

3/12/2012 L. Jan Reid

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

Order Instituting Rulemaking to Integrate and Refine Procurement Policies and Consider Long-Term Procurement Plans.

Rulemaking 10-05-006  
(Filed May 6, 2010)

**COMMENTS OF L. JAN REID  
ON PROPOSED DECISION OF ALJ ALLEN**

March 12, 2012

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## I. Overview

Pursuant to Rule 14.3 of the Commission's Rules of Practice and Procedure, L. Jan Reid (Reid) submits these opening comments on the proposed decision (PD) of Administrative Law Judge (ALJ) Peter Allen in Track I and Track III of Rulemaking (R.) 10-05-006. (Agenda ID #11086) Chief ALJ Karen Clopton mailed the PD on February 21, 2012. Opening comments are due Monday, March 12, 2012. I will file this pleading electronically on the due date, intending that it be timely filed.

I urge the Commission to modify the PD by addressing the nuclear power plant issue and the black box modeling issue as recommended by Reid.

## II. Recommendations

I have relied on state law and past Commission decisions in developing recommendations concerning the bundled procurement plans of the IOUs.

I recommend the following:<sup>1</sup>

1. The Commission should open an Order Instituting Investigation (OII) to study the feasibility of shutting down the SONGS and Diablo Canyon nuclear facilities. (pp. 3-5)
2. The Commission should provide a detailed explanation of PUC § 1822 as it applies to the CAISO's modeling efforts in the instant rulemaking. (pp. 5-7)

My recommendations are based on the following proposed findings:

1. It is not possible for a Commission decision to be based on "substantial evidence in light of the whole record" unless all of the issues raised by the parties are addressed in the Commission decision. (p. 2)

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<sup>1</sup> Citations for these recommendations and proposed findings are given in parentheses at the end of each recommendation and finding.

2. Legal error occurs when the Commission fails to address all of the issues raised in a proceeding. (p. 2)
3. Five parties filed testimony concerning the future of California's nuclear power plants: L. Jan Reid (Reid), Women's Energy Matters (WEM), Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E), and Southern California Edison Company (SCE). (p. 3)
4. A recent poll conducted by the Public Policy Institute of California (PPIC) found that Californians are opposed to building more nuclear power plants. The poll found that 65 percent of Californians now oppose building more plants while 30 percent are in favor, the lowest level of support since PPIC began asking the question in 2001 and a 14-point drop since one year ago. (p. 5)
5. Throughout this proceeding, Reid has argued that the Commission's reliance on the California Independent System Operator (CAISO) renewable integration model is not consistent with PUC § 1822, which seeks to prevent black box modeling in Commission proceedings. (p. 5)

### **III. Legal Requirements**

State law requires that Commission decisions be supported by the findings (Public Utilities Code Section (PUC §) 1757(a)(3)) and that the findings be supported by substantial evidence in light of the whole record. (PUC § 1757(a)(4). It is not possible for a Commission decision to be based on "substantial evidence in light of the whole record" unless all of the issues raised by the parties are addressed in the Commission decision. Legal error occurs when the Commission fails to address all of the issues in the proceeding.

Two major issues are not discussed in the PD: the future of California's nuclear power plants and the black box modeling issue. I briefly discuss these two issues below.

#### **IV. Nuclear Power Plants**

Five parties filed testimony concerning the future of California's nuclear power plants: L. Jan Reid (Reid), Women's Energy Matters (WEM), Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E), and Southern California Edison Company (SCE).

SCE has pointed out that "Women's Energy Matters (WEM) has filed intervenor testimony in Track II of this proceeding recommending the immediate shutdown of San Onofre Nuclear Generating Station Units (SONGS 2 & 3)." (Exhibit 209, p. 36)

WEM's recommendation was not limited to the SONGS facility. WEM argued that "It is incumbent on the Commission to begin preparing for a shutdown of Diablo Canyon and San Onofre nuclear reactors in either case. Both reactors sit on and near multiple faults capable of major earthquakes; both sit on oceanfront real estate where tsunamis are a possibility. The earth's tectonic plates can heave at any moment, without warning." (Exhibit 800, p. 8)

SCE argued that WEM's recommendation should not be adopted because:

- The premature shutdown of SONGS would have immediate and adverse impacts on electric system reliability. (Exhibit 209, pp. 38-39)
- There is not enough time for mitigation to avoid the negative impacts of an immediate shutdown of SONGS (Exhibit 209, pp. 39-40)
- A premature shutdown of SONGS would impact state environmental goals. (Exhibit 209, p. 40)
- A shutdown of SONGS would have a negative economic impact on Southern California. (Exhibit 209, pp. 40-41)

PG&E testified that: (Exhibit 108, p. 1)

WEM recommends the immediate shutdown of DCPD and SONGS, and stopping purchases from other nuclear plants without considering the impacts of such actions on system reliability, the environment, or customer costs. The consequences of an immediate shutdown would require a separate analysis from what the Commission has identified as the scope of the Long-Term Procurement Plan proceeding.

SDG&E argued that “the shutdown of California’s nuclear plants was not a scenario identified either in the Scoping Memo or in the ALJ Ruling.”

(Exhibit 313, p. 35) SDG&E testified that: (Exhibit 313, p. 35)

Not only is there no specific analysis that addresses the implication of a nuclear plant shutdown, there is no data that could even be used to infer the impacts. A nuclear plant shutdown analysis must identify specific replacement generation needs, which may be locational and, especially in the case of SONGS, must include detailed transmission studies.

