



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

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Order Instituting Rulemaking to Develop
an Electricity Integrated Resource
Planning Framework and to Coordinate
and Refine Long-Term Procurement
Planning Requirements

R.16-02-007
(Filed 02/11/2016)

**CALIFORNIANS FOR GREEN NUCLEAR POWER, INC. REPLY
COMMENTS IN RESPONSE TO ALJ FITCH'S PROPOSED DECISION
DATED MARCH 18, 2019 RE ADOPTING PREFERRED SYSTEM
PORTFOLIO FOR 2017-2018 INTEGRATED RESOURCE PLAN**

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April 14, 2019

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I. Introduction

Californians for Green Nuclear Power, Inc. (CGNP) respectfully submits these Reply Comments.¹ CGNP's concerns include "safety" as defined in Cal. Pub. Util. Code §451 and Cal. Pub. Util. Code § 1702.5 (2017.) The record regarding the 2010 San Bruno pipeline explosion, the 2017 Wine County Fires and the 2018 Camp fire documents a poor safety culture of Pacific Gas & Electric's (PG&E's) Transmission and Distribution business units and a tolerance of PG&E's lackluster commitment to public safety by the Commission in those tragedies.² On the other hand, PG&E's

¹ CGNP regrets the titling error it inadvertently made with its opening comments filed on March 31, 2019. They were incorrectly titled, "Reply Comments"

² NTSB Pipeline Accident Report NTSB/PAR-11/01 August 3, 2011: Pacific Gas and Electric Company Natural Gas Transmission Pipeline Rupture and Fire San Bruno, California, September 9, 2010. <https://ntsb.gov/investigations/AccidentReports/Reports/PAR1101.pdf>

See, for example page 136 of 153 in the section 2.10.2 Authority and EnforcementBecause of the lapses of oversight seen in this accident, the NTSB is concerned and has strong doubts about the quality and effectiveness of enforcement at both the Federal and state levels. Although the CPUC and PHMSA have authority to enforce pipeline safety regulations, the organizational failures of PG&E seen in this

Diablo Canyon Power Plant (DCPP) has maintained an exemplary safety record in its 35 years of operation. As noted in CGNP's prepared comments (found in CGNP's Appendix) delivered at the Commission's headquarters on April 4, 2019, PG&E is rotating some of its DCPP safety experts to other PG&E business units to improve the latter's safety cultures. CGNP already established the ratepayer and environmental benefits of DCPP's continued safe operation beyond 2025 in its testimony in A.16-08-006 - and in summary form in CGNP's Opening Comments in R.16-02-007 dated March 31, 2019. (CGNP needed to communicate repeatedly with the Commission's Docket Office to be included in the R.16-02-007 service list. CGNP observed the lack of a Court Reporter at the April 4, 2019 All Party Conference. Furthermore, CGNP observed President Picker leaving the Conference without explanation after CGNP spoke - prior to the end of the meeting.)

Adverse intervenor CGNP was **unable to locate any response to date** in this Proceeding to CGNP's written comments or to its oral comments - in either A.16-08-006 or R.16-02-007 - by either PG&E or the Commission. These twin shortcomings harm the environment, harm the economic interests of ratepayers, and diminish the safety of Californians.

II. The "Mootness Mantra" regarding SB 1090.

A summary of CGNP's Reply in B293420 before the California Court of Appeals, taken from the first two lines in the table of contents is, "Petitioner can obtain relief; The petition is not moot. SB 1090 covered issues not challenged here, and did not repeal the code provisions on which the petition is based." CGNP's Reply establishing numerous legal errors was dismissed without prejudice on January 31, 2019. CGNP's Reply in B293420 is an exhibit in CGNP's accompanying Appendix.

accident suggest that some operators are able to ignore certain standards without concern for meaningful enforcement action against them.

Therefore, the NTSB concludes that the ineffective enforcement posture of the CPUC permitted PG&E's organizational failures to continue over many years. The NTSB recommends that the governor of the state of California expeditiously evaluate the authority and ability of the pipeline safety division within the CPUC to effectively enforce state pipeline safety regulations, and, based on the results of this evaluation, grant the pipeline safety division within the CPUC the direct authority, including the assessment of fines and penalties, to correct noncompliance by state-regulated pipeline operators...

