

June 30, 2020

Edward Randolph, Director, Energy Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94012

Dear Mr. Randolph:

This letter responds to your June 1, 2020 request that PG&E provide instructions to parties interested in Diablo Canyon land use and disposition. Below, I describe the Diablo Canyon Lands (Section I), provide instructions to interested parties (Section II), and describe the anticipated regulatory process for the land dispositions (Section III). Together these sections are intended to help interested parties engage in the process.

I. Description of the Diablo Canyon Lands

The Diablo Canyon lands are comprised of 30 parcels over 12,000 acres, that make up approximately 14 miles of coastline in San Luis Obispo County. Those parcels range in size from under 0.5 acres to over 1,800 acres. Of this, about 700 acres consist of the plant site and ancillary facilities, such as the 500 KV and 230 KV switchyards, spent nuclear fuel storage, firing range, parking lots, warehouse and desalination facilities.

The properties are generally divided into four areas – based on power plant location (map in appendix A). The properties to the north of the power plant are referred to as the north ranch. The properties south of the power plant are referred to as the south ranch, the power plant itself sits on land referred to as parcel P, and there is a south-eastern section known as Wild Cherry Canyon. Parcel P and the south ranch are leased by PG&E from Eureka Energy, a wholly owned, unregulated subsidiary of PG&E. Wild Cherry Canyon (east of the south ranch) is also owned by Eureka Energy and is leased by a company known as Homefed. The north ranch and stranded parcels to the northeast of the plant are owned by PG&E. In Exhibit A, every parcel outlined in gold is owned by PG&E. Everything outlined in an aqua color is owned by Eureka Energy. Wild Cherry Canyon is a dark tan shaded area. The land shaded in yellow is subject to a pending conservation deed restriction from the California Coastal Commission. The remaining blue shaded area are properties leased by PG&E from Eureka Energy.

II. Instructions to Interested Parties

Parties interested in acquiring land for conservation purposes or facilities should email PG&E at DiabloCanyonRepurposing@pge.com. Interested parties should visit this website (www.pge.com/diablodecommissioning) for additional guidance and an expected timeline for actions on the disposition of Diablo Canyon lands. PG&E will also request that the Diablo Canyon Decommissioning Engagement Panel (DCDEP) post this information on its website.

All interested parties, organizations, local government and members of the public interested in the Diablo Canyon lands disposition process may participate in the 2021 Nuclear Decommissioning Cost Triennial Proceeding (NDCTP) proceeding.

In its evaluation of proposals for the land, PG&E will balance future proposals for the land with the ongoing operational needs of the power plant, transmission facilities, spent nuclear fuel storage facilities and decommissioning needs. Moreover, PG&E does not intend to engage in any transaction that will adversely impact the decommissioning project schedule due to a loss of site control.

Additionally, based on project schedule, vast land size, and regulatory requirements associated with retiring Diablo Canyon Power Plant's operating licenses with the Nuclear Regulatory Commission, PG&E anticipates that the various parcels, buildings or other assets will be available in different phases throughout the project life. As described in detail below, PG&E will refine those phases with additional stakeholder engagement for the 2021 and subsequent NDCTPs.

III. Public Process for Review of Diablo Canyon Land Disposition

The CPUC required PG&E to conduct a public outreach process to be evaluated by the CPUC before disposition of the Diablo Canyon lands.¹ The public outreach process is already in progress. Primarily, outreach has been and will continue to be through the DCDEP <https://diablocanyonpanel.org/>. In addition, PG&E also utilizes many other channels (see appendix B) to ensure a robust process and provide the public frequent opportunity to learn about the future of Diablo Canyon and to provide input to PG&E regarding proposed decommissioning strategies, including land disposition.

Based on public participation in four workshops addressing Diablo Canyon lands and repurposing in 2019, the DCDEP provided formal recommendations regarding future use of Diablo Canyon lands to PG&E in a Strategic Vision document issued in December 2018. The DCDEP updated this document on May 2019 and February 2020. The Strategic Vision documents were submitted to the Commission and served on the service list for the 2018 NDCTP and are publicly available on both PG&E's (<https://pge.com/diablodecommissioning>) and the DCDEP's (<https://diablocanyonpanel.org/>) independent website.

No action has been taken by PG&E to encumber or dispose of any land assets listed above. As part of its 2021 NDCTP filing, PG&E intends to seek Commission review and approval of a proposed land disposition strategy. PG&E will continue to work with stakeholders and receives additional input on the ultimate disposition of these assets. PG&E will conduct targeted outreach to conservation groups, resource agencies, the local community, public and private entities that could utilize existing infrastructure at the powerplant, and Tribes to generate viable options and potential successors to the lands that will help inform the lands disposition proposal to be submitted in the 2021 NDCTP.

PG&E currently plans to submit the 2021 NDCTP application in December 2021. Once the overall land use strategy has been approved by the CPUC, PG&E will implement specific transactions as required by

¹ See D.18-01-022.

Commission regulations, including submitting separate applications under Public Utilities Code Section 851 where applicable.

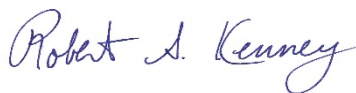
PG&E shall initially utilize the 2021 NDCTP filing to seek CPUC approval that PG&E has satisfied the public outreach order in D.18-01-022. At that time, PG&E may seek concurrent 851 approval for land disposition if viable successor or successors have arisen. After CPUC approval that PG&E has satisfied the outreach order, PG&E will utilize subsequent 851 filings for disposition where applicable.

