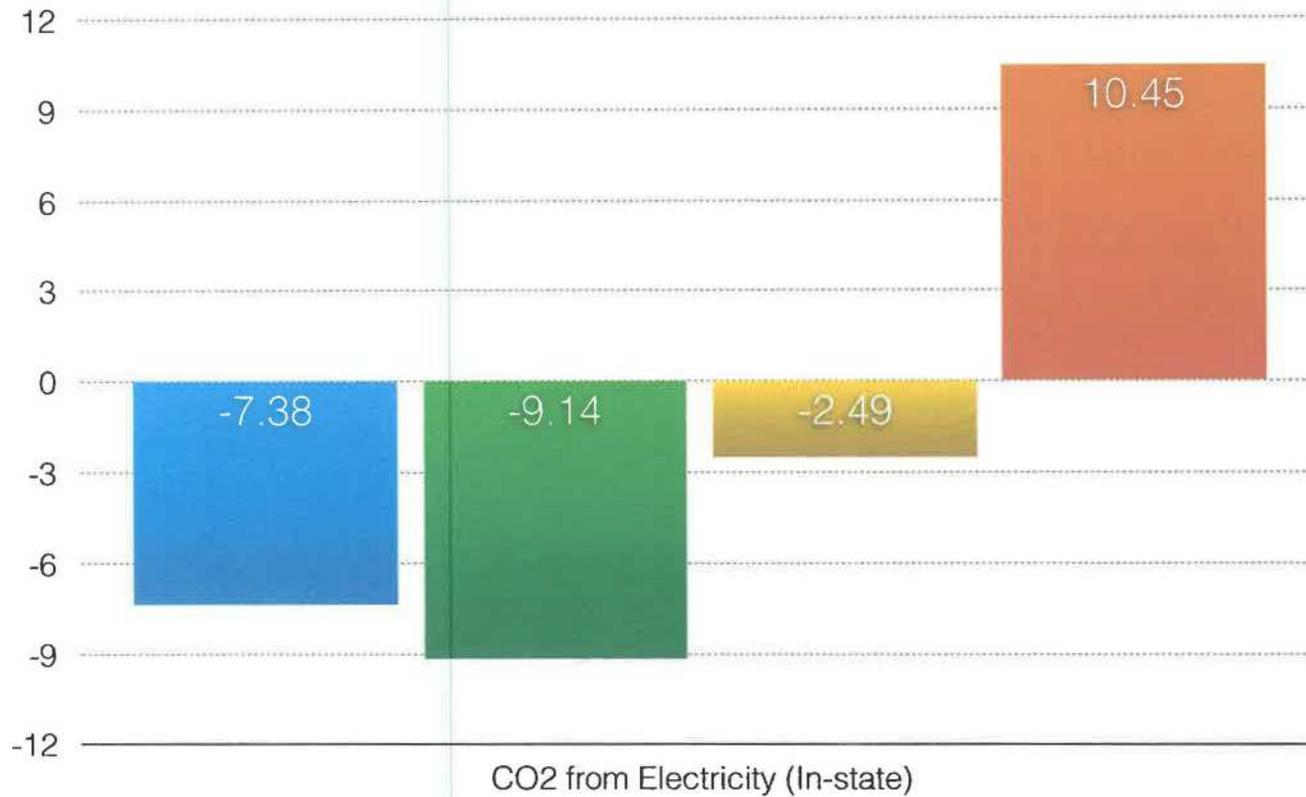
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Closure of San Onofre Nuclear = Equivalent of 2M Cars



Source: California Almanac. In 2011, San Onofre Generating Station 18,175,000,000 KWh of power. It was replaced by natural gas, which according to US EIA generates 1.2 pounds of CO2 per KWh, or 9,975,282 metric tons of CO2. Average US vehicle emits 4.7 metric tons of CO2 per year. $9,975,282 \div 4.7 = 2,100,059$ cars

