



ALLIANCE FOR NUCLEAR RESPONSIBILITY

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For Immediate Release:

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PG&E Subverted State Review of Diablo Canyon Seismic Studies and Squandered Ratepayer Money, According to A4NR Regulatory Filing

The same attributes which have earned PG&E the distinction of being America's only nuclear licensee facing criminal prosecution from the U.S. Department of Justice—including a leading charge of obstruction of justice—extend to the company's conduct of the AB 1632 seismic studies.

What the Alliance For Nuclear Responsibility (A4NR) filing demonstrates is PG&E's attempt to subvert the oversight of a state sanctioned independent review panel, which PG&E successfully dodged with a trumpeted submittal of its "final" seismic study to the NRC before the peer review panel had even been shown the results. Notes A4NR attorney John Geesman, "Without independent review, this report is propaganda, not science."

AB 1632, sponsored by then Assembly Member Dr. Sam Blakeslee, mandated updated studies to determine if new hazards in the seismic setting of the Diablo Canyon nuclear plant posed a risk that could impact the cost and reliability of the electric supply. In 2012, the CPUC authorized \$64M in ratepayer funds for PG&E to do the study. At the same time, admitting that the CPUC had no internal staff to determine the validity of the study and its results, the CPUC established an Independent Peer Review Panel (IPRP) comprised of members including the California Geologic Survey, Coastal Commission, Energy Commission, Seismic Safety Commission, County of San Luis Obispo, and others.

As A4NR's filing reveals, internal PG&E emails detailing strategy and containment plans are clearly fearful that the IPRP could request a reinterpretation of the raw data bolstering PG&E's claims of seismic safety at the reactor site. One document authored by Senior Vice President Ed Halpin baldly asserts:

They could recommend additional processing methods be applied or other interpretation techniques be utilized. The IPRP make-up does not have members who are experienced in processing and interpretation, ***but they could seek an independent review by others***

Mitigation: When presenting the results to the IPRP PG&E will stress that advanced processing methods and interpretation techniques recommended by industry and academia experts were used. Make *processed* data available to ***IPRP before the technical reports are provided for their review.*** [emphasis added]

The IPRP clearly had a different process in mind, as revealed in the peer review panel's second public report:

The IPRP expects that:

- ***PG&E will provide its study plans and draft completed study findings to the IPRP for review.*** These include studies summarized in CPUC Decision 10-08-003 including off-shore, on-shore, and ocean bottom studies, and seismic studies recommended in the AB 1632 Report. [emphasis added]

The IPRP was to hold quarterly public meetings—and did—all of which abruptly stopped in July of 2013 after the IPRP issued a report critical of PG&E’s methodologies and assumptions. Alarming,ly, this email from PG&E government affairs representative Mark Krausse to PG&E’s regulatory relations staff paints a somewhat dire penalty for the persistent inquiries of the IPRP:

When PG&E submits its final findings on its enhanced imaging (by May of 2014), do you believe we could get the IPRP “decommissioned?”

And the director of PG&E’s geosciences department, Richard Klimczak replies:

Mark, The final report is scheduled for June 2014, Rich

At one point, the emails note PG&E intended to give the IPRP up to two months of advance review before releasing the study. Even that concession evaporated. As IPRP member and San Luis Obispo County Supervisor Dr. Bruce Gibson opined in the SLO Tribune: “PG&E chose to finalize its entire report and release it to the public before it sought any comment from — or even contacted — the peer review panel. It appears to me that PG&E’s public relations staff advised them to get their story to the public before any detailed questions might be asked.”

Among the other unanswered questions in the study:

- Why did PG&E unilaterally abandon pursuit of offshore high energy underwater seismic surveys of Diablo after the preliminary rejection of its ill-prepared permit application before the Coastal Commission, when the CPUC had specified it first wanted to receive the recommendation of the IPRP?
- Why didn’t PG&E notify the NRC immediately, as required, when early results revealed that the Shoreline fault could rupture jointly with the Hosgri fault, causing higher ground motions than previously reported to the NRC?

A4NR’s legal brief concludes, “The incorrigible quality of PG&E’s efforts to evade regulatory compliance, and the culture rot that pervades so many of its interactions with the Commission, should give all Californians pause. Is this the type of institution that an advanced civilization entrusts with mankind’s single most dangerous non-military activity?”

Adds A4NR Executive Director Rochelle Becker, “PG&E’s failure to conduct thorough seismic testing lead to over \$4 billion in costly retrofits when the plant was built over three decades ago. The CPUC failed to implement adequate oversight then, and runs the risk of having history repeat itself in an even more costly fashion if they don’t permit the IPRP established under their purview to perform the tasks for which it was created.”

Download the legal filing at: <http://a4nr.org/?p=3297>