



East Bay Clean Power Alliance
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Subject: Support Accelerated Shutdown of Diablo Canyon Nuclear Power Plant

January 21, 2020

Dear EBCE Board members and Community Advisory Committee,

East Bay Clean Power Alliance appreciates the Community Advisory Committee's decision to urge the EBCE Board of Directors not to accept nuclear energy into our resource mix. We now ask the Committee to take a step further by urging the Board to support a [motion before the California Public Utilities Commission](#) to accelerate closure of Diablo Canyon Nuclear Power Plant. Closing the last nuclear power plant in California would be a great benefit to EBCE customers and the public, compared to prolonging its life by accepting nuclear energy from PG&E and increasing the PCIA.

The motion for early closure, filed on behalf of the Alliance for Nuclear Responsibility, would open the door to decommission Diablo Canyon well before it's slated 2025 closure. The filing cites the recent rapid increase in the cost of operating the plant, doubling to over \$1 billion per year. This places an unreasonable and avoidable burden on all customers in PG&E territory, including Community Choice customers. These costs are due to the increasingly high operating cost and the rapidly declining demand for nuclear energy. The [Alliance for Nuclear Responsibility](#) reminds the Commission that the January 2018 decision setting the 2025 closing date warned PG&E to prepare for an earlier closing in case a "more prudent and conservative approach" should arise.

Our argument for urging EBCE to support this motion is based on the following points:

- Diablo Canyon poses a deadly risk: The numerous perilous threats posed by Diablo Canyon Nuclear Power Plant prompted the decision to close that plant and all others in California. These threats remain as long as the plant stays open. The possibility of a catastrophic accident within the next 5 years increases as the plant continues to age: radioactive meltdown, leaking of radioactive materials, contamination from on-site radioactive waste material (due to the complete lack of radioactive waste storage facilities).
- Diablo Canyon is not financially viable: The current projected above market costs for Diablo Canyon are \$1.168 billion for 2019 and \$1.258 billion for 2020. These will continue to rise until the plant closes due to increased operating costs, a shrinking PG&E customer base, and a shrinking market for nuclear energy.
- Diablo Canyon is costing EBCE customers dearly: Closing Diablo Canyon and removing those losses from the PCIA would lower EBCE's costs. EBCE's share of nuclear PCIA fees was \$83 million in 2019 and is estimated to rise above \$90 million in 2020. Hence, the cost to EBCE customers of keeping Diablo Canyon open is many times greater than the claimed \$11 million the agency might save by accepting nuclear energy from PG&E. The contribution to stranded costs of keeping Diablo Canyon open currently amounts to about one third of PCIA fees.

It has been devastating to all of our community contacts partners to hear that EBCE is considering accepting nuclear energy into the mix. As has been stated many times, in the process of advocating for and then organizing for the establishment of EBCE, the community assumed that nuclear power would never be part of the energy mix.

Though we have heard repeatedly from staff that accepting this nuclear energy will not affect the closure date for Diablo Canyon, we disagree. Creating a new market for Diablo Canyon power creates impediments to an accelerated shutdown of the plant. Keeping Diablo alive is like playing Russian roulette with California's well-being. We urge the Advisory Committee to join the statewide effort to close it down now!

Sincerely,

Jessica Tovar, East Bay Clean Power Alliance



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Keeping Diablo Canyon Open Costs EBCE \$90 Million/Year

The Alliance for Nuclear Responsibility's (A4NR) petitioned the California Public Utilities Commission (CPUC) to consider whether to close Diablo Canyon before the currently planned 2024 & 2025 dates, based on the argument that it is not just and reasonable to impose such extreme costs on customers, and the energy is no longer needed--mainly due to the departure of CCA customers.

On bottom of p. 6 to top of p. 7, the petition cites PG&E's response to A4NR's data request; PG&E previously estimated Diablo Canyon costs \$400 million to \$500 million per year more than the current market value of the energy it generates, and has now radically increased this estimate of excess costs to over \$1 billion per year.

Dividing this cost by the combined retail sales to PG&E, CCA, and Direct Access customers (nearly 80 billion kilowatt-hours, according to the California Energy Commission forecast data), implies everyone in PG&E's distribution service territory is burdened by Diablo Canyon's above market costs at the rate of 1.5 cents/kWh in 2019 and 1.6 cents/kWh in 2020. Based on EBCE projected retail sales of 5.6 billion kilowatt-hours, EBCE's share of this excess cost would be \$83 million in 2019, and \$90 million in 2020,

Above Market Cost of Diablo Canyon Nuclear Power Plant				
Year	2018	2019	2020	
Above Market Cost	\$410,000,000	\$1,168,000,000	\$1,258,000,000	
PG&E Distribution Territory LSE Sales	79,774,203,926	77,972,572,703	78,570,151,194	kWh
Rate Burden	\$0.0051	\$0.0150	\$0.0160	per kWh
East Bay Community Energy Retail Sales	1,990,025,549	5,582,709,819	5,636,945,943	kWh
Diablo Canyon Above Market Annual Cost Burden to EBCE	\$10,227,748	\$83,626,907	\$90,254,096	
Gigawatt-hours	1,000,000	kWh		

In other words, the claimed "savings" of \$11 million per year by taking Diablo Canyon's surplus energy is likely costing EBCE \$90 million per year in stranded costs, and it would likely cost millions more for the energy purchase from PG&E, a figure that staff should provide to the board and the public. While staff may believe this cost to be inevitable, the fact is that A4NR is putting early retirement on the table, and EBCE buying Diablo Canyon's energy would undermine the case for closing Diablo Canyon sooner, saving EBCE's customers far more money, and avoiding the financial and public safety risks of continuing to operate the Diablo Nuclear plant.