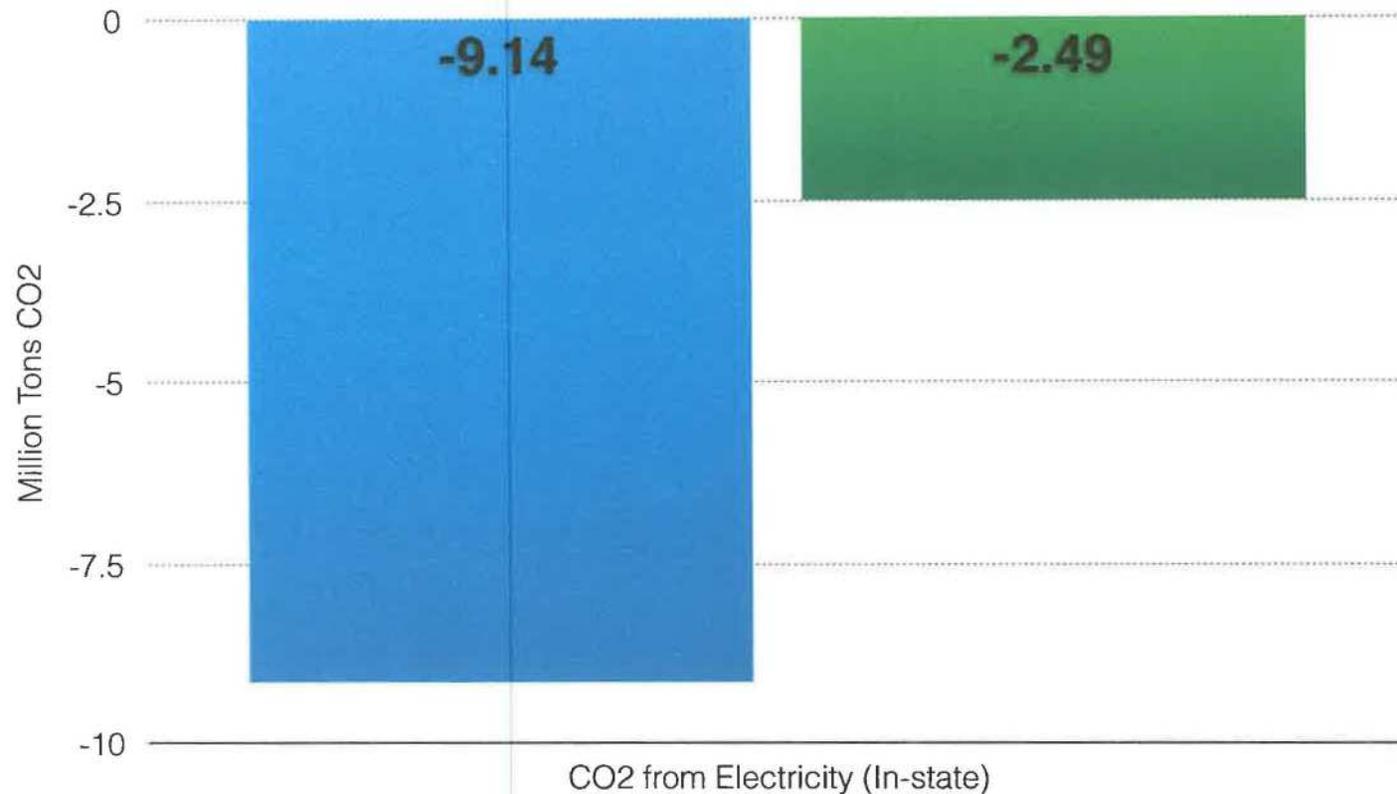
California Power Sector Emissions Rose since 2011



■ 2000-14
■ Post-AB 32 (2007-2014)

■ Pre-AB 32 (2000-2006)
■ Post-SONGS (2011-2014)

