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FILED

03/16/23

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

1:00 PM

R2301007

Implementing Senate Bill 846
Concerning Potential Extension of
Diablo Canyon Power Plant
Operations.

Rulemaking 23-01-007

**E-MAIL RULING REGARDING PRELIMINARY SCOPE
OF ISSUES AND PROCEDURAL SCHEDULE**

Dated March 16, 2023, at San Francisco, California.

/s/ EHREN D. SEYBERT

Ehren D. Seybert
Administrative Law Judge

From: Seybert, Ehren <ehren.seybert@cpuc.ca.gov>

Sent: Thursday, March 16, 2023 9:13 AM

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Subject: R.23-01-007: E-Mail Ruling Regarding Preliminary Scope of Issues and Procedural Schedule

Parties to R.23-01-007:

The attached preliminary scope of issues and procedural schedule will be discussed during the prehearing conference (PHC) on March 17, 2023, and are hereby incorporated into the record of this proceeding. Parties will be provided opportunities to comment on the attached document, as well as other procedural matters and issues raised in written comments, during the PHC.

It is so ruled.

THE DOCKET OFFICE SHALL FORMALLY FILE THIS RULING.

Ehren D. Seybert (he/him/his)
Administrative Law Judge
California Public Utilities Commission
ehren.seybert@cpuc.ca.gov

R.23-01-007
PRELIMINARY SCOPE OF ISSUES
ATTACHMENT

R.23-01-007: Preliminary Scope of Issues

Phase 1: Track 1 - Funding for the Diablo Canyon Independent Safety Committee

1. Whether the Diablo Canyon Independent Safety Committee (DCISC) has sufficient funding to implement the duties and responsibilities set forth in Public Utilities (Pub. Util.) Code Section 712.1.
2. If DCISC does not have sufficient funding, whether additional actions are required by the Commission.
3. Whether any changes are needed to the cost recovery process for DCISC operations.

Note: pending discussion during the prehearing conference (PHC), parts or all of the above issues may be appropriate for inclusion in Phase 1, Track 2.

Phase 1: Track 2 - Process for Establishment of New Retirement Dates for Diablo Canyon, and Diablo Canyon Extended Operations and Associated Cost Mechanisms, Recovery, and Approval Process

1. Whether operations at Diablo Canyon nuclear power plant (Diablo Canyon) should be extended until October 31, 2029 (Unit 1) and October 31, 2030 (Unit 2), or whether earlier retirement dates should be established. In making this determination the Commission will consider:
 - a. Whether the \$1.4 billion loan provided for by Chapter 6.3 of Division 15 of the Public Resources Code is terminated, or whether an extension of operations at Diablo Canyon is found to be not cost-effective, imprudent, or both;
 - b. Whether the Nuclear Regulatory Commission (NRC) has extended the operation dates for Diablo Canyon;
 - c. Whether the costs of any upgrades necessary to address seismic safety, issues of deferred maintenance, or NRC conditions of license renewal are too high to justify;
 - d. Whether new renewable energy and zero-carbon resources that will be constructed and interconnected by the end of 2023 are an adequate substitute for Diablo Canyon, and will meet the state's planning standards for energy reliability;
 - e. If the Commission establishes earlier retirement dates, the length of time necessary for an orderly shutdown of Diablo Canyon; and
 - f. The statutory intent underlying conditions a-e above, as set forth in Pub. Util. Code Section 712.8(a)(2)(A) through Section 712.8(a)(2)(E).
2. If the Commission directs and authorizes extended operations at Diablo Canyon, whether one or more processes should be established to continue to monitor the associated utility ratepayer cost from, and reliability need for, continued operations at Diablo Canyon.
3. If the Commission directs and authorizes extended operations at Diablo Canyon, what are the new processes to authorize annual recovery of all reasonable Diablo Canyon

extended operation costs and expenses on a forecast basis, including allocation of forecast costs among Commission-jurisdictional load-serving entities?

4. Whether additional cost recovery mechanisms, agreements, plans, and/or orders are needed prior to the current retirement dates for Diablo Canyon Units 1 and 2 (i.e., in 2024 and 2025, respectively).
5. Whether additional guidance should be provided on the use of any surplus ratepayer funds Pacific Gas and Electric Company (PG&E) receives for Diablo Canyon in 2024.

Preliminary Scope of Phase 2 (subject to further comment/development)

1. If the Commission directs and authorizes extended operations at Diablo Canyon, whether and how the benefits of extended operations, including resource adequacy and greenhouse gas-free attributes, should be allocated among the load-serving entities and customers paying for extended operations;
2. If the Commission directs and authorizes extended operations at Diablo Canyon, whether PG&E should provide upfront reasonable manager standards, structured similarly to its Assembly Bill 57 Bundled Procurement Plan, for Commission review and approval.
3. The process for cost review and true-up to actual costs and market revenues for the prior year via an expedited Tier 3 advice letter in accordance with section 712.8(h)(1) of the Public Utilities Code.
4. The process for submittal and review of an annual compensation report and spending plan in accordance with section 712.8(t)(1) of the Public Utilities Code.
5. Other topics as determined necessary.

Note: As a point of clarification, unless explicitly stated in the preliminary scope for Phase 1 and Phase 2 above, this proceeding would not consider any other issues referenced in Senate Bill (SB) 846. For example, issues concerning disposition of Diablo Canyon and surrounding lands, as well as the treatment of Diablo Canyon non-qualified decommissioning trust fund balances, are not currently proposed to be included in the scope of this proceeding.

