



COM/ARD/ALJ/ES2/sgu 9/23/2022

FILED

09/23/22

11:51 AM

A1608006

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 (U39E).

Application 16-08-006

AMENDED SCOPING MEMO AND RULING OF ASSIGNED COMMISSIONER AND ASSIGNED ADMINISTRATIVE LAW JUDGE

In response to Senate Bill (SB) 846, this Amended Scoping Memo and Ruling (Amended Scoping Memo) modifies the proceeding schedule and adds one limited scoping issue corresponding to the implementation of Sections 712.8(c)(1)(A) and 712.8(e) of the Public Utilities (Pub. Util.) Code.¹ Additional procedural issues and activities, as they pertain to the provisions of SB 846, may be considered in a subsequent phase of this proceeding or in another proceeding.

1. Background

Pacific Gas and Electric Company's (PG&E's) Diablo Canyon nuclear power plant (Diablo Canyon) is located in coastal San Luis Obispo County and consists of two units that have been operating since 1985 (Unit 1) and 1986 (Unit 2), with a combined generation capacity of 2,240 megawatts (MWs). The

¹ All subsequent section references are to the Public Utilities Code, unless otherwise specified.

units are currently licensed by the Nuclear Regulatory Commission (NRC) to operate until 2024 (Unit 1) and 2025 (Unit 2).

On August 11, 2016, PG&E filed Application (A.) 16-08-006 proposing to retire Diablo Canyon upon the expiration of its NRC licenses, as well as several other related requests for relief. The Commission addressed PG&E's Application and authorized the retirement of Diablo Canyon in Decision (D.) 18-01-022. Following the enactment of SB 1090, the Commission adopted D.18-11-024, which modified in part the outcome of D.18-01-022 but left in place the authorized retirement dates of 2024 (Unit 1) and 2025 (Unit 2).

On September 2, 2022, Governor Newsom signed SB 846, which allows for the extension of the operation of Diablo Canyon beyond the current expiration dates, up to five additional years (no later than 2029 and 2030 for Units 1 and 2, respectively), under specific conditions as provided.

Among the many new sections added to the Pub. Util. Code as a result of SB 846, Section 712.8(c)(1)(A) requires the Commission, within 120 days of the effective date of SB 846, to:

[D]irect and authorize the operator of the Diablo Canyon Units 1 and 2 to take all actions that would be necessary to operate the powerplant beyond the current expiration dates, so as to preserve the option of extended operations, until the following retirement dates, conditional upon continued authorization to operate by the United States Nuclear Regulatory Commission: (i) For Unit 1, October 31, 2029. (ii) For Unit 2, October 31, 2030.

Related to Section 712.8(c)(1)(A) above, newly-added Section 712.8(e) requires the Commission to:

[O]rder the operator to track all costs associated with continued and extended operations of Diablo Canyon Units 1 and 2. The commission shall authorize the operator to

establish accounts as necessary to track all costs incurred under paragraph (1) of subdivision (c), all costs incurred under the loan provided for by Chapter 6.3 (commencing with Section 25548) of Division 15 of the Public Resources Code, all costs to be borne only by the operator's ratepayers, all costs to be borne by ratepayers of all load-serving entities, consistent with this section, and any other costs as determined by the commission.

2. Issues

On November 18, 2016, a *Scoping Memo and Ruling of the Assigned Commissioner and Administrative Law Judge* was issued in this proceeding setting forth the category, schedule, and scope of issues to be considered (Scoping Memo). Among the issues scoped into the proceeding are "earlier and later" retirement dates for Diablo Canyon Unit 1 and Unit 2, as well as "[i]ssues relating to the operation of the plant until the retirement date."²

In consideration of the issues set forth in the Scoping Memo, alongside Sections 712.8(c)(1)(A) and 712.8(e) above, the following issue is added to the scope of this proceeding:

1. Whether one or more new accounts needs to be established, and/or whether one or more existing cost tracking accounts needs to be modified, for PG&E to be able to track "all costs associated with the continued and extended operations of Diablo Canyon Units 1 and 2."

Additional procedural issues and activities, as they pertain to the implementation of SB 846, may be considered in a subsequent phase of this proceeding or in another proceeding.

² Scoping Memo, Section 2.1 Retirement of Diablo Canyon Power Plant, at 2.