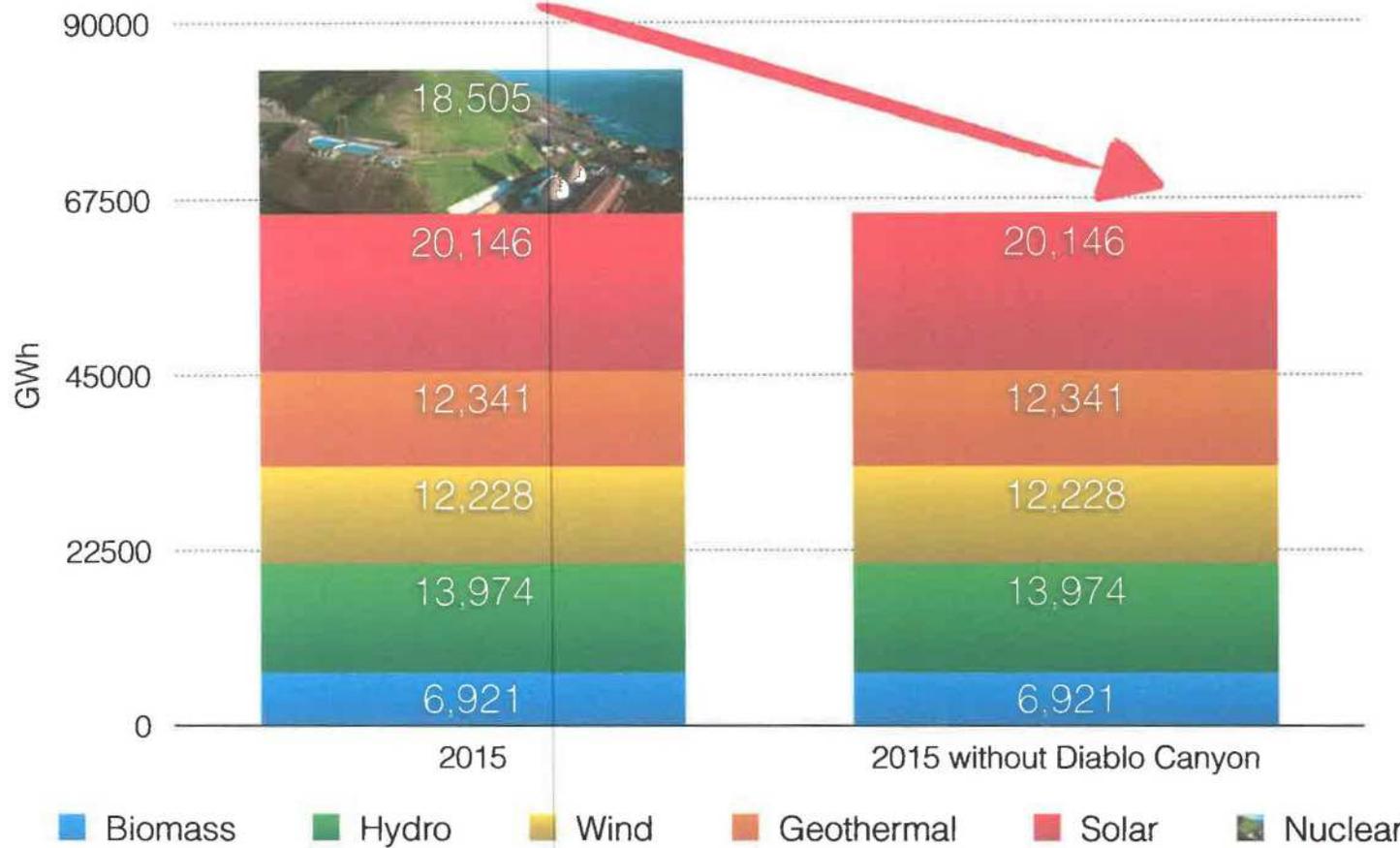
Emissions from Electricity Declined 3.7x Faster Before Passage of Climate Legislation (AB 32)



■ Pre-AB 32 (2001-2006)

■ Post-AB 32 (2007-2014)