Reid testified that: (Exhibit 1302, pp. 8-9, footnote omitted)

Both WEM and SCE have provided compelling arguments concerning the nuclear power plant shutdown issue. WEM is certainly correct concerning the risks associated with the continued operation of California’s nuclear power plants. SCE makes a compelling case that it may not be in the public interest for the Commission to order an immediate shutdown of the SONGS facility.

The existence of nuclear power plants has been a major public issue in California since at least the 1972 debate over Proposition 20, which established the California Coastal Commission.

A recent poll conducted by the Public Policy Institute of California (PPIC) found that Californians are opposed to building more nuclear power plants. Josh Richmond of the Oakland Tribune has reported that “The poll found 65 percent of Californians now oppose building more plants while 30 percent are in favor, the lowest level of support since PPIC began asking the question in 2001 and a 14-point drop since one year ago.”<sup>2</sup>

Since both WEM and SCE make compelling arguments concerning this issue and there is a growing public concern about nuclear power plants, I recommend that the Commission open an Order Instituting Investigation (OII) into the feasibility of shutting down the SONGS and Diablo Canyon facilities.

The Commission should adopt Reid’s recommendation for the reasons given in Reid’s testimony and briefs.

#### **V. Black Box Modeling**

Throughout this proceeding, Reid has argued that the Commission’s reliance on the California Independent System Operator (CAISO) renewable integration model is not consistent with PUC § 1822, which seeks to prevent black box modeling. A list of citations is provided in Table I, below. The CAISO apparently believes that it has satisfied the requirements of PUC § 1822 by providing parties with the input data used in the CAISO model, a description of the inputs, and the output results. (For example, see Exhibit 1303, p. 6, CAISO Response to Question 10.)

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<sup>2</sup> Source: “State poll: Support for offshore oil drilling grows,” Josh Richman, Oakland Tribune, July 28, 2011.



PUC § 1821 defines the following terms:

(a) “Computer model” means a computer program.

...

(e) “Verify” means to assess the extent to which the computer model mimics reality.

PUC § 1822 requires that:

1822. (a) Any computer model that is the basis for any testimony or exhibit in a hearing or proceeding before the commission shall be available to, and subject to verification by, the commission and parties to the hearing or proceedings to the extent necessary for cross-examination or rebuttal, subject to applicable rules of evidence . . . The commission shall afford each of these electricity demand models or forecasts the evidentiary weight it determines appropriate. . . .

(b) Any testimony presented in a hearing or proceeding before the commission that is based in whole, or in part, on a computer model shall include a listing of all the equations and assumptions built into the model.

(c) Any data base that is used for any testimony or exhibit in a hearing or proceeding before the commission shall be reasonably accessible to the commission staff and parties to the hearing or proceeding to the extent necessary for cross-examination or rebuttal, subject to applicable rules of evidence, as applied in commission proceedings.

...

(f) Each party shall have access to the computer programs and models of each other party to the extent provided by Section 1822. The commission shall not require a utility to provide a remote terminal or other direct physical link to the computer systems of a utility to a third party.

Reid has pointed out that: (Opening Brief of L. Jan Reid on Track I and Track III Issues, September 16, 2011, (Reid Opening Brief) pp. 7-8)

Reid has raised this issue four times in the instant rulemaking: three times in pleadings and once at a pre-hearing conference (PHC). . . . A list of references to Reid’s statements concerning the CAISO’s compliance with PUC §1822 is provided in Table 1 below.

**Table 1: Citations to Reid’s Pleadings**

<b>Document Title</b>	<b>Document Date</b>	<b>References</b>
Comments of L. Jan Reid on Renewable Integration Models	September 21, 2010	pages 2-5
Comments of L. Jan Reid on Renewable Integration Models	November 22, 2010	pages 2-5
Reply Comments of L. Jan Reid on Renewable Integration Models	December 3, 2010	pages 2, 4
PHC Transcript	December 20, 2010	page 146, lines 13-24

Reid has argued that: (Reid Opening Brief, p. 8)

Compliance with PUC § 1822 is an important issue that has the potential to affect a number of Commission proceedings. Therefore, I recommend that the Commission provide a detailed explanation of PUC § 1822 as it applies to the CAISO’s modeling efforts in the instant rulemaking.

**VI. Conclusion**

The Commission should modify the PD as recommended by Reid for the reasons given herein.

\* \* \*

Dated March 12, 2012, at Santa Cruz, California.

/s/

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## APPENDIX

### Proposed Findings of Fact

#### Additions

18. Five parties filed testimony concerning the future of California's nuclear power plants: Reid, WEM, PG&E, SCE, and SDG&E.

19. A recent poll conducted by the Public Policy Institute of California (PPIC) found that Californians are opposed to building more nuclear power plants. The poll found that 65 percent of Californians now oppose building more plants while 30 percent are in favor, the lowest level of support since PPIC began asking the question in 2001 and a 14-point drop since one year ago.

20. It is reasonable for the Commission to open an Order Instituting Investigation (OII) in order to study the feasibility of shutting down the SONGS and Diablo Canyon nuclear facilities.

### Proposed Conclusions of Law

#### Additions

12. It is not possible for a Commission decision to be based on "substantial evidence in light of the whole record" unless all of the issues raised by the parties are addressed in the Commission decision.

13. Legal error occurs when the Commission fails to address all of the issues raised in a proceeding.

## VERIFICATION

I, L. Jan Reid, make this verification on my behalf. The statements in the foregoing document are true to the best of my knowledge, except for those matters that are stated on information and belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Dated March 12, 2012, at Santa Cruz, California.

/s/

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