



NEWS FLASH

CAL PUBLIC UTILITIES COMMISSION APPROVES DIABLO CLOSURE REJECTS LOCAL COMMUNITY PAYMENTS

The Commission unanimously approved the Administrative Law Judge's recommendation. The final decision includes:

1. The retirement (closure) of the Diablo Nuclear Power Plant.
2. Rejection of the proposed energy replacement program and deferral to a separate set of proceedings (the Commission's Integrated Resource Plan – IRP proceedings), which would take place in 2019. PG&E had originally proposed a series of phased acquisitions of huge amounts of “green” energy over many years to replace the 2400 MGW generated by Diablo.
3. Partial approval of the proposed \$352.1 million Employee Retention and Transition Program (\$211.3 million instead). The ALJ found some provisions in this portion of the proposal to be “overly generous” and had recommended \$140 million. Somehow this was bumped up to the \$ 211.3 million in the final write up presented to the Commission.
4. Complete rejection of the proposed Community Impacts Mitigation Program (CIMP), \$85 million, as being unfair and illegal. These payments would have been made to the County, School District, and some cities.
5. Reimbursement of \$18.6 million of \$52.7 million which PG&E had spent on relicensing prior to its decision to close the plant.

The Commissioners stated that they sympathized with the plight of the local communities vis a vis lost tax revenue and suggested that they approach the State with legislation which would authorize the CPUC to grant PG&E the \$85 million or simply provide some sort of grant.

The Commissioners were also very enthusiastic about the closure of the plant and referred to nuclear energy as a “legacy” system like coal. Somewhat ominously, Commission Chairman Picker stated in the record that, given this decision and the evolving energy market, PG&E may find it advantageous to close the plant sooner in 2020 or 2022. The Commissioners expressed the certain belief that PG&E will be able to replace the energy currently generated by Diablo with “clean no carbon energy over the long term.” They did admit that for some unspecified interim period, an increase in natural gas generated electricity might be required.

The 5 Commissioners are appointed by the Governor for 6 year overlapping terms. All 5 have been appointed or reappointed since 2014 (there were some retirements). Most have advanced degrees (largely law) from Yale, Princeton, and Berkeley. It was clear from the comments that all 5 are total believers in global warming, greenhouse gas reduction, and the end of fossil fuels.

Background: The vote was originally scheduled for December 14, 2017 but continued to January 11, 2018.

On November 8, 2017, Public Utilities Commission (PUC) Administrative Law Judge (ALJ) Peter V. Allen rendered his recommended decision with respect to the PG&E Joint Proposal (JP) for the closure of Diablo to the full Public Utilities Commission Board. The Commission has the final decision making authority.