If Diablo closes, 21% of California's clean electricity would be lost

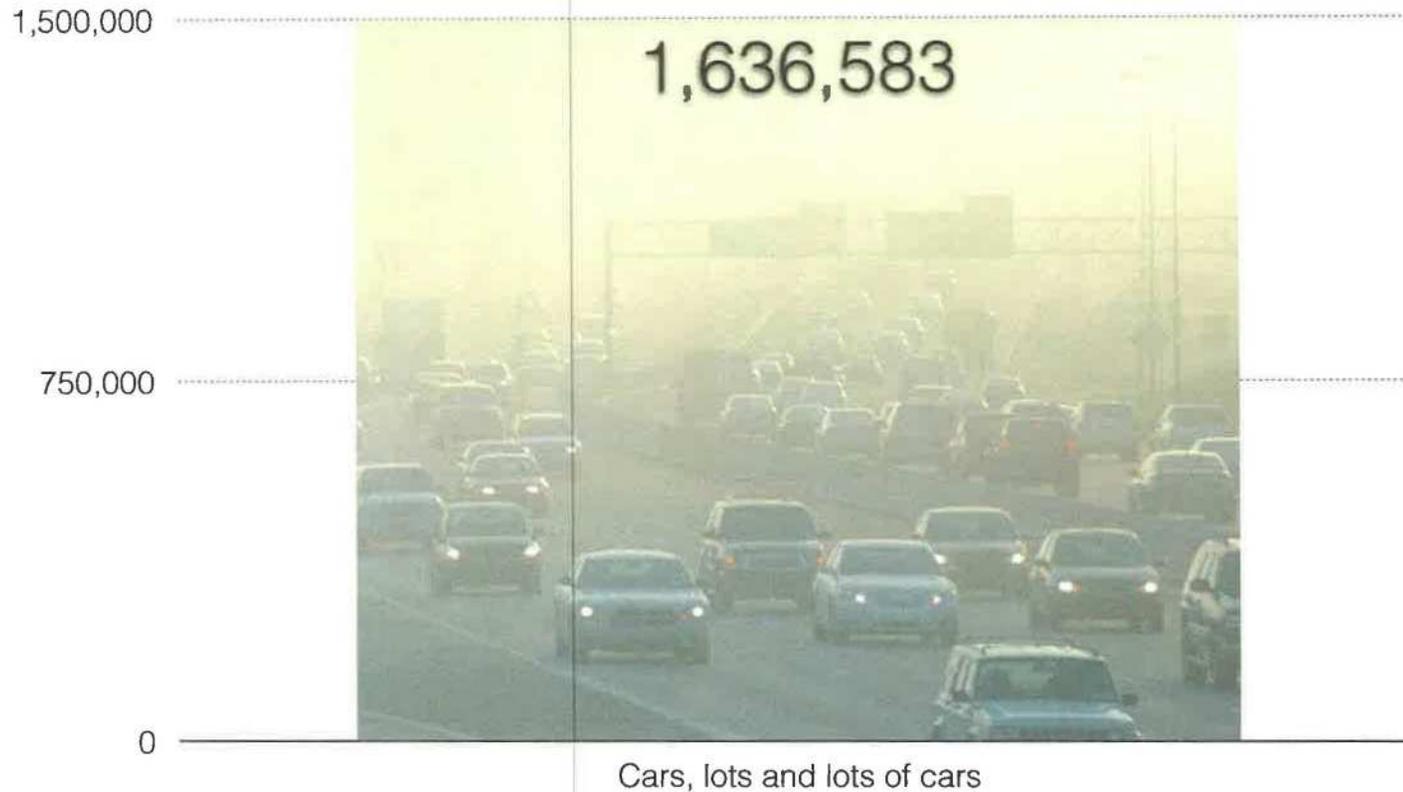


Includes distributed solar

Source: US Energy Information Administration



Replacing Diablo with natural gas would be equivalent of adding ~1.6 million cars to the road



Assumes state of the art efficient combined cycle gas plants will replace nuclear

