CAPITOL OFFICE
1021 O STREET, SUITE 8720
SACRAMENTO, CA 95814
TEL (916) 651-4017
FAX (916) 651-4917

MONTEREY DISTRICT OFFICE
99 PACIFIC STREET, SUITE 575-F
MONTEREY, CA 93940
TEL (831) 657-6315
FAX (831) 657-6320

SAN LUIS OBISPO DISTRICT OFFICE
1026 PALM STREET, SUITE 201
SAN LUIS OBISPO, CA 93401
TEL (805) 549-3784
FAX (805) 549-3779

SANTA CRUZ DISTRICT OFFICE
701 OCEAN STREET, SUITE 318A
SANTA CRUZ, CA 95060
TEL (831) 425-0401
FAX (831) 425-5124

SANTA CLARA COUNTY SATELLITE OFFICE
TEL (408) 847-6101

California State Senate

SENATOR
JOHN LAIRD
SEVENTEENTH SENATE DISTRICT

COMMITTEES
BUDGET SUBCOMMITTEE #1 (EDUCATION)
CHAIR
JOINT COMMITTEE ON RULES
VICE CHAIR
BUDGET & FISCAL REVIEW
JUDICIARY
LABOR, PUBLIC EMPLOYMENT & RETIREMENT
NATURAL RESOURCES & WATER
RULES
JOINT LEGISLATIVE AUDIT COMMITTEE

March 13, 2024

San Luis Obispo County Board of Supervisors
Katcho Achadjian Government Center
1055 Monterey Street
Suite D430
San Luis Obispo, CA 93408

Subject: Diablo Canyon Power Plant

Dear Supervisors:

I am writing of your proposed resolution on the extension of the life of the Diablo Canyon Power Plant, owned and operated by Pacific Gas & Electric (PG&E). As the local state legislator who was involved in the negotiations for Senate Bill 846 in 2022, which approved extending the life of the plant from 2025 to 2030, I thought it important to call attention to the provisions of that bill and how progress on its implementation should inform your proposed action.

Senate Bill 846 was the result of extensive conversations with relevant stakeholders, the subject of an online townhall meeting with hundreds of attendees, and the consideration of all the relevant issues at hand.

Specifically, the major provisions of SB 846 include the following:

- Required that San Luis Obispo County communities that received $85 million in mitigation funding and PG&E employees who benefitted by a $350 million retention and retraining program based on the former closing date of 2025 (as authorized under SB 1090 – 2018) do not have to return those funds, in light of the limited, five-year extension;

- Required seismic and other safety review processes so that the continued safety of workers and surrounding residents would be considered in the extension of an aging facility;

- Required that the financing process around the state loan for the extension process have very limited exposure to utility ratepayers and state taxpayers;

- Required a regular California Coastal Commission approval of the extension, with the time for that process limited;

- Provided a process and funding for the protection of and public access to the Diablo Canyon Lands, which surround the plant;

- Limited the extension to 2030 to allow for the use of transmission for the energy generated by offshore wind at the Morro Bay Wind Energy Area;

- Provided for the purchase of fuel in a timely manner to meet the extended plant life; and

- Set forth provisions about maintenance of facilities; planning for economic reuse of the Parcel P section of the plant; raised the once-through-cooling fee with an eye to certain expenses; and provided one billion dollars over three years for additional renewable electricity development in California.

I list these items, because many of them have are in different stages of process, and have not been completed. For example,

- The safety analysis will not be completed until the embrittlement of Unit 1 can be tested, which will not be done until 2025, with the results available no earlier that 2026;

- While the loan has been approved at the federal level, it does not reach the level expected to cover all costs of plant extension, and the risk to the taxpayers and ratepayers must still be protected, especially at a time when PG&E rates are going through the roof across California;

- PG&E's application to the California Coastal Commission for a Consistency Certification (under the Coastal Zone Management Act) has not been completed, and the conditions of the consistency determination, and of a coastal development permit, have not been developed nor implemented;

- The federal government has issued three leases for offshore wind in the Morro Bay Wind Energy Area since SB 846 was enacted, and the process of involving different stakeholders and attempting to resolve differences has only just begun;

- The once-through-cooling fee issues have not been resolved; and

- The process for reviewing options for the Diablo Canyon Lands is underway but is at the early stages.

In short, many of the issues that might be involved in an additional *fifteen*-year extension have not even been resolved yet for the *five*-year extension set forth in SB 846. Therefore, it is clear that any discussion of an extension beyond what was enacted with SB 846 is very premature.

There are other issues that are also worthy of examination. If Diablo Canyon Power Plant were to continue twenty years from the current time, it would not likely justify transition pay for the workers, as SB 1090 and SB 846 intended, and implications of this would have to be explored.

For all these reasons, as well as the fact that a stakeholder and public participation process similar to what occurred prior to the enactment of SB 846 has not been completed, I would recommend that the Board set aside a resolution for a further extension at this time. That could be properly considered if the additional five years progressed according to the terms of SB 846, and the safety and other issues were properly and completely addressed, including coordination with offshore wind and other renewable energy development efforts, and, importantly, the financial risk to already stressed ratepayers.

The State Legislature and Governor have only authorized the five-year extension of Diablo Canyon Power Plant beyond 2025, and as a state legislator from this region, I would certainly not support any legislation for a further extension until the extension we have already approved is fully permitted, and all the attending issues outlined above are fully considered and addressed.

Very Truly Yours,



JOHN LAIRD
State Senator, 17th District

cc: Chris Patterson, VP, State & Local Government Relations
Rep. Salud Carbajal
Rep. Jimmy Panetta
Sen. Monique Limon
Asm. Dawn Addis
Rebecca Campbell, SLO County Chief Administrative Officer