See *also* "How PG&E Ignored Fire Risks in Favor of Profits" By Ivan Penn, Peter Eavis and James Glanz, Graphics by Keith Collins and Jugal K. Patel, **The New York Times** March 18, 2019
<https://www.nytimes.com/interactive/2019/03/18/business/pge-california-wildfires.html>

III. California's Total Electric Consumption between 2007 - 2017 shows no net DR benefit.

CGNP conducted a study of California's total annual electric consumption and the level of annual electric imports for the interval from 2007 - 2017. Some key conclusions are supported:

A. California began its demand reduction program in the 1970s. California's total demand was essentially constant between 2007 - 2017. Thus, demand reduction (DR) programs already have reached the point of diminishing returns, particularly in light of increased demand associated with climate change, California's increasing population, and plans for vehicle and high-speed train electrification. B. After SONGS abruptly closed in January, 2012, California natural gas consumption for electric generation increased by about 200 BCF/year for about 3 years until more efficient California natural-gas-fired generation became available. C. During the 2007 - 2017 period, imports of electric power were essentially constant. D. The environmental and ratepayer benefits of adding a substantial amount of intermittent solar and intermittent wind in California from 2007 - 2017 are not apparent. Supporting details are included in the Appendix.

In contrast to the above actual California historical electrical system performance data and CGNP's California electrical system performance data submitted in A.16-08-006, Parties other than CGNP - and the Commission - appear to be making undue reliance on the performance of readily-manipulated models. Even ALJ Fitch raised this concern in her Proposed Decision.

IV. Summary of the benefits of DCP's continued safe operation beyond 2025

It is impossible to replace Diablo Canyon with reliable carbon-free power at reasonable cost by 2025. Drawing on CGNP's testimony in A.16-08-006, PG&E's own arguments from 2010 show that with DCP replacement, power would come from natural gas, increasing GHG emissions, and would cost more. ALJ Fitch concluded that without DCP, all of the IRPs together will fail to meet our carbon reduction goals. CGNP's previous comments in this proceeding show the intermittent wind and solar replacements proposed will cause gas-fired plants to be throttled to follow the latter's stochastic output. The net effect is higher emissions from the gas-fired plants, cancelling out a significant fraction of the claimed GHG-reduction benefit of wind or solar.³

³ "Nuclear Power Can Save the World." by Michael Shellenberger, April 5, 2019 *The Wall Street Journal*

In A.16-08-006, CGNP pointed out the real cost of electricity from wind and solar is higher than claimed, as A.) Subsidies for wind and solar will be expiring soon, B.) The cost of intermittency adds substantial imposed cost per MWh from wind or solar, C) Costs to build the required power lines to the remote areas where large wind and solar farms are located adds significantly to the cost, and D.)The proposed replacements have shorter lifetimes than conventional sources, increasing their costs. CGNP's detailed analysis of Diablo Canyon's ongoing costs were based upon PG&E's own numbers, and allowing for methods of once-through-cooling mitigation in the framework PG&E utilized since beginning DCP's operation in 1984 with the Regional State Water Resources Control Board (SWRCB). These show the proposed replacements are vastly more expensive than the cost of electricity from the continued safe operation of DCP beyond 2025.

DCP successfully underwent a significant "stress test" when Unit 2 experienced a full-power load rejection on December 1, 2018 as a consequence of a failure of the PG&E Transmission and Distribution unit to update a DCP "Special Protection Circuit" for about the past 13 years as more intermittent power was fed to the local grid. Unit 2 was back on line four days later.

V. Conclusion

PG&E can improve its stature before the CPUC and the Federal Court overseeing PG&E's criminal probation by withdrawing its harmful plan to voluntarily close DCP in 2025. Copies of CGNP's recent correspondence with Federal Judge William H. Alsup are found in the Appendix.

Dated, April 14, 2019

Respectfully submitted,

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