

Adrian Bankhead <[abankhead@avaenergy.org](mailto:abankhead@avaenergy.org)>

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## Letter for Board & CAC

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**Jessica Tovar** <[jessica@localcleanenergy.org](mailto:jessica@localcleanenergy.org)>  
To: Adrian Bankhead <[abankhead@ebce.org](mailto:abankhead@ebce.org)>

Wed, May 15, 2024 at 10:50 AM

Please distribute this letter from John Geeseman circa 2020.  
The bottomline here is we should not be bailing out PG&E by taking its bad investments like Diablo Canyon nuclear.  
I would like to see our agency not legitimize the PCIA - PG&E's ongoing fee to Community Choice customers.  
Let's stick to clean energy and being better than this ruthless corporation; PG&E.  
Jessica

**Jessica Guadalupe Tovar,**  
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 **John Geeseman - EBCE and Diablo Canyon (1).pdf**  
120K



Jessica Tovar &lt;jessicalocalcleanenergy@gmail.com&gt;

## EBCE and Diablo Canyon

John Geesman &lt;john@dicksongeesman.com&gt;

Thu, Apr 16, 2020 at 4:04 PM

To: "al.mendall@hayward-ca.gov" <al.mendall@hayward-ca.gov>, "Elisa.Marquez@hayward-ca.gov" <Elisa.Marquez@hayward-ca.gov>, "dkalb@oaklandnet.com" <dkalb@oaklandnet.com>, "rkaplan@oaklandca.gov" <rkaplan@oaklandca.gov>, "Mayor@CityofBerkeley.info" <Mayor@cityofberkeley.info>, "KHarrison@cityofberkeley.info" <KHarrison@cityofberkeley.info>, "msutter91@gmail.com" <msutter91@gmail.com>, "lmei@fremont.gov" <lmei@fremont.gov>, "shaggert@acgov.org" <shaggert@acgov.org>, "dan.arriola@cityoftracy.org" <dan.arriola@cityoftracy.org>, "EHernandez@sanleandro.org" <EHernandez@sanleandro.org>, "pkmunro@cityoflivermore.net" <pkmunro@cityoflivermore.net>, "jpentin@cityofpleasanton.gov" <jpentin@cityofpleasanton.gov>, "Jaimep@unioncity.org" <Jaimep@unioncity.org>, "melissa.hernandez@dublin.ca.gov" <melissa.hernandez@dublin.ca.gov>, "al.negy@newark.org" <al.negy@newark.org>, "Npilch@albanyca.org" <Npilch@albanyca.org>, "trood@ci.piedmont.ca.us" <trood@ci.piedmont.ca.us>, "dmartinez@emeryville.org" <dmartinez@emeryville.org>, "jfranch@numitea.com" <jfranch@numitea.com>, "vbacon@vbacon.com" <vbacon@vbacon.com>, "bosdist4@acgov.org" <bosdist4@acgov.org>, "v.vargas@cityoftracy.org" <v.vargas@cityoftracy.org>, "clopez@sanleandro.org" <clopez@sanleandro.org>, "rwcaring@cityoflivermore.net" <rwcaring@cityoflivermore.net>, "knarum@cityofpleasanton.gov" <knarum@cityofpleasanton.gov>, "GaryS@UnionCity.org" <GaryS@unioncity.org>, "arun.goel@dublin.ca.gov" <arun.goel@dublin.ca.gov>, "Mike.Hannon@newark.org" <Mike.Hannon@newark.org>, "pmcquaid@albanyca.org" <pmcquaid@albanyca.org>, "jcavenaugh@ci.piedmont.ca.us" <jcavenaugh@ci.piedmont.ca.us>, "sdonahue@emeryville.org" <sdonahue@emeryville.org>, "cob@ebce.org" <cob@ebce.org>

Dear Board members of East Bay Community Energy:

I write at the suggestion of Jessica Tovar of the Local Clean Energy Alliance to share some pertinent facts about the Diablo Canyon Nuclear Power Plant that have emerged recently from proceedings at the California Public Utilities Commission. My law firm has represented the Alliance for Nuclear Responsibility ("A4NR") in state regulatory proceedings concerning Diablo Canyon since 2011.

- PG&E has acknowledged in data responses to A4NR that Diablo Canyon's annual "above-market costs" -- as calculated by the CPUC's Power Charge Indifference Adjustment ("PCIA") methodology -- have soared to \$1.258 billion in 2020 (up from \$1.168 billion in 2019 and \$410 million in 2018).
- PG&E collects the majority of these "above-market costs" through exit fees on departed generation customers, like EBCE's constituents, since the company's generation market share within the PG&E service territory has eroded to 43% in 2020.
- PG&E told the CPUC in 2017 that in a "low load" scenario where its generation market share dropped to 44%, only 26% of the output from Diablo Canyon would be needed by PG&E bundled customers.
- Diablo Canyon supplied 45% of the electricity used in 2019 by PG&E's dwindling number of bundled customers, according to the company's February 2020 Form 10-K filing. In the CPUC's bankruptcy investigation, PG&E's CEO admitted under oath that PG&E bundled customers could face a risk of over-dependence on a single plant: "more than 60 percent would be a problem, I think, somewhere in that range."

- The California Energy Commission's current mid-case electricity demand forecast (completed before the COVID-19 pandemic) projects PG&E's bundled load from 2020—2022 at levels that indicate Diablo Canyon's annual output will comprise 61.9% (2020), 67.8% (2021), and 70.3% (2022) of the electricity used by PG&E's bundled customers.

I chaired the California Energy Commission's Renewables Committee in 2002 when we implemented AB 117 (Migden), and I recall the intense pushback from PG&E over our funding the first feasibility studies for Community Choice Aggregation. I was a primary opponent in 2010 to PG&E's \$46 million ballot measure that would have imposed a voter approval prerequisite for participation in a CCA. In 2018, PG&E cleverly found a means to prop up an uneconomic white elephant by persuading the CPUC to include Diablo Canyon in the PCIA—and that cross-subsidy is the only thing keeping the plant operating today. Now, to stave off economic obsolescence for a short while longer, PG&E approaches its former nemeses (the CCAs ) with offer of a "free" gift.

I trust each of you has the common sense to see through that ruse and will reject it. Nothing from PG&E is ever "free." They're not in that type of business. While EBCE wouldn't be the first hostage to be seduced by its captor, a more productive response to your unjust cost predicament would be to utilize your latent strength in Sacramento to have Diablo Canyon statutorily removed from the PCIA.

John L. Geesman

Dickson Geesman LLP

Attorney for A4NR