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

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, 2017. (U39M)

Application 15-09-001
(Filed September 1, 2015)

JOINT NOTICE OF *EX PARTE* COMMUNICATION

Pursuant to Rule 8.4 of the Commission's Rules of Practice and Procedure, Pacific Gas and Electric Company (PG&E), Natural Resources Defense Council (NRDC), Friends of the Earth (FoE), Coalition of California Utility Employees (CUE) and Alliance for Nuclear Responsibility (A4NR), hereby give notice of two separate joint *ex parte* communications. The communications occurred on Wednesday, August 31, 2016, beginning at 11:00 AM, and 1:15 PM and each lasting approximately 30 minutes, at the offices of California Public Utilities Commission (CPUC). The communications were oral, and included a handout which is attached.

William Manheim, Managing Legal Counsel, PG&E, initiated the first communication with Sepideh Khosrowjah, Chief of Staff, and Matthew Tisdale, Energy Advisor, to Commissioner Michel Florio; and the second communication with Jennifer Kalafut, Energy Advisor to Commissioner Carla Peterman. Other attendees were: Erik Jacobson, Director, Regulatory Relations, PG&E; David Freeman, Senior Advisor, FoE; Ralph Cavanagh, Co-Director, Energy Program, NRDC; Marc Joseph, Attorney, CUE; and

Rochelle Becker, Executive Director, A4NR.

Mr. Manheim provided an overview of the Joint Proposal to retire the Diablo Canyon Power Plant (DCPP) and procure GHG-free resources to replace DCPP's generation. He explained that about 50% of DCPP's generation would be displaced by doubling of energy efficiency under SB 350, the 50% renewables portfolio standard, additional distributed generation and bundled load departure to community choice aggregation. The Joint Proposal would result in GHG-free resource replacement of about one-half of the remaining need – a reasonable first step. The remaining need for GHG-free resource replacement would be addressed in the Integrated Resource Planning process. He said that one goal of the proposal is to avoid a sudden increase in fossil generation resulting from the plant's shut down. Mr. Manheim described the three tranches of GHG-Free procurement and the self-provision opportunity that load serving entities have if they do not want PG&E to procure GHG-free resources on their behalf. He said that the purpose of the \$50 million community program was to mitigate the impacts in the local community associated with the decline in property taxes between now and DCPP's shut down in 2024-2025. He also stated that the employee retention, retraining and severance programs were needed to ensure continued safe and reliable operation of DCPP through its remaining life. These employee program costs would be recovered through the decommissioning charge.

Mr. Freeman emphasized the importance of addressing climate change and avoiding a repeat of the emissions increase that resulted from the shut-down of the San Onofre Nuclear Power Plant. He said the Joint Proposal was an important first step towards

integrated resource planning. Mr. Joseph described CUE's support for the proposal and the importance of the employee programs. Mr. Cavanagh said that the joint proposal prioritizes energy efficiency because it is the least cost option and consistent with the loading order. Ms. Becker said that under the Joint Proposal PG&E committed to continue supporting emergency services during the decommissioning process and that this is very important to the local community. A4NR also supports the \$50 million payment to the County to help with school funding and the continuation of seismic studies. She indicated that unlike the other joint parties, A4NR opposes recovery of PG&E's relicensing costs. She also stated that it would help facilitate public involvement if the Commission could address all the issues associated with DCP's retirement in a single proceeding rather than in multiple proceedings.

Respectfully submitted,

/s/ Erik B. Jacobson

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Dated: September 6, 2016

A.16-08-006: Retirement of Diablo Canyon Power Plant, Implementation of the Joint Proposal, and Recovery of Associated Costs

CPUC Briefings: August 31, 2016



Alliance For Nuclear Responsibility IBEW 1245

California
Coalition of Utility
Employees

Joint Proposal Objectives

- Advance California policy with GHG-free procurement
- Maintain reliability and cost-effective electricity service
- Continue commitment to community and employees with safe operation and orderly retirement

Pre-Filing Meetings and Next Steps

July 12 – CPUC Parties Meeting (10 Service Lists invited with 1000+ individuals)
July 20 – Two Public Meetings in San Luis Obispo
July 22 – Two Public Meetings in South San Francisco
September 15 – Protests Due

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GHG-Free Procurement		
Tranche #1: 2,000 gross GWh from EE installed by January 1, 2025. Program Cost: \$1.3B through PPP	Tranche #2: 2,000 GWh per year between 2025 and 2030 from EE and supply-side GHG-Free Energy. Program Cost: To be filed after solicitation and recovered through PPP (for EE) or ERRA and Clean Energy Charge (for supply-side). *Self-provision available	Tranche #3: Voluntary 55% RPS requirement 2031 through 2045. Program Cost: To be filed after solicitation and recovered through ERRA and Clean Energy Charge.



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Employee Programs

- Retention (Cost \$352.1M through nuclear decommissioning charge)
- Retraining (Cost: \$11.3M through nuclear decommissioning charge)
- Severance (Cost: \$168M already requested in 2015 NDCTP)
- New 2-way balancing accounts for Retention and Retraining Programs

Community Impacts Mitigation Payments (Cost: \$49.5M through nuclear decommissioning rates)

Emergency Response Programs (To be requested in next Nuclear Decommissioning Cost Triennial Proceeding)

Relicensing Activities Costs (Cost \$52.7M through bundled customer generation rates)

Diablo Canyon Remaining Plant Balance Recovery

- Recovery of undepreciated plant and future capital additions at the end of each unit's license life using new 2-way balancing account and Tier 3 advice letter true-up process

2019 Nuclear Decommissioning Cost Triennial Proceeding

- Detailed site-specific Diablo Canyon decommissioning study
- Update Employee Severance Program estimate
- Expediting transfer from spent fuel pools to dry cask storage
- Community and state emergency planning activities