



DIABLO CANYON
Decommissioning Engagement Panel

Review of October 17, 2019 Workshop Presentations

Lauren Brown, Workshop Co-Chair

- The October 17 Workshop consisted of these presentations:
 - Update from PG&E – Maureen Zawalick
 - Report from SLO County – Guy Savage, Dawn Boulanger
 - Review of UC Berkeley Report – Dave Christy
 - Report from Hourglass Project – Melissa James
Andrew Hackleman
Bob Linscheid
 - Viewpoint from FOR A – Michael Houlemard
 - Repurposing Possibilities – Kailie Johnson
 - Citizen Panel Discussions – moderated by Dave Christy



DIABLO CANYON
Decommissioning Engagement Panel

Update from PG&E

Maureen Zawalick, PG&E

- Anticipates CPUC decision on PG&E's 2018 NDCTP (Decommissioning Cost Estimate) in late 2019 or early 2020
- Current Trust Fund balances to support decommissioning
 - Unit 1: \$1,459.3 M
 - Unit 2: \$1,908.7 M
- NRC has approved PG&E's request to use Trust Fund for advance planning for decommissioning – supports 2025 decommissioning start
- Updates to the NDCTP will be filed in 2021 and 2024
- All pre-Shutdown Planning Activities are on or ahead of schedule



DIABLO CANYON
Decommissioning Engagement Panel

PG&E Update

(Continued)

- Total DCCP “nuclear” staffing (plant operation + decom) will maintain at 1000+ through mid-2025 before declining to half that by end of 2025
- Decommissioning PG&E staffing will be at a max of approx. 500 in 2027, then drop to approx. 200 by 2033, then to 40 by 2038
- Total local PG&E staffing is currently around 1400, approx. 90% of whom are participating in the retention program
- CPUC has authorized PG&E to begin discussions on repurposing and future land use
- PG&E is accepting formal proposals for the above through 12/1/2020



DIABLO CANYON
Decommissioning Engagement Panel

County of San Luis Obispo

Guy Savage

- Included in Senate Bill 1090
 - CPUC to approve \$85 M Community Impact Mitigation Program
 - \$10 M – Economic Development Fund, with \$3.8 M for County sole use and \$400 K for regional economic fund
 - \$75 M – Essential Services and Stabilization, with \$27.9 M for County total
 - Breakdown in proposed uses of County's share delineated
- Response to Berkeley Report (SB 968)
 - Criticism of higher development fees in SLO not warranted when total fees are considered. Data shown to support relative competitiveness.



DIABLO CANYON
Decommissioning Engagement Panel

County of San Luis Obispo

(continued)

- Reuse – Repurposing – Liability
 - County is supportive – at appropriate time
 - Process for negotiations unclear
 - Complicated by Diablo Canyon Road not compliant with normal road standards and by roles of State Lands and CA Coastal Commissions
- Potential Role of Workforce Development Board (a County Agency)
 - Oversees Workforce Innovation and Opportunity Act Funds
 - Will be able to apply to U.S. Department of Labor for National Dislocated Worker Grants (NDWG), but not until 120 days before layoffs happen
 - Could be used for Career, Training and Supportive services.
 - Currently collaborating with local partners on strategies and roles



DIABLO CANYON
Decommissioning Engagement Panel

UC Berkeley (Monning) Report

as Summarized by Dave Christy

- SB968 (sponsor: Sen. Monning) directed CPUC to conduct an economic assessment of DCPD closure. David Wells Roland-Holst, et. al. at UC Berkeley conducted the study. Report released June 2019.
- Identified 3 major impacts
 - Impact # 1 (through 2023): positive impact from \$363.4M employee retention and retraining + \$85M for community impact mitigation
 - Impact # 2 (2024 – 2025): negative impact from loss of 1396 jobs (\$226M payroll) + \$374M loss of goods and services + \$26.5M property taxes
 - Impact # 3 (2026-2035): positive impact from \$4.8B in decommissioning expenditures (assumed all expended in local area – an assumption that has been challenged)



DIABLO CANYON
Decommissioning Engagement Panel

UC Berkeley (Monning) Report (continued)

- **Conclusions & Recommendations**

- DCPD closure appears to present as many opportunities as challenges
- Overall economic impact relatively modest (-\$77M/year for decade, 0.6% of regional gross product) but some adjustments needed
- “SLO has great potential to advance diversified economic growth but only if social barriers and economic segmentation can be overcome.”
 - Need for inclusive community dialogue to advance strategic planning
 - Aggressively welcome new businesses that support high-skilled workforce
 - Local government should reconsider high impact fees that deter affordable housing
 - Local governments should increase efforts to coordinate across jurisdictions and to facilitate establishment of public-private partnerships
- PG&E should prioritize local contracting during decommissioning



