

Fact Sheet:

Keep our East Bay Community Energy Program Nuclear-free!



We oppose accepting PG&E's offer to sell nuclear power from Diablo Canyon Nuclear Power Plant to East Bay Community Energy (EBCE) to power our community!

1. Nuclear energy is not safe, not renewable, and not clean

- a. Nuclear energy has been responsible for major deadly catastrophes, including Chernobyl and Fukushima in addition to other health effects like thyroid and cancer clusters that are not factored into impacts and death rates.
- b. Diablo Canyon continues to pose serious risks—a reason Californians pushed for its slated 2024-2025 closure—including earthquake vulnerability, thermal pollution of the ocean, and accumulating radioactive waste that will remain hazardous to living things for hundreds of thousands of years. (As of 2015 Diablo Canyon has had 2,200 tons of radioactive waste stored on site.)
- c. Nuclear energy production does not vary over the course of a day; when electricity demand is low, nuclear power displaces some renewable energy sources, causing them to be wasted.

2. Adding nuclear energy to EBCE's power mix would be a betrayal of public trust

- a. It was understood by community advocates, city representatives and labor at its establishment in late 2016 that EBCE would not use nuclear energy to power our community.
- b. Adding nuclear to EBCE's energy mix would be a violation of "Nuclear Free City" ordinances in Berkeley, Oakland, and Hayward.

3. Nuclear energy does not advance EBCE's local renewable energy goals

- a. Nuclear is a centralized energy source that is not locally generated and not renewable.
- b. As such, nuclear energy does not provide local jobs, nor local economic benefits, nor the local energy resilience needed to mitigate power shutoffs and survive the ravages of climate change.
- c. Accepting PG&E's "carbon-free" nuclear energy is a false climate solution that diverts attention from developing local renewable energy resources.

4. EBCE should not be providing PG&E a market for its excess nuclear power production

- a. Because PG&E has lost so many of its customers to Community Choice, it now has a huge excess of nuclear energy and a dependency on nuclear energy that risks the utility's financial stability.
- b. EBCE should not help bail out PG&E by taking a share of its nuclear energy off its hands.

5. PG&E's nuclear offer is not "free"

- a. Though EBCE Staff have characterized the nuclear energy offer as "essentially" free, PG&E is actually offering to sell the energy to EBCE at the price of fossil fuel energy on the California energy market.¹
- b. Because this price is less than the price of other carbon-free energy EBCE could buy, EBCE Staff estimates the savings to be about \$5 million in 2020. However, this estimate is based on several unknowns, including variable market price conditions and potential customer opt outs.

¹ PG&E Advice letter 5705-E submitted to the California Public Utilities Commission (CPUC), December 2, 2019 describes the "commercial process in which PG&E intends to sell Carbon Free Energy" to eligible Load Serving Entities (Appendix P, page 6). The Advice Letter describes the structure of the transaction as one "where the eligible LSE pay PG&E the CAISO market prices for energy delivered from these resources..." (p.4, footnote 10).

- c. EBCE customers already pay for above-market costs of producing Diablo Canyon’s nuclear energy—that is, the costs of producing the energy that are above what PG&E could sell the energy for on the market. We pay for those above-market costs through the Power Charge Indifference Adjustment (PCIA), the ongoing fee the CPUC charges all Community Choice customers for having left PG&E.
- d. For EBCE customers, the nuclear portion of PCIA fees will be around \$120 million for 2020²—twenty times the \$5 million EBCE staff estimates it could save by buying PG&E’s nuclear energy. (About 1/3 of the PCIA fees are due to the above-market costs of Diablo Canyon energy, which have recently skyrocketed to \$1.258 billion a year.³)

6. Accepting PG&E’s nuclear offer will not solve the PCIA crisis facing EBCE and its customers

- a. EBCE fears that the PCIA fee will dramatically increase this year and in the future. Staff is arguing that we need to accept the nuclear offer to off-set this dramatic increase. However, it is clear that the money saved by buying PG&E’s nuclear energy will do little to address PCIA increases.
- b. By contrast, EBCE could realize much greater cost benefit through an early closure (before 2025) of Diablo Canyon. Closing the plant would avoid the largest component of the escalating PCIA costs.
- c. If EBCE accepts PG&E’s offer, and buys nuclear energy in 2020, it sets a precedent for buying PG&E’s nuclear energy in future years, providing a market for continued nuclear energy production that is a driver of skyrocketing PCIA fees.

7. Too Many Uncertainties

- a. EBCE Staff explanations of the PG&E offer have left EBCE Board members and community members confused about the nature of the offer. Many are thinking the energy would be free. Some are confused about whether EBCE would be taking only the carbon-free attributes rather than the actual energy. Some are thinking that there is a way to accept the offer and resell the energy at a profit.
- b. The CPUC is yet to approve the PG&E offer or set the terms of the offer, so EBCE is discussing an offer whose final terms are unknown.
- c. In accepting PG&E’s nuclear offer, EBCE “will waive (its) ability to make petitions, arguments or filings at the CPUC or at the California State Legislature regarding PG&E not offering any allocation, sale or transfer of Carbon Free Energy or attributes for the period that the eligible LSE accepts the offer.” The meaning and implications of this waiver are unclear, but could possibly mean that EBCE would forfeit its right to make arguments at the CPUC’s PCIA proceedings that could lower PCIA fees to EBCE customers.

² This estimate is based on PG&E’s estimate of above-market costs of Diablo Canyon energy of \$1.258 billion in 2020. According to the [California Energy Commission’s most recent load forecast](#), EBCE’s portion of these PCIA costs is about 9.7%, amounting to about \$120 million (\$.016/kWh)

³ PG&E’s \$1.258 billion estimate is reported in the Alliance for Nuclear Responsibility petition to the CPUC of October 1, 2019 to modify decisions D.18-01-022 and D.19-04-040 regarding the Retirement of Diablo Canyon Power Plant.