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Assemblyman Felipe Fuentes
Assemblywoman Nancy Skinner
State Capitol
Sacramento, CA 95814
Via email: gina.adams@asm.ca.gov dan.chia@asm.ca.gov

Re: Comments Once-Through Cooling Air Emission Credits and Electrical Generation

Dear Assemblymembers Fuentes and Skinner:

The Alliance for Nuclear Responsibility respectfully submits the following comments on the impacts of once-through cooling at California's operating nuclear plants.

The focus of A4NR comments will be limited to the issue of alternatives to once-through-cooling at California's aging nuclear reactors. Diablo Canyon has been out of compliance for years with its NPDES permits for over a decade. Southern California Edison (SCE) believes it is in compliance due to the mitigation of a reef completed in 2008. A4NR questions this compliance as mitigation should be for past degradation of water and ocean resources and should not be viewed as a blank check to continue to negatively impact resources. With over a million gallons of intake and discharge water a minute traveling through California's coastal reactors the impacts of once-through-cooling should not be allowed to continue beyond current license terms. Ratepayers have already paid for mitigation and no further rate burdens should be placed on the shoulders of consumers to offset degradation beyond the mid-2020's.

According to a data response from SCE in its current General Rate Case, "On January 23, 2007, the 2nd Circuit Court of Appeals issued a decision addressing challenges to the EPA regulations. EPA regulations dealing with performance standards, restoration as mitigation, cost-benefit analysis, and operating plans, among others were struck down." A4NR does not doubt the veracity of SCE's statement, yet it is a well-established fact that California has gone beyond federal EPA standards to protect its citizens, and the issue of coastal and marine-life degradation resulting from once-through-cooling should be no exception.

On February 23, 2009, a court decision in Virginia revoked Dominion Virginia Power's permit to dump heated water from its nuclear station into cooling lagoons delaying the

construction of a third reactor. The court ruled that Virginia Power's permit violated federal Clean Water Act and remanded the permit to the Water Control Board for review.

While Grid Reliability is a major concern for all parties in this proceeding, the state, like the rest of the world, is slowly recognizing that a paradigm shift towards efficiency and renewable generation is looming on the horizon. We must carefully expend scarce resources on technologies that will lead us to new, independent, cleaner and more secure energy polices in the future.

Large generation facilities provide reliable electricity, yet they also make customers extremely vulnerable to serious energy shortfalls. For example, in July 2007, an immediate loss of 8000 MW of generation resulted from a large earthquake in the Sea of Japan. The reactor complex remains closed and there is no date anticipated to reboot the world's largest nuclear complex. Mother Nature has a way of humbling us all.

Allowing nuclear reactors on our seismically active coast to continue to damage coastal and marine life merely for "Grid Reliability" may prove to both an environmental and an economic disaster. To place 13% our energy "eggs" in aging reactor baskets without planning for the possibility of a major prolonged or permanent outage due to either acts of nature or acts of man is extremely shortsighted. The possibility of losing 6-13% of the state's electric capacity for a prolonged period of time is as great in California as it was in Japan. The disclosure of a new active fault 1800 feet offshore of Diablo Canyon in November 2008 is a reminder of the state's vulnerability.

A4NR believes that nuclear reactors designed in the 1960s and operating out of compliance more often than in compliance with state laws *must* cease to operate when the licenses granted by the NRC expire (2022 for SONGS and 2023 & 2025 for Diablo Canyon). We encourage all oversight agencies to work closely with the California Energy Commission (CEC) to achieve determine the economic impacts of the state's dependence on aging nuclear plants beyond current license terms. Without understanding the full costs, benefits and risks of existing nuclear generation the state will leave itself vulnerable to a host of consequences foreseen and not.

The challenges for future generation for California are filled with exciting possibilities. New technological breakthroughs are within sight. With focused determination California can create new technologies, new infrastructure, new jobs, new revenue sources, cleaner air and water. We can do this by decreasing our impacts on coastal waters and our dependence on outside generation sources.

"Business as usual" cannot be the mantra for future generation sources. California cannot afford to get it wrong. By allowing SCE and PG&E to operate their reactors until the end of current licenses and by investing in smart, clean and reliable energy diversity, this Water Board can demonstrate a successful model for the nation.

Like all other utilities, and the ISO, grid reliability is the paramount concern. Yet there can be many ways to meet the state's energy needs without continuing to impact the resources that make our state the seventh largest economy in the world. Alternative generation is entering its infancy around the world and it will replace the power sources we have come to depend upon for the last century – it's only a matter of time. Utilities have yet to discover how they can equal the profits from nuclear, coal and oil by

following softer energy paths, but when forced to phase those out we have no doubt a profit incentive will be provided to guarantee SCE and PG&E buy in to the program

By limiting OTC to no longer than the end of current license terms, you will have given PG&E & SCE strong guidance on their energy planning for the future. Change is difficult for us all, but again the opportunities for California, SCE and PG&E to lead the nation in new and exciting energy technology are abundant, and there is no doubt they will be profitable.

A4NR thanks this committee for the opportunity to testify. A4NR's recommendation to waive OTC alternatives for California's nuclear reactors-- *only* until current licenses expire--and then prohibit license renewals results from our belief that the state must responsibly plan for alternatives and that planning and implementation could take a decade.

Sincerely,

Rochelle Becker, Executive Director
Alliance for Nuclear Responsibility
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