

Core Message to the CPUC

It's time to cut our losses and permanently shut down the defective San Onofre nuclear reactors.

- **Edison's plan to restart (even at partial power) defective and damaged equipment is unacceptable.** This is not a prudent or reasonable plan for ensuring cost effective and reliable power.
- **Forcing customers to pay potentially billions of dollars for Edison's aging and crippled nuclear reactors is unacceptable.** Edison and SDG&E customers already have some of the highest electricity rates in California and the nation.
- **The CPUC investigation should analyze costs and reliability through the current license period.** This will show that Edison's mismanaged, defective and aging nuclear reactors are a bad investment for California ratepayers.
- **Near-term replacements for San Onofre power should emphasize reducing demand, and strengthening energy efficiency and renewable options.** This would address economic and environmental impacts from the San Onofre outage.
- **OII proceedings regarding San Onofre should be conducted in the area most impacted by the decisions of these proceedings, particularly the pre-hearing conference.**

Detailed Message to the CPUC

- 1) **All costs related to the defective equipment, including power purchases, inspections and repairs, should be borne by shareholders -- not rate payers, since Edison is responsible for the failed redesign and installation of the steam generators.** It is not reasonable or fair to force customers to pay millions and potentially billions for Edison's mistakes. In addition, the Commission should state in the OII that all costs for testing or repairs from now until the completion of the OII should be born by the shareholders.
- 2) **Edison's 10/3/2012 plan to restart nuclear reactor Unit 2 without fixing it is not prudent to ensure cost effective and reliable power.** This is another example of Edison's mismanagement of this nuclear power plant, resulting in the current cost overruns and reliability problems. Edison promised the four replacement steam generators would last 60 years, yet they failed in less than two years. We cannot rely on Edison's promises and analysis. Steam generator defects in Unit 3 are only slightly worse than Unit 2; both are hundreds of times worse than any other nuclear plant in U.S. history. Independent nuclear expert analysis should be included in the OII scope. The next failure could endanger California's already fragile economy.
- 3) **The OII must consider the cost-effectiveness of Edison's proposal to restart only the Unit 2 reactor in light of Commission Decision (D.) 05-12-040's Finding of Fact 153 that "the split shutdown scenario is more costly than shutting both units down".¹**

¹ CPUC Decision San Onofre Steam Generator Replacement Project: D.05-12-040 12/15/2005
http://www.edison.com/images/cms_images/c6108_2005_songs_sgrp_final_decision_7154.pdf

- 4) **When evaluating the prudence of continued operation of these aging and defective reactors, the CPUC should include economic impacts through the end of the current license period.** The OII scope should be expanded to include costs and reliability related to: the large backlog of work at San Onofre; plus any reasonably foreseeable future upgrade and maintenance projects needed for this aging plant, such as potential seismic upgrades; once-through cooling retrofits; near-term Fukushima recommendations; increased waste storage; and the termination of 1/3 of San Onofre employees.
- 5) **The consequences of relying on this proven unreliable plant should be included in the scope of the OII.** No one knows when it will restart, how long it will stay on-line, or how long it will remain offline after the next inspection. No one knows how much damage will be caused by a restart. Given the unprecedented wear after less than 2 years of operation, the damage may be excessive. Edison's proposed restart for 5 months is another indicator of how little confidence the utility itself has in the adequacy and safety of their restart plan. Edison's proposal is reckless. The units are already so worn that to expect more than a few years (or perhaps only a few months or weeks) of operation before more damage occurs is a risk California homeowners and businesses should not be forced to take.
- 6) **Near-term replacements for San Onofre power should emphasize reducing demand, and strengthening energy efficiency and renewable options.** This would address potential economic and environmental impacts from the San Onofre outage (e.g., reduce costs, reduce green house gas emissions, and improve air and water quality).
 - a) **The Commission should establish a pilot program for quick, clean, replacement resources for nuclear power. A portion of the billions of dollars of energy efficiency funds should be used to reduce demand in the areas formerly served by San Onofre.** Installing more efficient residential and commercial air conditioners and insulation, as well as solar energy and grid enhancements, would significantly reduce peak demand and provide employment for laid off San Onofre workers and others. The pilot should include long-term financing and increased rebates for both energy efficiency and solar to make energy upgrades affordable for ratepayers. The Sacramento Municipal Utility District (SMUD) successfully used energy efficiency and solar to replace a significant amount of power from their Rancho Seco nuclear plant. The Commission should ensure Edison and SDG&E do the same.
 - b) **The Commission should address the issue of the backlog of renewable energy waiting to be connected in Edison's queue.** Edison stalled connecting millions of dollars of federal solar projects for years.² Also, Edison worked to kill SB843, a bill that would have increased consumer access to renewable energy³ (SDG&E supported the bill).

² Renewable energy projects in California go unused, LA Times 1/9/2012

<http://articles.latimes.com/2012/jan/09/local/la-me-parks-solar-20120109>

³ PG&E, So. Cal Edison kill bill to increase consumer access to renewable energy 8/31/2012 Senator Lois Wolk <http://sd05.senate.ca.gov/news/2012-08-31-pge-so-cal-edison-kill-bill-increase-consumer-access-renewable-energy>