



ALLIANCE FOR NUCLEAR RESPONSIBILITY

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RATEPAYER CONCERNS REGARDING SEISMIC OVERSIGHT AND SPENT FUEL TRANSFER AT DIABLO CANYON GRANTED IN CPUC DECISION

PG&E's omnibus General Rate Case (GRC) was approved last week at the California Public Utilities Commission (CPUC) and reaffirms California's jurisdiction over the economics and reliability of the state's one remaining nuclear reactor, and acknowledges several important safeguards advocated by the energy watchdog group, Alliance for Nuclear Responsibility (A4NR).

A4NR's participation focused on two areas of concern: 1) Oversight of both federal and state required seismic studies; and 2) expedited transfer of highly radioactive spent fuel from liquid pools to dry canisters.

First, PG&E has had a "Long Term Seismic Program" (LTSP) in effect at Diablo Canyon for over two decades. This license condition from the Nuclear Regulatory Commission (NRC) was a result of the utility's failure to seek or identify significant faults during the construction of the plant, which lead to \$ 4 billion in costly seismic retrofits. More recently, AB 1632 legislated updated seismic studies to assess the vulnerability of nuclear power plants, and since Fukushima, the NRC has required the utility to undergo a "Senior Seismic Hazard Assessment Committee" review (SSHAC)—*all* of which are funded by ratepayers. However, prior to A4NR's GRC intervention, only the AB 1632 studies received independent oversight from the CPUC. A4NR's perspective was neatly summarized by the CPUC, who agreed with its recommendations:

A4NR disagrees with aspects of how PG&E is managing the SSHAC process and therefore asks the Commission to review PG&E's on-going management of the SSHAC process and the LTSP generally in the ERRA compliance proceeding....

A4NR proposes that the SSHAC and LTSP activities be subjected to the "same review by the Commission's Energy Division Director and Independent Peer Review Panel." PG&E argues that the Commission should not attempt to formally interject the IPRP into the SSHAC process and doing so could disrupt progress to date and impair PG&E's ability to complete the process in time to meet the NRC's deadline....*We adopt A4NR's proposal.* We find this disposition to be a reasonable approach to assure the proper integration of Assembly Bill (AB) 1632 seismic studies with the LTSP and the SSHAC process.

[emphasis added]

“In the wake of the ongoing revelations of collusion and obfuscation in PG&E’s San Bruno explosion, and the recent reminder of our state’s seismic fragility during the Napa earthquake, the CPUC makes inroads in restoring ratepayer faith by acknowledging our seismic concerns in this recent decision,” said Rochelle Becker, A4NR’s executive director.

The second issue concern, expedited transfer of highly radioactive spent fuel from liquid pools to dry cask storage—reducing the density and the danger in the pools. Since 2008 the California Energy Commission (CEC) has been recommending that “PG&E and SCE should return their spent fuel pools to open racking arrangements as soon as feasible, while maintaining compliance with NRC cask and pool spent fuel storage requirements, and report to the Energy Commission on their progress in doing so.” Even SCE, owner of the now-defunct San Onofre plant, has pledged to move spent fuel to casks as “quickly as is practicable.” A4NR proposed that any ratepayer monies spent to construct more cement pads at the Diablo Canyon Independent Spent Fuel storage Installation (ISFSI) to hold the dry casks be conditioned on an expedited removal of the spent fuel to casks on those pads.

PG&E opposed this recommendation on the grounds that the CPUC and the CEC have no legal right to regulate nuclear safety issues. However, the CPUC agreed with A4NR, and in their Conclusions of Law stated:

This Commission has legal authority to oversee seismic study activities relating to Diablo Canyon and to condition approval of PG&E’s cost recovery of \$26.1 million to construct the remaining five pads at the ISFSI in 2014 upon PG&E’s submittal of a plan to expedite the transfer of spent fuel to dry casks while maintaining compliance with NRC cask and pool spent fuel storage requirements. [emphasis added]

“Had the Commission ceded PG&E’s demands to reject A4NR’s concerns as “pre-empted” by federal oversight, three decades of state jurisdiction—supported by a Supreme Court decision—would have been tossed to the wayside,” notes Ms. Becker. “The CPUC’s decision to exert state oversight is not only legal, but ethically correct as well.”

Copies of the full Decision and excerpted sections related specifically to A4NR’s concerns can be downloaded at:
<http://a4nr.org/?p=3244>

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