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ALLIANCE FOR NUCLEAR RESPONSIBILITY

July 19, 2011

California Energy Commission
Docket Office, MS-4
Re: Docket No. 11-IEP-1J
1516 Ninth Street
Sacramento, CA 95814

**RE: Comments and Recommendations of the Alliance for Nuclear Responsibility (A4NR)
in response to the Nuclear Power Workshop for the 2011 Integrated Energy Policy Report,
Docket 11-IEP-1J**

Commissioners:

The Alliance for Nuclear Responsibility (A4NR) has reviewed the data requests submitted by PG&E and SCE in response to the nuclear power workshop to be held by the CEC as part of the 2011 IEPR.

Comments related to each individual utility are attached to this cover letter as separate documents. However, while the specific comments related to each utility's nuclear operations (SONGS or Diablo Canyon) may differ in detail, the overall scope of our remarks question the inconsistencies, inadequacies, omissions and contradictions to be found in the utility replies.

Nearly three years have passed since the CEC issued its AB 1632 report and recommendations. And yet, for PG&E, the majority of the recommended studies are just beginning and SCE has only just begun the funding requests for their work. A major impetus for the AB 1632 recommendations were the questions of reliability and economics regarding nuclear power in the wake of the 2007 Kashiwazaki nuclear incident as a result of an earthquake. The loss of 8000 MW followed by three years of recovery totaling \$12 billion in repairs and replacement power gave California legislators pause to consider the consequences on our own shores. And yet, our nuclear utilities have made little or no progress on the studies. Now, with the disaster at Fukushima still unfolding, and in the wake of undeniable public outcry, the utilities are finally—if slowly—beginning to consider in earnest the recommendations of the CEC.

It becomes clear, from a ratepayer and consumer point of view, that the absence of any impetus for updated seismic analysis on the part of the federal NRC puts our state at risk in the same way that Japan was; it becomes clear that as residents and ratepayers, it is only to our state regulators

that we can turn in the hope that safeguards for an affordable and reliable supply of electricity will be emplaced.

Upon review of the utility data requests, it appears that three main areas of concern arise:

1. **The ongoing uncertainty regarding final disposal and disposition of the high level radioactive waste created at San Onofre and Diablo Canyon during the initial 40 year operating license and the potential 20 year license renewal.** As the NRC has promulgated a waste confidence ruling increasing the allowable on-site storage of waste for as long as 60 and possibly 100 years after shutdown, questions of responsibility for overseeing the waste and ongoing storage costs need to be evaluated. There is no assurance that fiscal burdens would not leave the state responsible for this unfunded federal mandate. When such questions about the potential costs and liabilities of safeguarding long term waste were asked of the utilities by the CEC, the answers were absent, inadequate or contradictory.

Earlier this year the states of Vermont, Connecticut and New York sued the Nuclear Regulatory Commission, challenging the waste confidence ruling. The three states argued that the policy, adopted in December [2010], violated two federal laws requiring that a full environmental review be carried out at each nuclear site before permission for long-term storage could be granted.¹ Congresswoman Capps (D-Central Coast) sent a similar letter in January 2010 and several California legislators, sent their own letters of concern.

Is California's seismically active storage site any less at risk? Do Californians not deserve the same assurances sought by the northeastern states? On February 25, 2011, state legislators from all communities (Humboldt, San Diego, Sacramento and San Luis Obispo) that are storing waste sent a letter to the Blue Ribbon Commission stating:

As the Blue Ribbon Commission prepares the draft report, which will include considerations of technology and policy alternatives, it is our hope that the unique issues surrounding nuclear power and waste storage & disposal in seismically active California are considered. We believe that a California hearing that includes testimony from seismic experts and local stakeholders would greatly assist in the preparation of the report.²

When the Blue Ribbon Commission issued its report, specific references to California or seismic issues were nowhere to be found, with the sole exception of an update on Fukushima.³ The Japanese are now considering closure of their ill-fated reprocessing plant. "Science minister Yoshiaki Takaki indicated Friday that the government will consider suspending the development of the prototype fast-breeder reactor Monju in the wake of the country's worst nuclear crisis that continues at the Fukushima Daiichi power plant."⁴

¹ <http://www.nytimes.com/2011/02/16/nyregion/16nuke.html>

² <http://a4nr.org/wp-content/uploads/2011/03/022511-BRC-ltr-Blakeslee1.pdf>

³ http://brc.gov/sites/default/files/documents/draft_ts_report_6-1-11.pdf

⁴ <http://nuclear-news.net/2011/07/15/japan-might-suspend-developing-its-troubled-fast-breeder-reactor/>

After decades of debate the Yucca Mountain remains in scientific and political limbo. In the meantime California's fragile coast has become the de facto radioactive storage facility for 1856 metric tons of uranium (3082 rod assemblies in spent fuel pools today and 4330 by end of license) at Diablo and 2450 spent fuel assemblies at San Onofre (unlike PG&E, SCE appears to consider the disclosure of the metric tonnage of uranium in its pools as "classified")⁵

The Alliance for Nuclear Responsibility is not a proponent of costly and lengthy lawsuits to resolve the federal radioactive waste problem. The 1982 Nuclear Waste Policy Act is a promise that thousands of tons of radioactive material will be removed from our fragile coast, and have collected of tens of millions from ratepayers in the hope of fulfilling this promise. Absent a national policy, the federal government needs to explain this unfunded mandate – a mandate that leaves California's economy and the reliability of our energy sources at risk—or we will pursue a plan to phase-out the source of the radioactive waste.

