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DRA Warns That PG&E's Proposed Oakley Power Plant Remains Unneeded

SAN FRANCISCO, October 26, 2010 – The Division of Ratepayer Advocates (DRA), an independent consumer advocacy division of the California Public Utilities Commission (CPUC), today warns Pacific Gas and Electric Company (PG&E) customers that the utility continues to seek approval for a new power plant in Oakley, Calif., that, if approved, would sock ratepayers with \$1.5-billion in costs for unneeded new electric capacity of 586 megawatts.

The CPUC already denied PG&E's proposal to build the Oakley plant in July 2010, but the utility filed a petition to overturn that decision. The petition is currently under CPUC consideration. In denying PG&E's original proposal, the CPUC relied on data that shows that PG&E has enough power plants both online and in planning to make the Oakley power plant unneeded, excessive and an irresponsible financial burden to customers.

“The CPUC found the Oakley project to be unnecessary in July, and PG&E's need for new power plants hasn't changed in the three months since,” DRA acting director Joe Como said. “The CPUC laid out specific conditions under which the Oakley project would be reconsidered. None have been met. PG&E already has roughly 40 percent more resources than it needs. This is an irresponsible act on the part of PG&E to bring Oakley to the CPUC again.”

In the CPUC's July decision, it said the Oakley proposal would be considered only if PG&E submitted it as a procurement application, if a previously approved plant failed to come online, or if a statewide renewable integration study found significant reliability risk. No plant has failed, the results of the renewable integration study have not yet been finalized, and PG&E has failed to follow the CPUC's procedural direction.



“Over-procurement hurts ratepayers,” acting director Como said. “The CPUC must remain diligent in ensuring that the interests of Californians are a top priority.”

For more information on DRA’s position on the Oakley project, please visit www.dra.ca.gov/DRA/energy/oakley.htm.

For more information on DRA, please visit www.dra.ca.gov.

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