

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA



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Application of Pacific Gas and Electric Company for Authority, Among Other Things, to Increase Rates and Charges for Electric and Gas Service Effective on January 1, 2020. (U 39 M)	Application No. 18-12-009 (Filed: December 13, 2018)
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WOMEN'S ENERGY MATTERS OPPOSITION TO  
PG&E'S MOTION TO STRIKE  
THE PREPARED TESTIMONY OF  
ALLIANCE FOR NUCLEAR RESPONSIBILITY

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*for WOMEN'S ENERGY MATTERS*

Women's Energy Matters (WEM) opposes PG&E's Motion to Strike the Alliance for Nuclear Responsibility's Prepared Testimony. PG&E misconstrues D1801022 and D1904040 in arguing that A4NR should not be allowed to discuss Diablo Canyon's failing economics in this proceeding. Contrary to PG&E's analysis, both D1801022 and D1904040 reflect uncertainty regarding Diablo Canyon's ultimate retirement dates, and D1801022 states clearly that more information will be needed re: Diablo's finances as time goes by. PGE would like to procedurally compartmentalize Diablo's burdensome cost issues into oblivion, suggesting that this rate case is not the proper place to discuss the negative costs of keeping Diablo Canyon in operation. But in fact this proceeding is an appropriate venue to gain clarity regarding Diablo Canyon's failing economics and its current status as a stranded asset.

- 1) D1801022 Clearly States that the Commission May Need to Reconsider the 2024/2025 Retirement Dates Due to Multiple Factors, Including the "Near-Future Costs of Operating Diablo Canyon".

First, it is important to remember that D1801022 approved Diablo Canyon retirement by 2024/2025, not in 2024/2025.<sup>1</sup> Second, D1801022 clearly states that the Commission may eventually need to reconsider the 2024/2025 dates, because at the time D1801022 was issued, there was uncertainty about multiple issues including the costs of continuing to operate the plant. It makes perfect sense to hear testimony regarding the costs of continuing to operate Diablo Canyon in this proceeding because it is in this proceeding that PGE requests authority to charge ratepayers to keep this uneconomic nuclear power plant in operation even though need for the plant is in steep decline, and the utility counts it as a stranded asset.

D1801022 states:

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<sup>1</sup> D1801022 in A1608006, Ordering ¶ No. 1, .p. 59

"WEM and Mothers for Peace raise valid concerns about the current cost of operating Diablo Canyon, and the potential for significant costs that could be incurred between now and 2024/25, but those concerns cannot be considered in isolation. While shutting down Diablo Canyon in 2019/2020 would likely provide some cost savings, it would also provide less time for replacement procurement to be considered in the IRP proceeding and for the development and deployment of additional greenhouse gas-free resources. These factors are difficult to balance, as we cannot forecast with certainty the precise growth of CCAs, the deployment of greenhouse gas-free resources, **or the near-future costs of operating Diablo Canyon.** ...

Given the relatively early state of the IRP proceeding, the more prudent and conservative approach to balancing this uncertainty tips against a shutdown before 2024 and 2025. **As we gain a clearer picture of future developments, such as the relative cost of operating Diablo Canyon, this balance could change...**<sup>2</sup>

This GRC proceeding is evaluating whether it is reasonable and just to allow PG&E to raise rates and charges for its electric services at a time when its largest generating resource is losing money. The Commission has a responsibility in this proceeding to develop "a clearer picture" of the current cost of operating Diablo Canyon so that it can evaluate the reasonableness of PG&E's requested rate hikes. Developing this clearer picture will inform the Commission, and the Commission can then take the appropriate next steps. PG&E would prefer that the Commission (and the public) ignore Diablo cost issues altogether.

- 2) D1904040 in the IRP Rulemaking Refers to Diablo Canyon Retirement Dates As Planning Assumptions, Not Something Set in Stone.

PG&E also misstates the conclusions of D1904040 in R1602007. At Conclusion of Law No. 25 the Decision states, "The Commission should continue to utilize an **assumption** of 2024 and 2025 for retirement of the Diablo Canyon nuclear units in its GHG analysis for meeting the electric sector emissions targets by 2030." By its very nature, the IRP is a dynamic proceeding,

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<sup>2</sup> D1801022 in A1608006, pp. 14-15

as California's electricity generation resource mix is changing rapidly. Much can happen between now and the end of this year, and much more by 2024/2025. The Decision refers to 2024/2025 simply as retirement dates to be assumed for the next planning cycle (2020). D1904040 does not include a conclusive statement that the plant must continue to operate until 2024/2025. The IRP's focus is how to best integrate resources while lowering GHG emissions statewide. The subject of Diablo Canyon's burdensome costs are more appropriately considered in this proceeding.

#### Conclusion

A4NR's Testimony regarding the cost burden of continuing to operate Diablo Canyon is appropriate and necessary for evaluating PGE's revenue request in A1812009. PG&E's motion to strike should be denied.

Dated: August 6, 2019

WOMEN'S ENERGY MATTERS

By /s/Jean Merrigan  
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