

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



FILED

12/04/17
04:59 PM

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

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

**REPLY COMMENTS OF THE
CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES
ON THE PROPOSED DECISION OF ALJ ALLEN**

December 4, 2017

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ON THE PROPOSED DECISION OF ALJ ALLEN**

The Center for Energy Efficiency and Renewable Technologies respectfully submits these Reply Comments on the Proposed Decision of Administrative Law Judge (ALJ) Allen Approving Retirement of Diablo Canyon Nuclear Power Plant (“Proposed Decision”) mailed on November 8, 2017. These Reply Comments are timely filed and served pursuant to Rule 14.3 of the Commission’s Rules of Practice and Procedure.

I.

**THE COMMISSION SHOULD HEED THE COMMENTS OF MULTIPLE PARTIES
CITING ERRORS IN THE PROPOSED DECISION THAT REQUIRE CORRECTION
THROUGH THE ISSUANCE OF AN ALTERNATE PROPOSED DECISION.**

Comments raising objections, citing errors, and seeking modifications in the Proposed Decision that focus on, among other things, the Proposed Decision’s failure to follow the law and apply the record on Greenhouse Gas (GHG) emissions reductions; employee retention, community impacts, and license renewal cost settlements agreements; and contingency planning for the failure of an aging nuclear facility, have been filed by a broad, diverse group of parties, including CEERT.¹ As CEERT stated in its Opening Comments, the outcomes reached in the

¹ See, e.g., Opening Comments of Pacific Gas and Electric Company (PG&E); Opening Comments of Friends of the Earth (FOE); Opening Comments of Natural Resources Defense Council (NRDC); Opening Comments of Alliance for Nuclear Responsibility (A4NR); Opening Comments of Coalition Cities; Opening Comments of the Coalition of California Utility Employees (CUE); Opening Comments of Green Power Institute (GPI); Opening Comments of the Independent Energy Producers Association (IEP); Opening Comments of San Luis Coastal Unified School District (SLCUSD); Opening Comments

Proposed Decision ignore the extensive record developed in this Application,² a circumstance that is not only contrary to law, but has the effect of minimizing and chilling participation before the Commission. In fact, based on the Proposed Decision’s dismissive treatment of the Joint Proposal, as well as formal settlement agreements, if the Proposed Decision is issued unchanged, it will also send a clear signal that cooperation among parties, especially in furtherance of law and policy, is not valued by the Commission.

Specific to CEERT’s Comments, testimony, and briefs, CEERT very much agrees with Friends of the Earth (FOE) that “California law requires the Commission to consider and address in a meaningful way the GHG emission consequences of a major action like closing a large nuclear power plant” (Diablo Canyon).³ The primary residential ratepayer advocate organization, The Utility Reform Network (TURN), even while agreeing with certain of the Proposed Decision’s ratemaking determinations, also cites as a “major deficiency in the PD... the absence of any commitment to replace the entirety of the lost output from Diablo Canyon with newly developed and incremental zero GHG resources.”⁴

It remains CEERT’s position, however, that, while CEERT would welcome at least a simple “commitment” or “directive” in the Proposed Decision for GHG-free energy replacement of Diablo Canyon’s output, such a statement is *not* sufficient either to ensure that outcome or, more significantly, to offer a meaningful, GHG-free energy contingency replacement plan in the reasonably foreseeable event of Diablo Canyon’s early retirement or shutdown.⁵ Reliance on the Integrated Resource Planning (IRP) process is also no guarantee that Diablo Canyon’s output

of the County of San Luis Obispo (SLO County); and Opening Comments of Women’s Energy Matters (WEM).

² CEERT Opening Comments, at pp. 1-8; See also, NRDC Opening Comments, at pp. 1-2.

³ FOE Opening Comments, at p. 7.

⁴ TURN Opening Comments, at p. 2.

⁵ CEERT Opening Comments, at pp. 1-12.

will be replaced by GHG-free energy either on its planned retirement or earlier shutdown, especially where no decision has been issued in that proceeding and any resulting plans or procurement through that process remain a matter of mere speculation today.⁶

Only by approving the *modest* Tranche #1 and Tranche #2 procurement proposals made in this Application will the Commission have met its legal obligations to ensure GHG-free energy replacement of Diablo Canyon or provided a prudent contingency plan in the event of its early retirement or shutdown. The Commission should certainly want to do the latter, especially to avoid its past mistakes in replacing the local capacity need arising from the unexpected shutdown of San Onofre Nuclear Generating Station (SONGS) almost entirely with GHG-producing generation.

II. CONCLUSION

Based on the law and record applicable to A.16-08-006, CEERT again respectfully requests that the Commission reject the Proposed Decision and issue an Alternate Proposed Decision that, at the least, adopts the Tranche #1 and #2 GHG-free energy replacement procurement proposals for Diablo Canyon's output. Changes required to achieve that outcome are included in CEERT's Proposed Findings of Fact, Conclusions of Law, and Ordering Paragraphs in Appendix A to its Opening Comments.

Respectfully submitted,

December 4, 2017

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⁶ CEERT Opening Comments, at pp. 12-14.