

DOCKET

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June 25, 2009

Mr. Alan J. Fohrer
Chairman & Chief Executive Officer
Southern California Edison Company
P.O. Box 800
Rosemead, CA 91770

Dear Mr. Fohrer:

As required by Assembly Bill (AB) 1632 (Blakeslee), the Energy Commission completed a comprehensive assessment of Diablo Canyon and San Onofre and adopted the study, "*An Assessment of California's Nuclear Power Plants: AB1632 Report*" as part of its 2008 Integrated Energy Policy Report (IEPR). This AB 1632 study recommended that the CPUC take certain steps to ensure plant reliability when we review SCE's license renewal feasibility study for SONGS. In particular, we need to ensure that we thoroughly evaluate the overall economic and environmental costs and benefits of a license extension for SONGS—especially in light of the facility's geographic location vis-à-vis seismic hazards and lapses in the safety culture at SONGS. We will be looking to the Energy Commission's IEPR for information and input in the CPUC's license renewal review and decisions for SONGS.

It has come to my attention that SCE has not undertaken steps to include a seismic study, nor the other studies recommended in the AB 1632 Report, as part of its SONGS license extension studies for the CPUC. That deficiency prevents the CPUC from properly undertaking its AB 1632 obligations to ensure plant reliability, and in turn to ensure grid reliability, in the event SONGS has a prolonged or permanent outage. Therefore, the Commission directs SCE to perform the following tasks as part of its license renewal feasibility studies for SONGS:

1. Report on the major findings and conclusions from the seismic/tsunami hazards and vulnerability studies, as recommended in the AB 1632 Report (pp. 9, 10 and 13), and the implications of these findings and conclusions for the long-term seismic vulnerability and reliability of the plant.
2. Summarize the lessons learned from the Kashiwazaki-Kariwa plant experience in response to the 2007 earthquake and discuss the implications that an earthquake of the same, or greater, magnitude could have on the SONGS facility. In particular, the Commission needs SCE to evaluate whether there are any additional pre-planning or

- mitigation steps that the utility could take for the power plant that could minimize plant outage times following a major seismic event.
3. Reassess the adequacy of access roads to the SONGS plant and surrounding roadways for allowing emergency personnel to reach the plant and local communities and plant workers to evacuate. This assessment needs to consider today's local population and not rely on the situation extant when the plant was constructed.
 4. Conduct a detailed study of the local economic impacts that would result from a shut-down of the nuclear plant and compare that impact with alternate uses of the SONGS site.
 5. Assess low-level waste disposal costs for waste generated through a 20-year plant license extension, including the low-level waste disposal costs for any major capital projects that might be required during this period. In addition, SCE should include its plans for storage and disposal of low-level waste and spent fuel through decommissioning of the SONGS plant as well as the cost associated with the storage and disposal.
 6. Study alternative power generation options to quantify the reliability, economic and environmental impacts of replacement power options.
 7. Report on developments in SCE's efforts to achieve and maintain a strong plant safety culture as well as the U.S. Nuclear Regulatory Commission's evaluation of these efforts and of the overall plant performance. This must be documented before SCE submits a license renewal application. SCE should also include in its documentation to the CPUC its responses to nuclear-related data requests and recommendations in future IEPRs including the requested safety culture information.

SCE is obligated to address the above itemized issues in assessing SCE's plant relicensing application for SONGS. This commission will not be able to adequately and appropriately exercise its authority to fund and oversee SONGS' license extension without these AB 1632 issues being fully developed and addressed.

Sincerely,

Michael R. Peevey
President
California Public Utilities Commission