3. Party Comments

PG&E is directed to file and serve comments addressing the additional scoping issue above by October 7, 2022. In comments, PG&E should address how it plans to track and record, in a clear and transparent manner that prevents double-counting of costs, all costs incurred under the loan provided for by Chapter 6.3 (commencing with Section 25548) of Division 15 of the Public Resources Code; all costs to be borne by PG&E's ratepayers; all costs to be borne by ratepayers of all load-serving entities; all costs tracked in the Diablo Canyon Extended Operations Liquidated Damages Balancing Account, described in Section 712.8(g) and 712.8(i); as well as any other costs not specifically referenced above but which may be incurred due to continued and extended operations of Diablo Canyon Units 1 and 2. In addition, and for each of the costs above, PG&E should address whether one or more new cost tracking accounts are needed, and/or whether modifications are needed to any existing cost tracking accounts. Finally, in light of the different cost review methodologies and processes that will need to be developed pursuant to SB 846, and different agencies involved, PG&E is asked to comment on whether a process should be established to address potential refinements or enhancements to the cost tracking accounts above, which may include, for example, allowing further refinements to be authorized through a Commission-approved resolution developed by Energy Division on its own motion or in response to a Tier 3 Advice Letter submitted by PG&E.

Parties are invited to file and serve reply comments, addressing the limited the issues above, by October 14, 2022.

4. Schedule

The following schedule is adopted and may be modified by the assigned Commissioner or assigned Administrative Law Judge as required to promote the efficient and fair resolution of the application.

Event	Date
PG&E Comments on Additional Scoping Issue	October 7, 2022
Intervenor Reply Comments	October 14, 2022
Proposed Decision	October/November 2022
Final Decision	December 2022

Based upon the specific provisions in Senate Bill 846, this proceeding is expected to be resolved by December 31, 2023.

5. Intervenor Compensation

Pursuant to Section 1804(a)(1), a customer who intends to seek an award of compensation must file and serve a notice of intent to claim compensation within 30 days after the prehearing conference (PHC). In cases where no PHC is scheduled or where the Commission anticipates the proceeding will take less than 30 days, Section 1804(a)(1) affords the Commission discretion to determine the procedure to be used.

Due to the 120 day statutory deadline for a final Commission decision on this matter, a PHC was not held in advance of the issuance of this Amended Scoping Memo; therefore, and considering the additional scoping issue adopted herein, notice of intent to claim compensation may be filed within 15 days after the issuance of this Amended Scoping Memo, pursuant to Section 1804(a)(1). Parties that have already been found eligible in A.16-08-006 do not need to file

notices of intent.³ A party already found eligible, however, must file an amended notice of intent within 15 days after the issuance of this Amended Scoping Memo if there have been material changes to their customer status and/or showing of significant financial hardship.⁴

6. Public Advisor

Any person interested in participating in this proceeding who is unfamiliar with the Commission's procedures or has questions about the electronic filing procedures is encouraged to obtain more information at <https://www.cpuc.ca.gov/pao/> or contact the Commission's Public Advisor at (866) 849-8390 or (415) 703-2074 or (866) 836-7825 (TYT), or send an email to public.advisor@cpuc.ca.gov.

7. Service

In addition to the service list to A.16-08-006, this Amended Scoping Memo will be served on the two open Nuclear Decommissioning Cost Triennial Proceedings, A.21-12-007 and A.22-02-016, as well as the following load-serving entities:

Southern California Edison Company; San Diego Gas and Electric; Southern California Gas Company; Southwest Gas Corporation; Liberty Utilities (CalPeco Electric), LLC; Bear Valley Electric Service, Inc.; and PacifiCorp d/b/a Pacific Power.

Apple Valley Choice Energy; Baldwin Park; Central Coast Community Energy; City of Commerce; City of Palmdale; City of Pomona; Clean Energy Alliance; Clean Power Alliance; CleanPowerSF; Desert Community Energy; East Bay Community Energy; King City Community Power; Lancaster Choice

³ Rule 17.2 of the Commission's Rules of Practice and Procedure (Rules).

⁴ Rule 17.1(b).

Energy; Marin Clean Energy; Orange County Power Authority; Peninsula Clean Energy; Pico Rivera Municipal Energy; Pioneer Community Energy; Rancho Mirage Energy Authority; Redwood Coast Energy Authority; San Diego Community Power; San Jacinto Power; San Jose Clean Energy; Santa Barbara; Silicon Valley Clean Energy; Sonoma Clean Power; and Valley Clean Energy Alliance.

Agera, American Powernet, Brookfield Renewable Energy Marketing, Calpine ES, Calpine Power America, Commercial Energy of CA, Constellation New Energy, Direct Energy Business, EDF, Gexa Energy, Just Energy Solutions, Liberty Power Delaware, Liberty Power Holdings, Palmco Power, Pilot Power Group, Praxair, Shell Energy, Tenaska Power, UC Regents, Tiger Natural Gas, YEP Energy, and 3PR.

IT IS RULED that:

1. The scope of this proceeding is amended as described above.
2. Pacific Gas and Electric Company shall file and serve comments on the additional scoping issue described above by October 7, 2022.
3. Parties may file and serve reply comments by October 14, 2022.
4. The schedule of this proceeding is amended as set forth above.

This order is effective today.

Dated September 23, 2022, at San Francisco, California.

/s/ EHREN SEYBERT
Ehren Seybert
Administrative Law Judge

/s/ ALICE REYNOLDS
Alice Reynolds
Assigned Commissioner