Source: EIA, EPA

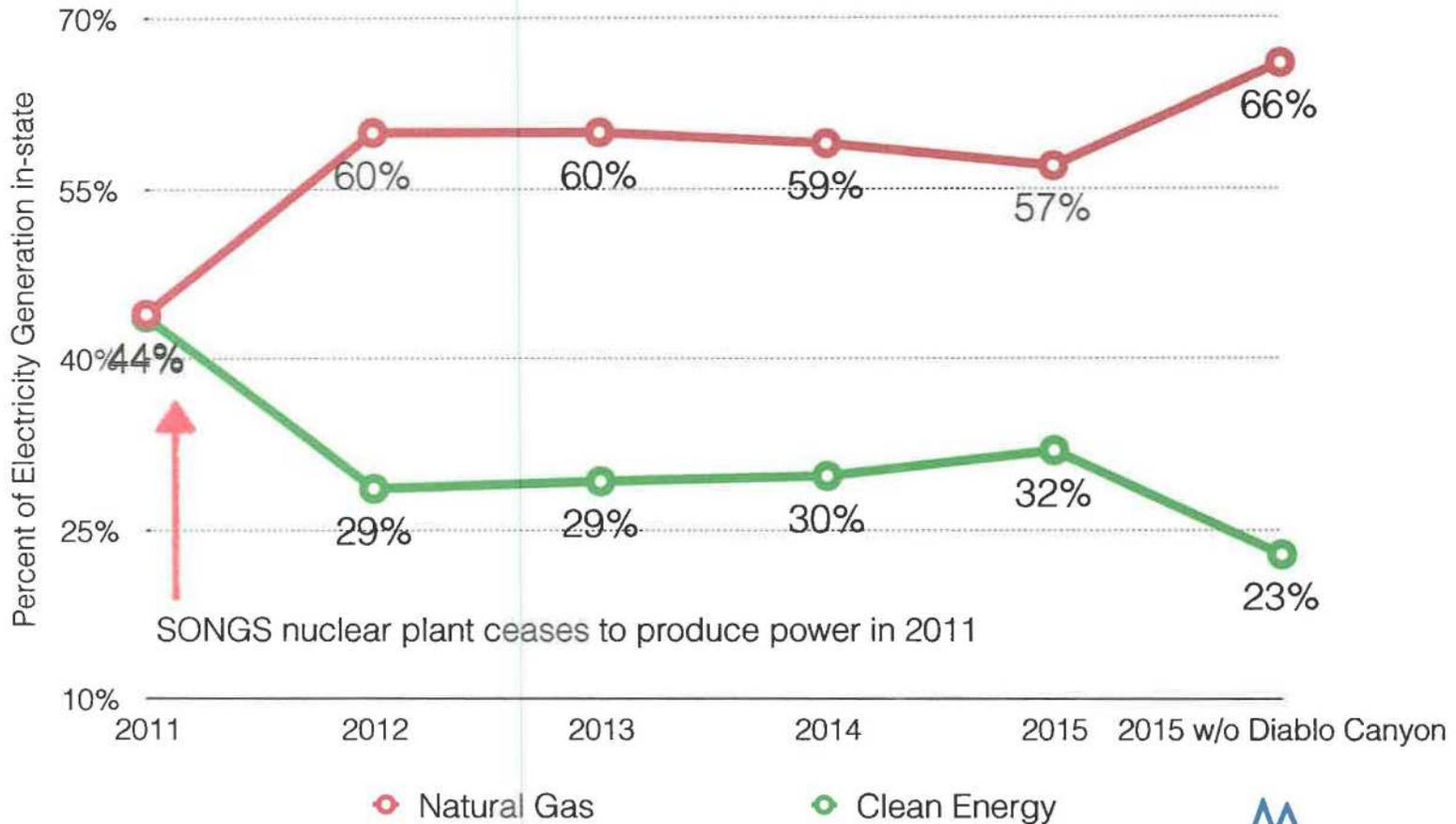


Environmental Progress
nature and security for all

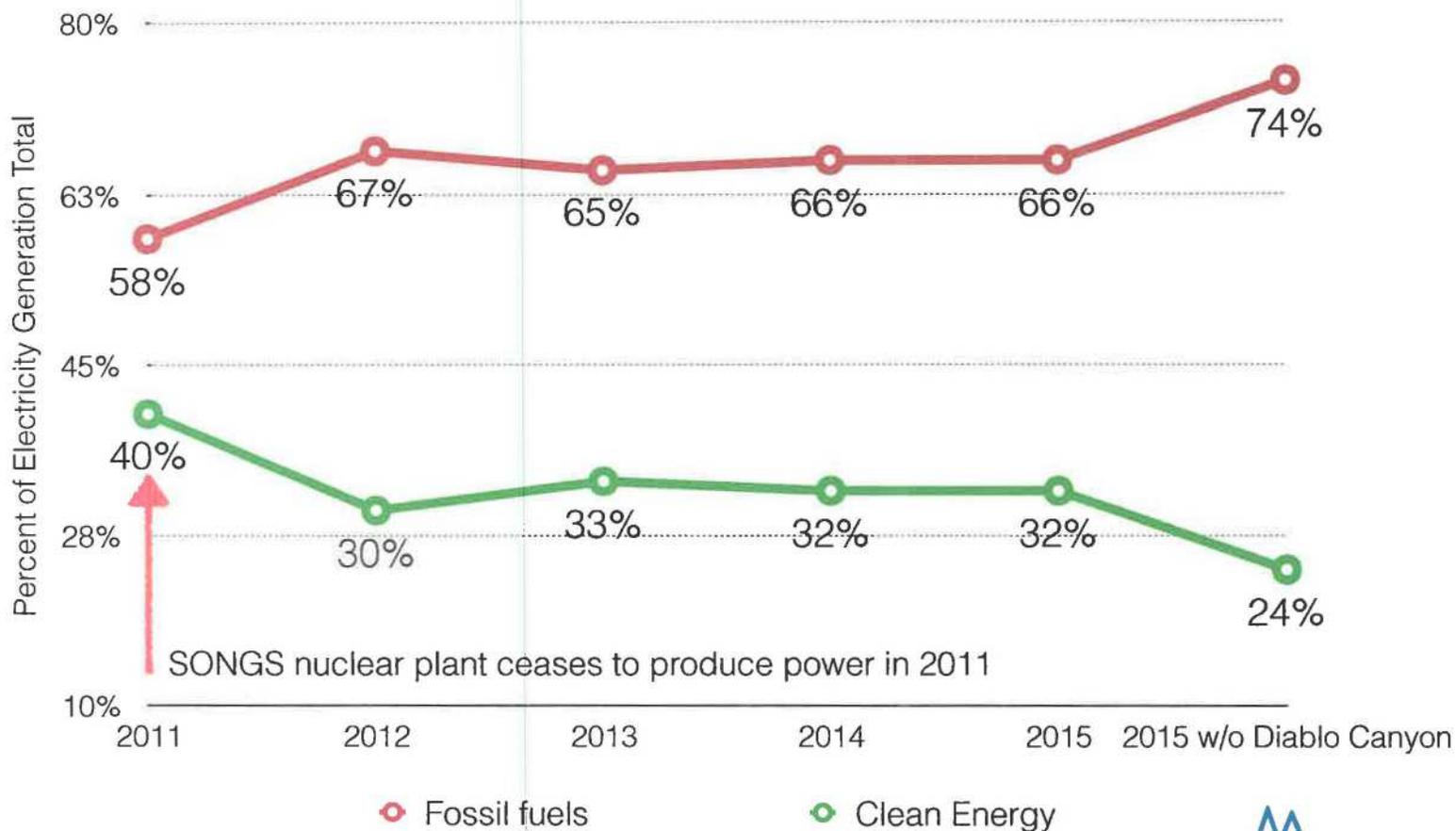


