

**Citizens' Oversight Projects (COPs)**

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PRESS RELEASE – FOR IMMEDIATE RELEASE

## **Citizens' Oversight Files Legal Protest on San Onofre Decommissioning Spending Plans**

### **\$4.4 Billion “Slush Fund” for Utilities Needs More Oversight**

SAN DIEGO (2015-01-15) – Citizens' Oversight (also known as “Citizens' Oversight Projects” – COPS) today filed a legal protest at the California Public Utilities Commission regarding the request by Southern California Edison (SCE) and San Diego Gas & Electric (SDG&E) to spend approximately \$4.4 billion on decommissioning the now closed San Onofre Nuclear power plant. This filing will start the process to review the application by the utilities in administrative law proceedings at the CPUC and for COPS to become a party in those proceedings.

Ray Lutz, founder of COPS and trained engineer, drafted the protest document based on his participation in a prior triennial proceeding regarding decommissioning costs last year and extensive activism on the San Onofre shutdown under the banner of the “Coalition to Decommission San Onofre” which was COPS project.

“There is \$4.4 billion in these trust funds and almost no one providing careful oversight,” Lutz said. “The typical school construction bond of only \$100 million is requires that an independent citizens oversight committee review the spending in detail. This project is 44 times larger, and only receives a cursory after-the-fact review by the Commission, which tends to accept whatever they are told by the utilities.

“We know the Commission can't be trusted to provide careful oversight. If we are not careful, the money will be spent and we will still be sitting on a permanent nuclear waste dump with no funding to maintain it, while utility executives earn millions in bonuses and give parties on yachts with gold-plated pensions.”

The primary objections in the protest include:

- After-the-fact reviews and extensive use of “Advice Letters” with limited mechanisms for public intervention. Once the money is spent, it is hard to “unspend” it. We prefer an a priori review.
- SCE wants to water down the reasonableness standard for review, such that if they come in under the cost forecast, there will be no further review. We assert that cost is not the only factor to be reviewed, and the “reasonable manager” standard should be kept. However, we prefer that spending is reviewed as we go rather than a year or two later – if ever.
- SCE wants to subcontract the entire project to another company. Our concern is the possibility of double-dipping and profiteering. Their selection and the contract are all secret and “proprietary.” This must be open to public inspection and review.
- A 25% contingency fund is being applied, about \$880 million. We think that as the project plans firm up, this should decrease, and if all the funds are not required, rebated to ratepayers.
- The Decommissioning Cost Estimate has been refined but still has many unknowns, and these are not being prudently estimated. Most importantly, the spent fuel stored on site assumes the Dept of Energy (DOE) will start to transfer it to a national repository in 2024, which is far too optimistic.
- We feel they should start to plan for a consolidated semi-permanent California repository off the coast, away from high population areas and tsunami and earthquake threats for all California nuclear waste generate by San Onofre, Diablo Canyon and other sources while we wait for the DOE.
- It may be best to leave the conduits that extend into the ocean from an environmental perspective as removing them may do more harm than good.
- \$27 million is budgeted for Community Outreach. This is far more that we think this should cost based on our experience with school and hospital bond oversight committee costs. The utilities apparently want to fund their entire public relations departments.

We have just started to review the details of their plan and hope to be able to shed more light on this topic as this proceeding unfolds this year. Now that Michael Peevey is no longer the president of the CPUC, we hope this means we will get a fair hearing at the Commission with Mr. Picker at the helm.

The protest document is provided with this press release. It can also be found on our website at [copswiki.org](http://copswiki.org).

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Citizens Oversight, Inc., a 501(c)3 Delaware corporation is also known as Citizens Oversight Projects, or COPS. Ray Lutz is a founder of the organization, which focuses on promoting civic engagement, and has been involved in many success stories, including helping to stop the expansion of Blackwater in San Diego County and blocking restart of San Onofre Nuclear Generating Station, of course with the involvement of the local community in each case.

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