



Governor Brown
State Capitol
Sacramento, CA 95814

July 26, 2013

RE: Replacing the San Onofre Nuclear Generating Station

Dear Governor Brown,

We write with regard to your administration's efforts to work with the state's energy and environmental agencies to replace the San Onofre Nuclear Generating Station (SONGS). We agree that California must maintain a reliable electric system that meets our state's energy service needs. At the same time, the state must ensure that SONGS' replacement is cost-effective, consistent with the state's short and long-term greenhouse gas emission reduction goals and the need to reach attainment of state and federal air quality standards, and meets the state's "loading order" that requires consumers' electricity needs to be met by the cleanest resources first. Replacing SONGS presents an exciting opportunity to demonstrate how California can meet its future energy needs with clean resources, serving as a model for future energy development within the state and throughout the country.

To meet the state's goals, the plan to replace SONGS must be developed through a transparent public process based on sound data and analysis. This public process should be transparent, utilize the thorough analysis of SONGS replacement needs currently underway at the California Public Utilities Commission (CPUC), and not result in construction of unneeded new fossil-fueled power plants and transmission lines at the expense of public health, the environment, and customers.

The best forum to determine how SONGS will be replaced is the CPUC's public process underway in the Long-Term Procurement Plan proceeding (in collaboration with the Independent System Operator

(CAISO) and California Energy Commission), with model results expected in a few weeks, followed by a schedule for full public vetting and a decision late this year or early next year. This updated modeling should consider all options, including a combination of local and system-wide preferred resources that can reliably replace SONGS. Reliance on the CPUC process, using transparent and public vetting, is essential for California to make an informed decision on how best to replace SONGS. Any decision also needs to be consistent with federal and state Clean Air Act requirements.

There is no need to rush or override this CPUC process, especially since it will start with the submission of new and updated CAISO models and testimony in early August, followed by testimony from Southern California Edison (SCE) and stakeholders, all of which will be the subject of full, public examination. The CAISO already has sufficient reserve margins to maintain reliability in the near-term and many of the issues raised by the closure of SONGS have already been addressed due to forward thinking by the CAISO, agencies and utilities. For example, the addition of synchronous condensers at Huntington Beach and other transmission system enhancements have addressed the voltage support needs created by the loss of SONGS. In addition, significant new generating and transmission capacity has come on-line in Southern California this past year.

Without a transparent public process, we are concerned that the state could rely on outdated and flawed modeling. In particular, some of the CAISO's prior model results and analyses, which were among those presented at the July 15, 2013 joint agency forum in Los Angeles, were already tested through the CPUC's public process and found to have significant flaws. Errors in CAISO modeling have resulted in significant overestimates of the need for additional fossil-fueled power plants by underestimating the state's plans for energy efficiency and other preferred resources. In fact, the CPUC's most recent decision on the need for new power plants in the Los Angeles area found that nearly *half* the capacity of fossil-fueled power plants suggested by the CAISO's model was unnecessary. This finding saved customers at least hundreds of millions of dollars and prevented over 1,000 MW of unnecessary polluting fossil-fuel facilities from being built. The benefits of robust public participation to public health, the environment, and customer protection are evident in the CPUC process.

We are concerned that without a transparent public process, which, again, will start with publication of the CAISO's newest modeling and conclusions in early August, the state may rely on outdated assumptions about the operational and planning value of preferred resources. Relying on flawed model results and rushing to decisions without adequate analysis could lock California into polluting and costly power plants for generations that could make it impossible to meet future greenhouse gas emission reduction and air quality goals and requirements. It is essential that any decisions about new fossil generation and transmission are based on accurate and updated modeling that has been vetted in a public process.

In the meantime, California should get started right away on "no regrets" strategies, such as ramping up energy efficiency, demand response, energy storage, and renewable distributed generation in the local areas that were served by SONGS. While the state agencies and utilities have accelerated efforts in these areas, much more is possible. Some of the best options to build the state's clean energy future require engaging the state's residents and businesses - to improve energy efficiency, vary demand to reduce peak and help keep the grid reliable, and install distributed generation. We now have a great opportunity to engage Southern Californians by making them active partners in the decision about how to replace the region's largest power plant.

The communities that were served by SONGS already breathe unhealthy air. The volume of public comments at the recent hearing in Los Angeles about SONGS' replacement indicate that local communities are ready to step up and do their part to help create a clean future and avoid building power plants that will pollute their air and climate for decades to come. We urge you and your task force to lead a collaborative effort with the state's agencies, utilities, local governments, and community organizations

to make it clear that Southern Californians have a choice, and they can help build a virtual “SONGS power plant” by doing their part to upgrade their homes and businesses.

We look forward to working with you to ensure California’s approach to replace SONGS is consistent with the state’s loading order, air quality needs and greenhouse gas goals, is based on publicly-vetted data and analysis, and continues to support the state’s effort to create a clean energy future.

Sincerely,

Miya Yoshitani, Associate Director
Asian Pacific Environmental Network

Derek Walker, Associate Vice President, US
Climate and Energy Program
Environmental Defense Fund

Strela Cervas, Co-Coordinator
California Environmental Justice Alliance

Nicole Capretz, Associate Director
Environmental Health Coalition

V. John White, Executive Director
CEERT

Damon Moglen, Senior Strategic Advisor
Friends of the Earth

Stephanie Wang, Regulatory Policy Director
Clean Coalition

Devra Wang, Director, California Energy Program
Natural Resources Defense Council

Joseph Lyou, President and CEO
Coalition for Clean Air

Kathryn Phillips, Director
Sierra Club California

Daniel Hirsch, President
Committee to Bridge the Gap

Laura Wisland, Senior Energy Analyst
Union of Concerned Scientists

Bill Gallegos, Executive Director
Communities for a Better Environment

Jim Baak, Director of Policy for Utility Scale Solar
Vote Solar

Michelle Kinman, Clean Energy Advocate
Environment California / Environment California
Research & Policy Center

cc: Martha Guzman-Aceves, Deputy Legislative Secretary to Governor Brown
Cliff Rechtschaffen, Senior Advisor to Governor Brown
Michael Picker, Senior Advisor to Governor Brown
Nick Chaset, Special Advisor to Governor Brown
Jeanne Clinton, Special Advisor to Governor Brown
Chairman Weisenmiller, California Energy Commission
Commissioner McAllister, California Energy Commission
President Peevey, California Public Utilities Commission
Commissioner Florio, California Public Utilities Commission
Chairman Nichols, California Air Resources Board
Chairman Foster, California Independent System Operator
Mr. Berberich, Chief Executive Officer, California Independent System Operator
Dr. Wallerstein, Executive Officer, South Coast Air Quality Management District