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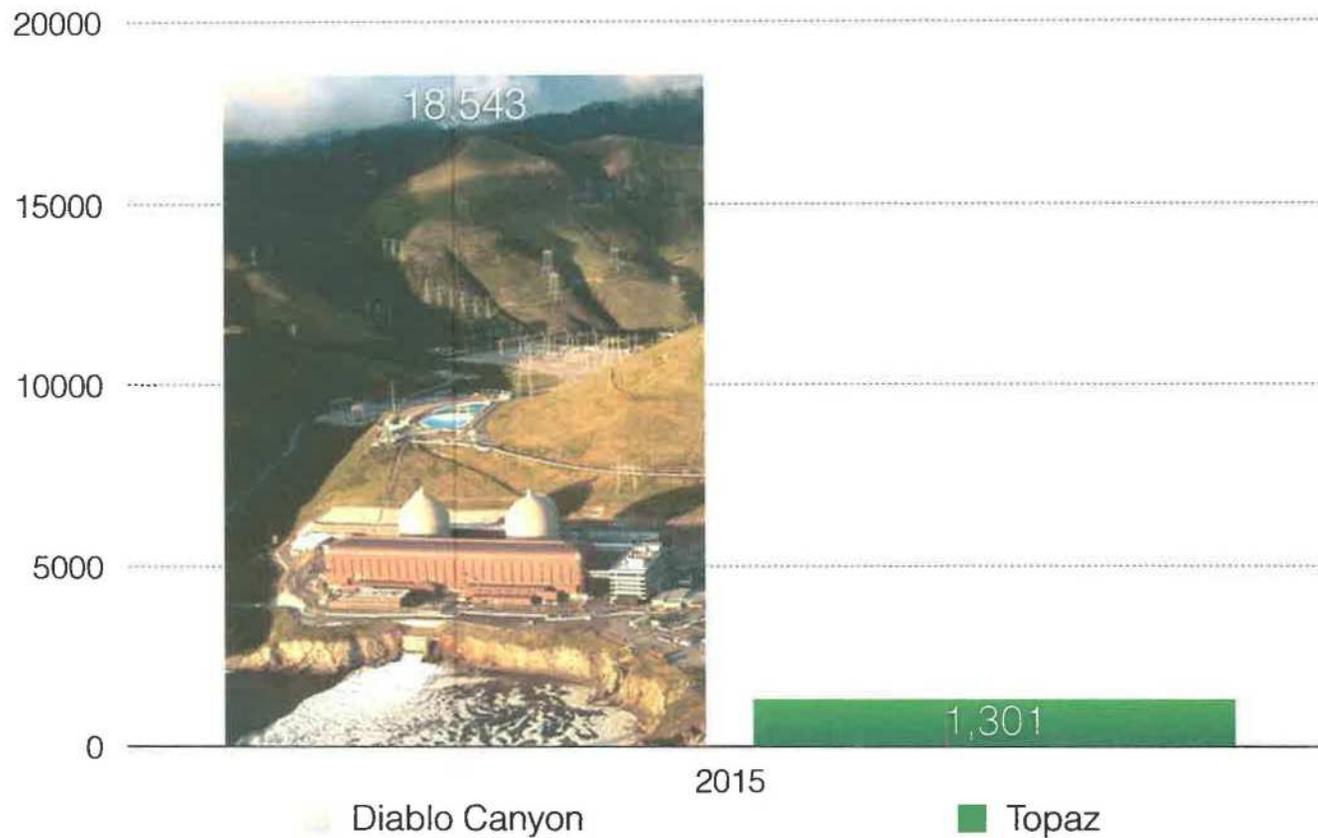
In-State Nat Gas Rises with Nuclear Closures



