

**MEETING HANDOUTS RECEIVED REGARDING PACKET ITEM**

**CITY OF ALBANY, CALIFORNIA**



**ALBANY CITY HALL  
1000 SAN PABLO AVENUE  
ALBANY, CALIFORNIA 94706**

***Item No. 12-4: Nuclear Power from PG & E***

**CITY COUNCIL MEETING  
FEBRUARY 3, 2020**

**JANE KELLY**

Berkeley, California

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January 21, 2020

**NO Nuclear Power; Honoring the Founding Principles of EBCE**

Dear EBCE Board of Directors,

After listening to the discussion about the possibility of accepting nuclear power at the EBCE Board meeting on December 18, 2019, and considering EBCE's extraordinary profit margins, I am concerned that EBCE is straying from the goals established by the community when this agency was established. Those goals are stated clearly on EBCE's website, namely 'Cleaner Electricity. Lower Rates. Community Benefits'.

As mentioned during the December 2019 Board meeting, EBCE was formed by stakeholders who understood that one of the many benefits of an Alameda Countywide Community Choice program was that it would eliminate nuclear from the power mix. That understanding was so broadly shared that the Steering Committee that helped to formulate EBCE's Joint Powers Agreement saw no need to include that prohibition in the founding document. The founding members did not intend to acquire or accept any nuclear power within its energy mix and to do so now would undermine a significant principal upon which this agency was established.

In terms of revenues, EBCE recorded a profit of approximately 20% for its first year of operation. Such profit margin is extraordinarily high and it is actually twice as high as other CCAs in California. Interestingly, the agency's early profit forecast was for approximately \$61 million while the actual profit was approximately \$81 million. This does raise the question of why there was such a significant under-estimation of profit. In effect, however, EBCE earned about \$20 million more than anticipated and that should make it easy, even for EBCE, to reject PG&E's allocation of \$11 worth of nuclear power from Diablo Canyon. Now we see that the profits from the first 6 months of FY 2019-20 are nearly \$51MM, making the total net reserve position more than \$131MM!

I have heard EBCE's management repeat a need to accumulate major revenues in order to achieve a Double-A rating. This is not in line with the successful operations of countless other CCAs in our state nor has it proven necessary for EBCE to purchase competitively priced power. How else did EBCE generate such immense profits in 1 year? I put it to you that this focus on obtaining a Double-A credit rating is both mistaken and, in fact, harmful to our need to provide the 'Cleaner Electricity. Lower Rates. Community Benefits.' for which EBCE was established. Having worked on climate change for over 16 years, I know that we are in a climate crisis and that we have to act immediately with every tool we have to reduce the planet threatening GHG emissions. We do not have time, let alone a need, to be hoarding money or accepting nuclear power when we should be focusing on the development of renewable energy that will eliminate GHGs from the electric supply and that will provide jobs for our community.

Please reject the nuclear power from PG&E. Please also set in motion a program to improve the renewable content of EBCE's products and to lower EBCE rates for the benefit of the community.

Sincerely,  
Jane Kelly

Berkeley, CA

cc: East Bay Clean Power Alliance

**JANE KELLY**

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California 94707

January 21, 2020

**ERRATA**

**NO Nuclear Power; Honoring the Founding Principles of EBCE**

The fifth sentence in the third paragraph should read –

“

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“

Jane Kelly





**East Bay Clean Power Alliance**  
**Jessica Tovar**  
**339 15th Street #208 Oakland, CA 94612**  
**[jessica@localcleanenergy.org](mailto:jessica@localcleanenergy.org) 415-766-7766**

## 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	5,582,709,519	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.



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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 its 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