R.23-01-007: Preliminary Phase 1 Schedule

Phase I: Track 1	Date
Ruling issued seeking comment on: 1.) whether DCISC has sufficient funding to implement the duties and responsibilities set forth in Pub. Util. Code Section 712.1; 2.) if DCISC does not have sufficient funding, whether and what additional actions are required by the Commission; and 3.) whether changes are needed to the cost recovery process for DCISC operations. (Track 1 Ruling)	April 2023
Comments on Track 1 Ruling	May 2023
Reply Comments on Track 1 Ruling	May 2023
Proposed Decision	July – August 2023

Phase I: Track 2	Date
<p><u>Track 2 April Ruling</u>: Ruling issued 1.) noticing Fact Finding Reports approved at the DCISC’s December 6-7, 2022 and February 15-16, 2023 public meetings; 2.) noticing the California Energy Commission’s 2024-2030 Electric Reliability Determination; 3.) noticing the February Joint Reliability Planning Assessment; and 3.) requesting party comment on the following issues:</p> <ul style="list-style-type: none"> • Pub. Util. Code § 712.8(c)(2)(B). • Pub. Util. Code § 712.8(c)(2)(D). Will include a proposed definition of terms for party comment. • If the Commission establishes earlier retirement dates, the length of time necessary for an orderly shutdown of Diablo Canyon. • If the Commission directs and authorizes extended operations at Diablo Canyon, whether one or more processes should be established to continue to monitor the associated utility ratepayer cost from, and reliability need for, continued operations at Diablo Canyon. 	Early - Mid April 2023
PG&E serves testimony on historical and forecast cost data for Diablo Canyon (including nuclear fuel costs), and identifies the portion of total costs it expects to recover through the loan provided by the Department of Water Resources and from the U.S. Department of Energy Civilian Nuclear Credit program	April 27, 2023

Opening comments on Track 2 April Ruling and PG&E's historical and forecast cost data	May 18, 2023
Reply comments on Track 2 April Ruling and PG&E's historical and forecast cost data	June 2, 2023
PG&E and interested intervenors file proposal(s) for new cost agreements/mechanisms pursuant to Pub. Util. Section 712.8(l)(2), including rate and revenue allocation	June 9, 2023
PG&E files proposal(s) for Diablo Canyon extended operation cost recovery and approval process	June 16, 2023
Ruling issued noticing next Quarterly Joint Reliability Planning Assessment. In combination with the proposed definition of terms in the Track 2 April Ruling, this assessment is anticipated to include data/information concerning proposed estimate(s) of the "new renewable energy and zero-carbon resources" that will be constructed and interconnected by the end of 2023. (See Pub. Util. Code Section 712.8(c)(2)(D)).	June 2023
Public Participation Hearings	Late June – July 2023
Ruling issued noticing Fact Finding Report approved at the DCISC's June 28- 29, 2023 public meeting. Comments limited to any new or revised recommendations provided by the DCISC.	July 3, 2023
PG&E provides cost estimates for any new or revised recommended actions in the DCISC's June 28- 29, 2023 Fact Finding Report (as applicable)	July 10, 2023
Comments on: 1.) proposal(s) for new cost agreements/mechanisms pursuant to Pub. Util. Section 712.8(l)(2), including rate and revenue allocation; 2.) PG&E's proposal(s) for Diablo Canyon extended operation cost recovery and approval process; 3) any new or revised recommendations in the DCISC's June 28- 29, 2023 Fact Finding Report; 4.) the cost estimates associated with the DCISC's new or revised recommendations (as applicable); and 5.) the next Quarterly Joint Reliability Planning Assessment.	July 17, 2023
Deadline to request evidentiary hearings and/or briefs. Any request for hearings/briefs must: (1) identify the specific facts in the case that are in dispute; (2) summarize prior efforts made to narrow the facts in dispute; and (3) explain whether a meet and confer process, and/or other dispute resolution alternatives, would be able to resolve the facts in dispute.	July 21, 2023
Reply Comments on: 1.) proposal(s) for new cost agreements/mechanisms pursuant to Pub. Util. Section 712.8(l)(2), including	August 4, 2023

rate and revenue allocation; 2.) PG&E's proposal(s) for Diablo Canyon extended operation cost recovery and approval process; 3) any new or revised recommendations in the DCISC's June 28-29, 2023 Fact Finding Report; 4.) the cost estimates associated with the DCISC's new or revised recommendations (as applicable); and 5.) the next Quarterly Joint Reliability Planning Assessment.	
Concurrent direct testimony served (if needed)	August 14, 2023
Concurrent rebuttal testimony served (if needed)	August 31, 2023
Ruling issued noticing the California Energy Commission's (CEC's) Diablo Canyon Cost-Effectiveness Evaluation	September 1, 2023
Evidentiary Hearings (if needed)	September 4-6, 2023
Opening Briefs (if needed)	September 15, 2023
Comments on the CEC's Diablo Canyon Cost-Effectiveness Evaluation	September 22, 2023
Reply comments on the CEC's Diablo Canyon Cost-Effectiveness Evaluation	September 29, 2023
Reply Briefs (if needed)	September 29, 2023
Proposed Decision(s)*	October – November 2023

* Depending upon the record in this proceeding, and considering the end of year deadline required by Pub. Util. Code Section 712.8(c)(2)(A), the Phase I: Track 2 issues may be addressed through two Proposed Decisions (published around the same timeframe).

(END OF ATTACHMENT)