

STATE SENATOR LAIRD STATEMENT ON POTENTIAL EXPANSION OF DIABLO CANYON POWER PLANT

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SACRAMENTO, CA -- State Senator John Laird (D-Santa Cruz) gave the following statement on the potential expansion of Diablo Canyon Power Plant at today's workshop held by the California Energy Commission (CEC), with the participation of the Office of Governor Gavin Newsom and the California Independent System Operator (California ISO), to provide an update on electric reliability needs in the face of climate change, supply chain delays and other factors affecting the online dates of new generation and energy storage projects, and a discussion of the role that the Diablo Canyon Power Plant could have in supporting mid-term electric reliability and California's clean energy transition:

- Thank you all for being here tonight. I appreciate the opportunity to lead off the discussion and frame some of the history, and offer challenges with the possible extension of the life of the Diablo Canyon Power Plant.
- The scheduled 2025 plant closure has been a settled issue, and the decision for that decommissioning was through a long process involving many stakeholders – some of whom gave on their requests and concerns in exchange for that closure date. The discussion over a possible extension is taking place quickly – and I asked for this opportunity for the various stakeholders to weigh in, and I am grateful this workshop is taking place.
- Background. Discussions and debate about the Diablo Canyon Power Plant in San Luis Obispo have continued since the nuclear plant was first envisioned by PG&E in the 1960s. Unit 1 began operating in 1985 and Unit 2 in 1986. Both units received an initial operating license from the federal Nuclear Regulatory Commission for 40 years.
- While Diablo Canyon has remained in operation, every other nuclear power plant in the state has closed. The construction of new power plants is constrained by the 1974 Warren-Alquist Act, which imposed a moratorium on new nuclear plants until a long-term solution is found for the disposal of high-level radioactive waste

generated by nuclear operations. As there is still no long-term solution in California or the nation, consolidated interim storage sites have been proposed.

- In 2009, PG&E filed an application with the Nuclear Regulatory Commission to renew its license with NRC for an additional 20 years and proceeded toward that goal, until 2016, when PG&E pulled its application. PG&E did so in light of the Settlement Agreement with environmental and labor groups. The closure was approved by the California Public Utilities Commission, which put PG&E on path to shut down Reactor Unit 1 in 2024 and Unit 2 in 2025.
- The California State Legislature via SB 1090 – authored by my predecessor Senator Bill Monning – approved millions of dollars to support San Luis Obispo County in the transition from Diablo Canyon as a revenue and job base. Those dollars were distributed to local agencies, including San Luis Obispo County and cities, and much of that money has now been spent.
- Since the Settlement Agreement was signed, PG&E has focused on safely operating Diablo Canyon to the end of the licenses while preparing for decommissioning. Endless hours and millions of dollars have been used to plan for the Plant's closure and coordinate with local, state, and regulatory bodies on the decommissioning effort. Such activities by PG&E include beginning the EIR process under the California Environmental Quality Act, preparing the Nuclear Decommissioning Cost Triennial Proceedings, and forming the Diablo Canyon Decommissioning Engagement Panel.
- As recent as March of this year, both the state administration and PG&E stated that plans to decommission Diablo Canyon Power Plant were on track, as scheduled, by 2025.
- In April of this year, that changed. The state administration signaled the intention to consider the continued operation of Diablo Canyon beyond 2025, buttressed by \$6 billion potentially available by the federal government under the Civil Nuclear Credit Program to support the continued operation of U.S. nuclear reactors. In response, PG&E has now stated that it will likely apply in September to use the federal funds to continue Diablo Canyon's operation beyond 2025.

- The state administration, through various energy officials, has raised concern that without Diablo Canyon in place for a period after the scheduled closure, there might be times when the state's electricity grid does not have adequate power to meet California's needs. Part of the discussion will be whether this is correct, and what other options there might be to meet the state's electricity needs in this period.

- You will hear this evening a presentation from the Governor's Team as to why the shift in Diablo Canyon's lifespan is now being considered, as well as what issues and challenges need to be addressed and overcome. But the bottom line is, we are now faced with a situation where everything that would have been done to renew Diablo Canyon's operation beyond 2025 during these last sixteen years (when PG&E first applied for a license renewal) would be collapsed into a three year window – if there is a decision taken to extend the life of the plant.

- At the end of June, the state legislature approved a \$75 million allocation for PG&E to address the size limitation of the current dry cask storage system for Diablo's spent nuclear fuel, and uncertainties regarding the global supply of uranium. At that time, it was my concern that no one read that budget action as a decision to extend Diablo Canyon's life, but since PGE would have to get in line before an August decision, getting in line for fuel and cask storage was necessary to be able to make a decision. I wanted it understood that this was not a decision to extend the life of the plant. I was registered as "not voting" on that bill, as I was isolating at the time.

- Concerns. I don't think we yet have all the answers as to whether Diablo Canyon's continued operation is the key to energy reliability in California. But we do know what the challenges are that would have to be met if there is to be an extension of Diablo Canyon's life. For me, a proposal must address these concerns to be viable. My list of the major concerns are:
 1. Safety – Safety is number one. Questions have been raised about the substantial deferred maintenance the plant requires as a result of its shift from a short-lived operation to one that could last several more years. This issue has been raised by the Diablo Canyon Independent Safety Committee and requires the full diligence by the state, including support for training and retention so the skilled workforce needed to deliver plant safety can be assured for years to come. The existing workforce has been living with a decommissioning date of 2025, and a number of workers there have made their retirement or career decisions based on that date.

