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**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

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

Rulemaking 23-01-007
(Filed May 22, 2023)

**REPLY COMMENTS OF SMALL BUSINESS UTILITY ADVOCATES
TO THE PROPOSED DECISION CONDITIONALLY APPROVING EXTENDED
OPERATIONS AT DIABLO CANYON NUCLEAR POWER PLANT
PURSUANT TO SENATE BILL 846**

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Pursuant to Rule 14.3(d) of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), Small Business Utility Advocates (“SBUA”) offers its reply to comments filed by parties in reference to the Proposed Decision Conditionally Approving Extended Operations at Diablo Canyon Nuclear Power Plant Pursuant to Senate Bill 846 issued on October 26, 2023 (referred to as the “Proposed Decision”). SBUA continues to believe that the Proposed Decision takes reasonable steps to address the extended operations of Diablo Canyon Nuclear Power Plant (“Diablo Canyon”) under Senate Bill 846, while promoting transparency and protecting ratepayers. In this reply, SBUA addresses limited recommendations and concerns raised by a subset of the parties for the Commission’s consideration.

First, SBUA continues to support the Proposed Decision’s allocation of the costs of Diablo Canyon to each Load Serving Entity on the basis of the 12-month coincident peak demand allocator and notes that this same approach will be used to assign the net costs and capacity benefits of resources procured under the Cost Allocation Mechanism (CAM).¹ SBUA disagrees with TURN’s alternative ratemaking proposal.² TURN’s alternative proposal is not grounded in

¹ Proposed Decision, pp. 72-74.

² TURN Opening Comments, pp. 3-4.

the evidence in this proceeding and must, therefore, be rejected. Similarly, SBUA disagrees with San Diego Gas & Electric Company's ("SDG&E") proposal to revise the Proposed Decision to allow the large investor-owned utilities to collect their allocation of DCPD non-bypassable charge revenue from customers within their service territories on an equal-cents-per-kilowatt hour basis.³ SDG&E's fails to indicate how its proposal is grounded in the evidence in this proceeding and corrects a factual, legal, or technical error in the Proposed Decision.

Second, SBUA's supports TURN's and California Community Choice Association's ("CalCCA") request for the Commission to clarify the prioritization given to any excess revenues in the Diablo Canyon Extended Operations Balancing Account ("DCEOBA").⁴ TURN asks the Commission to clarify the prioritization of any excess revenues in the DCEOBA as the PD does not identify whether the excess would first be attributable to the volumetric payments funding stream or to the wholesale energy market funding stream.⁵ Similarly, CalCCA requests that the Commission clarify that the volumetric performance fee revenue is included in the NBC revenue from customers and will be recorded as a credit to the DCEOBA to first offset net DCPD costs.⁶ SBUA submits that such clarifications are consistent with the Pub. Util. Code Section 712.8 and will ensure that Pacific Gas and Electric Company customers will receive priority access to any excess funds as reimbursement for the additional increment of volumetric payments these customers must pay under Section 712.8(f)(5).

³ SDG&E Opening Comments, pp. 4-5.

⁴ TURN Opening Comments, pp. 4-6; CalCCA Opening Comments, pp. 3-5.

⁵ TURN Opening Comments, pp. 4-6.

⁶ CalCCA Opening Comments, pp. 3-5.

SBUA thanks the Commission for the continued opportunity to address these important issues.

Dated: November 20, 2023

Respectfully submitted,

By: /s/ Mikhail Raykher

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