Total Nat Gas Rises with Nuclear Closures



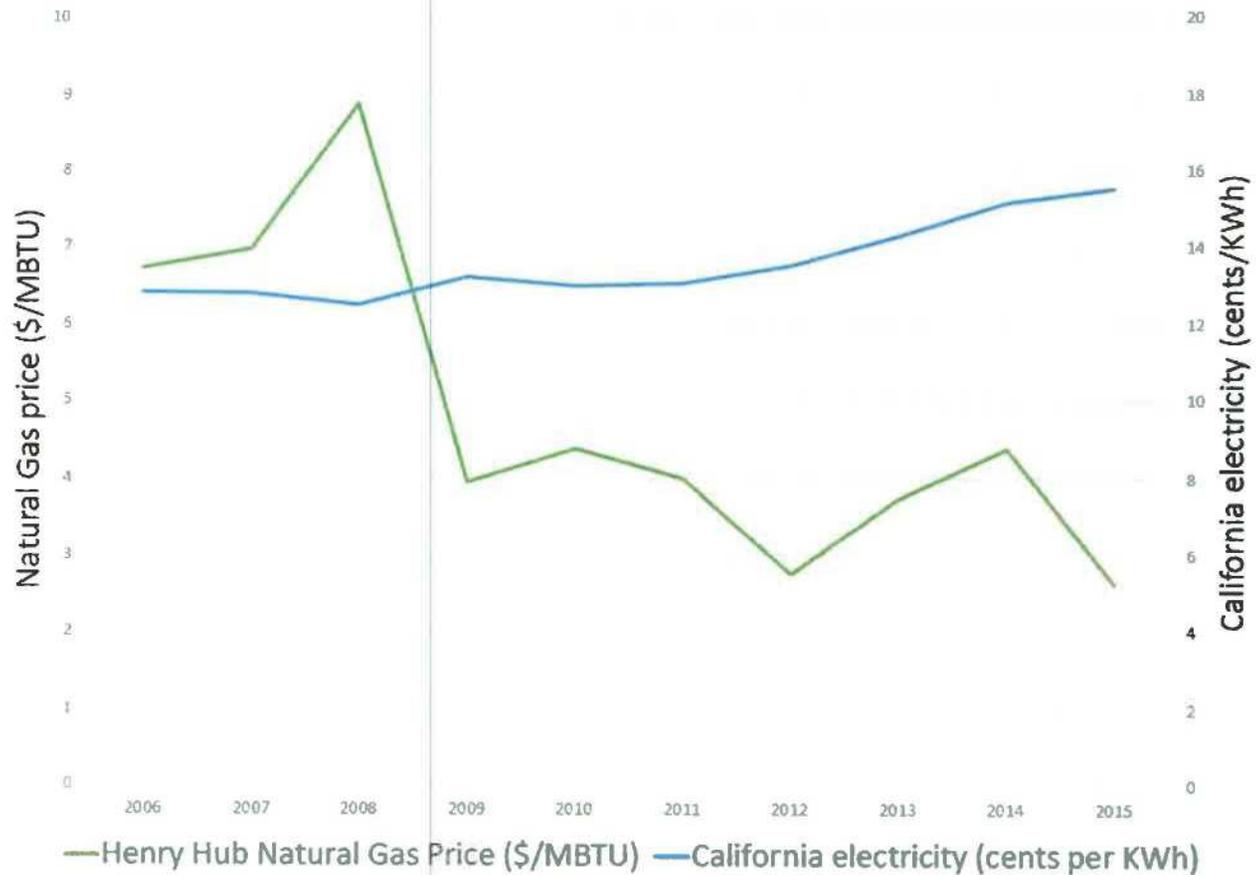
Diablo Canyon produced 14 times more electricity than Topaz, the world's largest solar farm in 2015



Diablo Canyon's electricity was 92% as much as all of California's solar output and 1.5 times the wind output