DIABLO CANYON
Decommissioning Engagement Panel

Hourglass Project

M. James, A. Hackleman, B. Linscheid

- Hourglass Project is a new alliance of business leaders committed to building a resilient, inclusive and prosperous Central Coast economy
- Arose out of concern that Central Coast Region is on a path to economic stagnation
- Seeks a regional approach to drive economic transformation in a 3-County area (northern Santa Barbara, San Luis Obispo and southern Monterey)
- With Deloitte as a strategy and implementation partner, Hourglass is collaborating with government entities, private industry, academia and philanthropic organizations.
- Public launch in November 2018 with a \$300K grant from SLO County out of SB1090 funds; Melissa James hired as CEO Feb. 2019



DIABLO CANYON
Decommissioning Engagement Panel

Hourglass Project

(continued)

- **Setting the stage for action**
 - Evaluated major hurdles to achieving regional growth
 - Conducted polls to gauge public sentiments, quantifying extensive anxieties about resident's abilities to continue living and working in the region
- **Barriers to regional approach to achieving a collaborative, private sector action-oriented model for economic development**
 - Inadequate cross-jurisdictional collaboration
 - Inadequate involvement by private sector job creators
 - Lots of discussion and planning but short on actual implementation activities



DIABLO CANYON
Decommissioning Engagement Panel

Hourglass Project

(continued)

- Why a regional approach? Challenges best understood in context of a wider ecosystem affecting these issues:
 - Infrastructure, Housing, Education & Business Development
 - Land Use / Transportation / Air quality
 - Open space / Parks / Water Resources
- Deloitte selected as a partner because of the breadth and depth of experience as business consultants
- Hourglass conducted in-depth workshops with many stakeholders from Vandenberg to Camp Roberts, including Diablo Canyon
- Final plan, with emphasis on regional action, to be released by end of 2019 and launch of implementation in early 2020



DIABLO CANYON
Decommissioning Engagement Panel

Fort Ord Reuse Authority(FORA)

Michael Houlemard, Exec. Officer

- How is the disruption caused by Fort Ord closure and the community response a model for the disruption caused by DCPD closure?
 - 45 sq. mile area on the coast
 - Nearly 18,000 acres reserved for open space and public recreational access
 - Certain contaminants (munitions, unexploded ordnance) issues that initially restricted use and access
 - Receipt of \$millions from government agencies to help offset the costs
- Economic programs based on the 3 Es:
 - Economic recovery, including tourism
 - Environmental and resource conservation
 - Educational programs (Cal State Monterey, Monterey College of Law, etc.)
- In 1990s State laws passed to create and fund FORA



DIABLO CANYON
Decommissioning Engagement Panel

Fort Ord Reuse Authority (FORA)

What We Learned

- Important to expand upon and leverage what the community does well
- Important to have very active community involvement, in their case through a state-mandated 25-member panel that represents every jurisdiction impacted by Fort Ord closure. Worked effectively for their area.
- Final piece of advice: “You don’t know what you don’t know.”
 - There are always going to be unexpected surprises