2. Issues of liability arising from a nuclear accident a la Fukushima. The federal government has not begun to consider updating the liability limits under Price-Anderson (\$12.6 billion). in light of damage estimates that exceed \$100 billion in Japan. While the government of Japan is still reeling from the March 11, 2011 nuclear nightmare at Fukushima reports of damages and liabilities have begun to surface. Tens of thousands of damage claims have been filed totaling over \$25 billion and the Japanese government is estimating over \$100 billion in liabilities. The costs are not remotely finalized, but the woefully inadequate \$12.6 billion limit of the federal government's Price-Anderson Act demands immediate review. For example, with regard to the potential liabilities surrounding Diablo Canyon:

San Luis Obispo Agricultural values in 2009 were in nearly \$400 million, with an additional \$52 million for cattle.⁶

San Luis Obispo home sales are still averaging \$450,000 and total assessments of property values in 2010 was in excess of \$40 billion.⁷

Tourism is valued at \$1.1 billion annually⁸

And northern Santa Barbara County is less than 50 miles downwind of the Diablo Canyon Nuclear Plant. With no homeowner or business insurance available in the event of a radioactive release, the federal government's Price-Anderson limits are irresponsible.

The Nuclear Regulatory Commission's steadfast refrain of "it can't happen" here, even in light of Fukushima, is one California must question. As a state, how would California residents, property owners and businesses be "made whole again" after a nuclear accident in light of the gap between coverage and damages? To do less would be an abrogation of the state's responsibility to protect our economy, the reliability of our energy sources and our citizens.

⁵ SCE response to CEC data request 4/25/11

⁶ <http://www.sanluisobispo.com/2010/04/01/1088758/value-of-slo-county-crops.html>

⁷ <http://www.slocounty.ca.gov/Assets/AC/Digital/2010-11TaxRateBook.pdf>

⁸ <http://www.sanluisobispocounty.com/media/facts-figures/>

3. **The inadequacy of utility planning to determine how they would replace 4400 MW of baseload generation should the “unthinkable” become a reality on the our side of the Pacific Rim.** At a state senate hearing in April 2011, SCE admitted they had only two days of reserve power planning after a loss of SONGS before needing to purchase power on the volatile spot market.

PG&E offers five scenarios for replacement of its aging reactors at Diablo and then concludes:

PG&E has examined the net benefits to customers of extending the operations of Diablo Canyon compared to shutting down DCPP at the end of its current license period and obtaining replacement power from 2025 through 2044. Under a wide range of assumptions, it is cost effective to renew the operating licenses for Diablo Canyon and extend operations for 20 years.⁹

SCE states: “No studies or reports have been issued that describe the characteristics of the resources needed to replace the plant in the 2020s.”¹⁰ Yet SCE continues:

There will be challenges in devising transmission fixes that are required to meet the existing grid reliability standards. There will be substantial adverse environmental impacts which will significantly affect the State’s goals. There will be rate increases needed to reflect the impact of more costly replacement power resources and transmission. There is an immediate need to start planning and permitting of replacement generation and transmission facilities if SONGS 2 & 3 does not operate beyond 2022.

Again A4NR agrees that challenges exist, but an updated look at the challenges Japan is facing must also be weighed. This month, Japan’s prime minister has announced his wish that his nation pursue a phasing out of nuclear power, following the lead of Germany, Italy and Switzerland. This decision presents many more challenges for resource-constrained Japan than phasing out aging reactors in California. Yet California cannot wait until Mother Nature decides to flex her muscles on the west side of the Pacific Rim before we act – for it may be too late.

In light of these three areas of concern, A4NR makes the following recommendations to the CEC:

- 1) The CEC should recommend that SCE and PG&E undertake immediate studies to determine how they would replace 4400 MW of baseload generation in the short and long term should their nuclear plants be rendered unusable by a seismic event or other natural disaster as well a potential shutdown due to acts of malice or terror should the “unthinkable” become a reality on the our side of the Pacific Rim.
- 2) The CEC should recommend that the U.S. Department of Energy’s Blue Ribbon Commission come to California to explain why our state should risk another 20 years of radioactive waste production on seismically active coastal zones. As the

⁹ PG&E responses to CEC DR.....

¹⁰ SCE responses to CEC Q. F.1 DR....

NRC has promulgated a waste confidence ruling increasing the allowable on-site storage of waste for as long as 60 and possibly 100 years after shutdown, questions of responsibility for overseeing the waste and ongoing storage costs need to be evaluated. There is no assurance that fiscal burdens would not leave the state responsible for this unfunded federal mandate.

- 3) The CEC should recommend that the federal government review liability limits under Price-Anderson (\$12.6 billion) in light of damage estimates that exceed \$100 billion in Japan. As a state, how would California residents, property owners and businesses be “made whole again” after a nuclear accident in light of the gap between coverage and damages?
- 4) The CEC should recommend that the 1967 Certificate of Public Convenience and Necessity (CPCN) issued for Diablo Canyon be reviewed and updated in light of new evidence on population, seismic vulnerabilities, absence of a permanent offsite solution to safe storage of highly radioactive waste.
- 5) The CEC should recommend an updating and analysis of the costs associated with increasing the emergency planning and evacuation zones from 20 to 50 miles and beyond in the wake of the NRC’s own recommendation that residents voluntarily evacuate a similar sized area around Fukushima.

We thank the Commission for its time and consideration of these comments, requests and recommendations.

Yours truly,

/s/

Rochelle Becker

Executive Director

Alliance for Nuclear Responsibility