2. Who pays? The extension of the life of the Diablo Canyon plant will require major financial resources. Will state taxpayers through the general fund pay? Will federal dollars be accessed to pay back the state general fund cost? Will utility ratepayers pick up the tab? The existing rate system puts major costs on ratepayers in a manner that stresses lower and middle income ratepayers – who are already shouldering costs of the state's climate efforts. How will we know who pays and how much before we make a commitment to go forward on the extended life of the plant?

3. Spent Nuclear Storage – The existing facility on site at Diablo Canyon where spent nuclear fuel is stored is only large enough to accommodate the waste generated by the plant until 2025. The capacity question must be answered now, as there is today no other place that can accept Diablo's radioactive waste.

4. Seismic – Serious questions have been raised in the community about the completeness of existing seismic studies and their possible lack of full review by neutral third parties. We need to explore the state of existing seismic analyses, and get answers as to where there may be gaps and/or whether retrofitting is required to reduce risk if the plant's life is extended.

5. Once Through Cooling – Diablo Canyon is permitted to use its Once-Through-Cooling technology only until 2025 and that technology either needs to be replaced, or the right to continue using OTC would have to be extended. If an extension is in order, it needs to be done in a manner that adequately mitigates for the significant environmental impact of releasing warm water into the marine environment over an extended period of time.

6. Permitting. This raises the issue of state and federal permitting. Following existing processes, there would likely not be sufficient time to complete permitting before the plant life would be extended. Yet the engagement process that involved stakeholder involvement and agreement on the previous decision to decommission – would only happen around a possible extension if the environmental processes are completed. There is a fine line between overriding processes and speeding them up.

7. Community Transition Funding – The state legislature passed SB 1090 shortly after the Settlement Agreement was completed, which allowed for community and utility funding to ease the transition away from Diablo Canyon's revenue and labor base. Assurances are needed that those funds -- much of which have

already been spent – will not need to be returned to Sacramento and, further, that additional mitigation will be available in future years when the plant would actually close.

8. Diablo Canyon Lands – The community has fought long and hard for the conservation of and public access to the Diablo Canyon Lands, which were expected to be transferred away from PG&E upon Diablo Canyon's closure in 2025. This process need not be delayed, and I look forward to working with environmental and user groups, local tribes, and local government to see the short-term fruition of this vision for the 12,000 acres that surround the Diablo Canyon Power Plant. This is not only good for the community, it implements the Governor's 30x30 Biodiversity Initiative in one of the richest ecological regions in the state; we need to make this happen.

9. Chumash Heritage National Marine Sanctuary – For years now, the Chumash and several thousand allies have promoted the creation of the Chumash Heritage National Marine Sanctuary offshore of San Luis Obispo County. Protection of this marine environment goes hand-in-hand with the conservation of the Diablo Canyon Lands in meaningfully advancing the Governor's 30x30 Biodiversity Initiative. And it becomes even more urgent to protect this rich marine environment if we are to allow Diablo's operations to continue to impact the adjacent coastal waters. Yes, this is a federal issue, but the state can and must commit to support the federal implementation of the new sanctuary.

10. Date Certain – The uncertainties regarding Diablo Canyon's future causes significant anxiety and interferes on many levels with sound planning in San Luis Obispo County. For this reason, I believe there must be a date certain on the final closure date – if the life of the plant is extended. A date that we can trust and count on, so we can make wise decisions moving forward. We want to avoid the unfortunate situation faced by the community surrounding the San Onofre power plant, which was caught flat-footed when that plant suddenly shuttered in 2013.

11. Offshore Wind. One of two areas that will be opened to offshore wind development off the California coast is off San Luis Obispo County. One of the allures of this location is the existing transmission lines from the former Morro Bay fossil fuel plant and Diablo Canyon. How do we ensure that an extension of the life of the nuclear power plant does not hinder the ability to bring onboard and transmit new renewable power on the grid using existing local transmission.

12. Marshall Plan – The key reason for this discussion today about the unexpected continuation of Diablo Canyon is inadequate planning. We can't afford to make this mistake again. And so if we are to continue to operate Diablo Canyon longer to avoid future black outs and otherwise stabilize the state's energy grid, we must use the time provided by that extension now to create a Marshall Plan to move us toward the state's ambitious goal of zero-carbon electricity by 2045. Making sure offshore wind is up and running in this area is a piece of that.

- I don't see a pathway to Diablo's Canyon continued operation unless each of these elements is addressed. No proposal can be complete without that. But I stand by ready to have the conversation on these issues, and am grateful to all those participating in the presentations and discussion today.

You can find more information regarding the Joint Agency Workshop on the Diablo Canyon Power Plant [here](#).

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Senator John Laird represents the 17th State Senate District, which includes all of Santa Cruz and San Luis Obispo counties, the majority of Monterey County, as well as parts of Santa Clara County. He previously served as the Secretary of the California Natural Resources Agency, member of the State Integrated Waste Management Board, a member of the State Assembly, Executive Director of the Santa Cruz Aids Project, and two terms as Santa Cruz Mayor. His lifetime of public service and social justice advocacy saw him become one of the first openly gay mayors to serve in the United States. Senator Laird has been a long-time resident of Santa Cruz with his spouse John Flores.