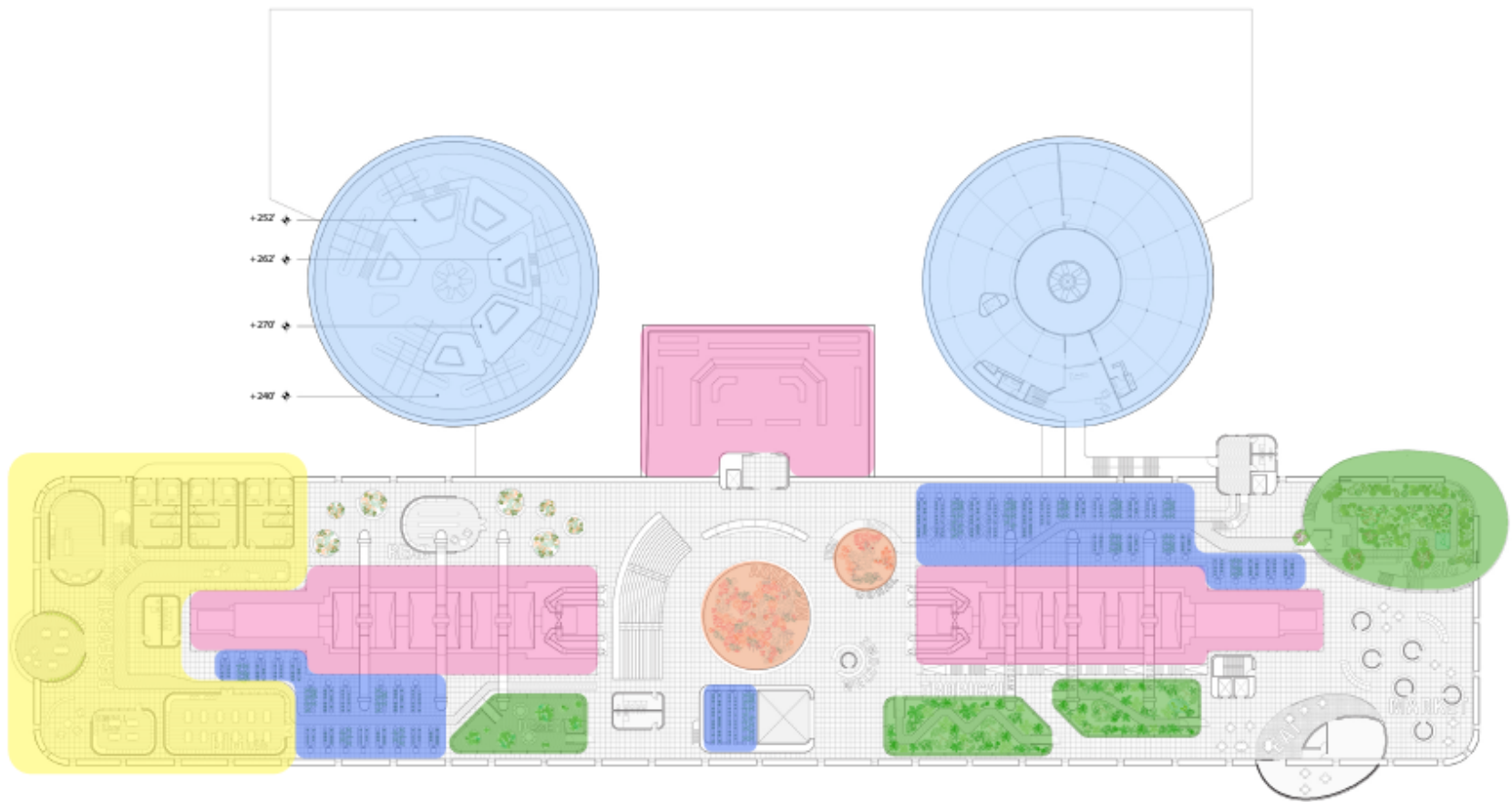


DIABLO CANYON
Decommissioning Engagement Panel

A Cal Poly Thesis Proposal

Kailie Johnson

- Kailie Johnson, Cal Poly Architecture graduate, presented very imaginative proposal for retaining and repurposing virtually all of the infrastructure associated with the power plant
- For example, reactor domes and turbine building would be repurposed for hydroponics, conservatories, research wing and seed bank, as shown on following slide



PROGRAMS

■ EXISTING STRUCTURE
 ■ HYDROPONICS
 ■ CONSERVATORIES
 ■ AQUARIUM
 ■ RESEARCH WING
 ■ SEED BANK & LABS



DIABLO CANYON
Decommissioning Engagement Panel

Members of Citizens Panel

- James Worthley, SLOCOG
- Jeremy Goldberg, Executive Director, Central Coast Labor Council
- Dave Garth, former CEO, San Luis Obispo Chamber of Commerce
- Larry Warner, CEO, North Coast Engineering
- Michael Houlemard, Executive Officer, Fort Ord Reuse Authority
- Ms. Cordelia Parry, Executive Director of SLO County Builders Exchange



DIABLO CANYON
Decommissioning Engagement Panel

Citizens Panel Discussion

Dave Christy, moderator

- **What info is missing? What would you like to know more about?**
 - What's going to be impact on schools – enrollment, tax support?
 - How to link current skills of displaced workers with needs of emerging economy?
 - How to take advantage of the available lead time to do long-range planning?
 - What will be the constraints and process on repurposing the DCPD site?
 - Regional approach really good but each separate area has to work at it.
 - Is there any concern about addressing needs on non-Diablo workforce?
 - Any plan for tax breaks to attract larger companies with high-paying jobs?
 - Planning only for economic growth misses the need for planning for the kind of community we want - vibrant, diversified population. Where's that plan?



DIABLO CANYON
Decommissioning Engagement Panel

Citizens Panel Discussion

Dave Christy, moderator (cont'd)

- **Consensus – 1 large new company is not the answer to replace PG&E**
- **How should the \$10M grant economic development grant be used?**
- Importance of establishing community-wide consensus on what we want to be and plan for that.
- Recommend the Paso Robles model: economic development director supported by BEST (25 mentor Business & Entrepreneurial Success Team)
- Importance of broadly leveraging current local labor force
- Concern about attaching ‘Community Workforce Agreements’ to any public works projects that effectively eliminates non-union contractors and increases costs.



DIABLO CANYON
Decommissioning Engagement Panel

Citizens Panel Discussion

Dave Christy, moderator (cont'd)

- **Final Thoughts**

- Need to be alert that PG&E may not emerge from bankruptcy with ownership with the same degree of community interest as we see locally now.
- Vital that more funding be provided to support improvements to the regional transportation infrastructure. Currently woefully inadequate.
- Hopeful that this whole effort will bring positive results to the region