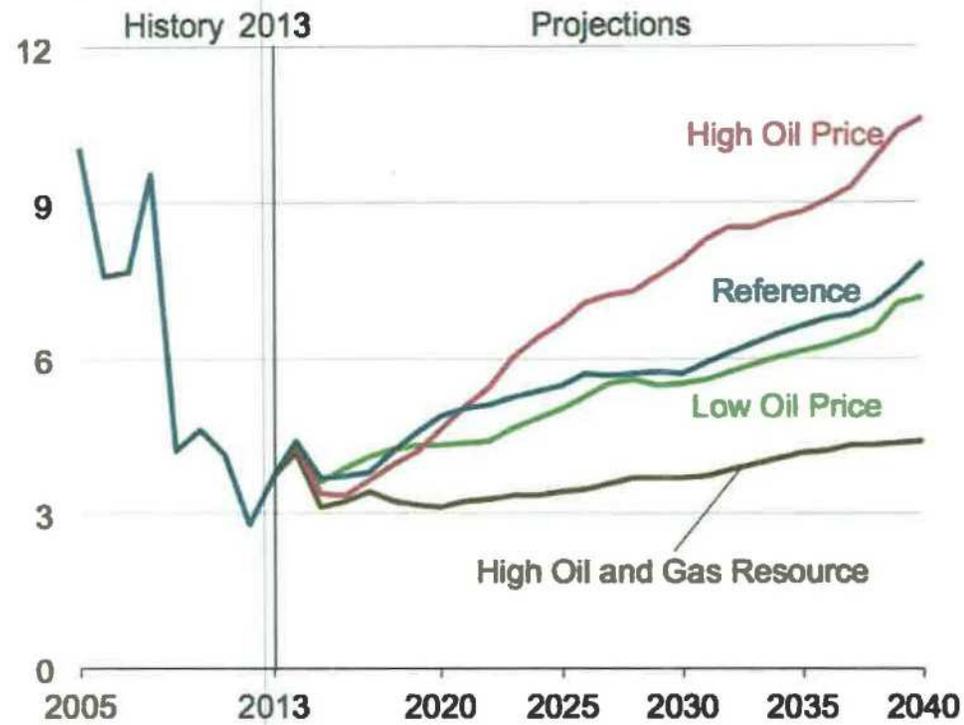


Cheap natural gas has masked significant electricity cost increases from deploying (non-large hydro) renewables



Source: US Energy Information Administration

Figure ES2. Average Henry Hub spot prices for natural gas in four cases, 2005-40 (2013 dollars per million Btu)



on | Annual Energy Outlook 2015

Source: US Energy Information Administration



SB-32 California Global Warming Solutions Act of 2006: emissions limit. (2015-2016)

ENROLLED AUGUST 25, 2016
PASSED IN SENATE AUGUST 24, 2016
PASSED IN ASSEMBLY AUGUST 23, 2016
AMENDED IN ASSEMBLY AUGUST 19, 2016
AMENDED IN ASSEMBLY JUNE 30, 2016
AMENDED IN ASSEMBLY JUNE 10, 2016
AMENDED IN ASSEMBLY SEPTEMBER 10, 2015
AMENDED IN ASSEMBLY SEPTEMBER 04, 2015
AMENDED IN ASSEMBLY AUGUST 31, 2015
AMENDED IN SENATE JUNE 01, 2015
AMENDED IN SENATE MAY 05, 2015
AMENDED IN SENATE MARCH 16, 2015



CALIFORNIA LEGISLATURE— 2015-2016 REGULAR SESSION

SENATE BILL

No. 32

Introduced by Senator Pavley

(Coauthors: Senators Allen, Beall, Block, De León, Hancock, Hill, Jackson, Leno, Liu, McGuire, Mitchell, Monning, Wieckowski, and Wolk)

(Principal coauthor: Assembly Member Eduardo Garcia)

(Coauthors: Assembly Members Atkins, Bloom, Chau, Chiu, Chu, Cristina Garcia, Jones-Sawyer, McCarty, Quirk, Rendon, Mark Stone, Thurmond, Ting, Williams, and Wood)

December 01, 2014

An act to add Section 38566 to the Health and Safety Code, relating to greenhouse gases.

LEGISLATIVE COUNSEL'S DIGEST

SB 32, Pavley. California Global Warming Solutions Act of 2006: emissions limit.

(1) The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The state

board is required to approve a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020 and to adopt rules and regulations in an open public process to achieve the maximum, technologically feasible, and cost-effective greenhouse gas emissions reductions.

This bill would require the state board to ensure that statewide greenhouse gas emissions are reduced to 40% below the 1990 level by 2030.

(2) This bill would become operative only if AB 197 of the 2015–16 Regular Session is enacted and becomes effective on or before January 1, 2017.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. The Legislature finds and declares all of the following:

(a) The California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 38500) of the Health and Safety Code) authorizes the State Air Resources Board to adopt regulations to achieve the maximum technologically feasible and cost-effective greenhouse gas emissions reductions.

(b) The California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 38500) of the Health and Safety Code) requires the State Air Resources Board to reduce statewide emissions of greenhouse gases to at least the 1990 emissions level by 2020 and to maintain and continue reductions thereafter.

(c) Continuing to reduce greenhouse gas emissions is critical for the protection of all areas of the state, but especially for the state's most disadvantaged communities, as those communities are affected first, and, most frequently, by the adverse impacts of climate change, including an increased frequency of extreme weather events, such as drought, heat, and flooding. The state's most disadvantaged communities also are disproportionately impacted by the deleterious effects of climate change on public health.

(d) The State Air Resources Board shall achieve the state's more stringent greenhouse gas emission reductions in a manner that benefits the state's most disadvantaged communities and is transparent and accountable to the public and the Legislature.

SEC. 2. Section 38566 is added to the Health and Safety Code, to read:

38566. In adopting rules and regulations to achieve the maximum technologically feasible and cost-effective greenhouse gas emissions reductions authorized by this division, the state board shall ensure that statewide greenhouse gas emissions are reduced to at least 40 percent below the statewide greenhouse gas emissions limit no later than December 31, 2030.

SEC. 3. This act shall become operative only if Assembly Bill 197 of the 2015–16 Regular Session is enacted and becomes effective on or before January 1, 2017.