PG&E will address California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA) issues associated with the decommissioning of Diablo Canyon Power Plant through its required permitting and licensing actions through various State and Federal agencies. PG&E has initiated a working group with the California Coastal Commission, California State Lands Commission and the County of San Luis Obispo. The agencies agree that the County shall serve as the lead CEQA agency and conduct an environmental impact report. PG&E will address any CEQA issues related to the disposition of the land, as needed, in the future 851 applications.

IV. Conclusion

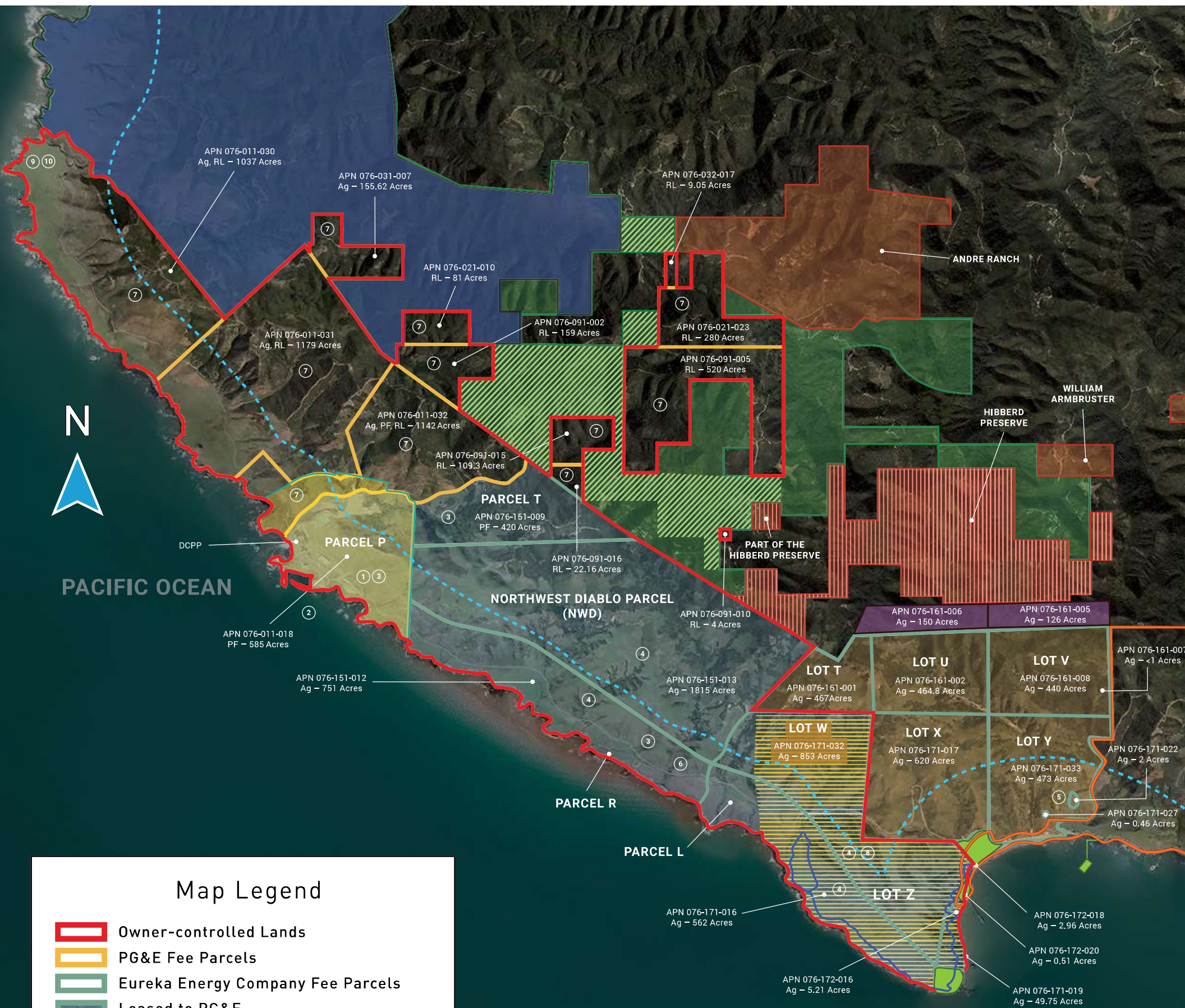
PG&E welcomes an ongoing dialogue on this matter from the CPUC and stakeholders to ensure a fully informed public outreach process and 2021 NDCTP application that is in keeping with other key CPUC direction.

Sincerely,



Robert S. Kenney

cc: Marybel Batjer, President of the CPUC
Martha Guzman-Aceves, Commissioner
Liane Randolph, Commissioner
Clifford Rechtschaffen, Commissioner
Genevieve Shiroma, Commissioner
Alice Stebbins, CPUC Executive Director
Jonathan Koltz, Chief of Staff – Commissioner Guzman-Aceves
Maria Sotero, Energy Advisor – Commissioner Guzman-Aceves
Simon Baker, Energy Division
Molly Sterkel, Energy Division
Dorothy Duda, Energy Division
Franz Cheng, Energy Division
David Zizmor, Energy Division
Service List A.18-07-013, and A.18-12-008 (Consolidated)
Tribal Lands Policy Listserv



Map Legend

- Owner-controlled Lands
- PG&E Fee Parcels
- Eureka Energy Company Fee Parcels
- Leased to PG&E
- Leased to HomeFed (Wild Cherry Canyon)
- DCPD Site Boundary
- Montaña de Oro State Park
- State Parcels
- Conservation Easements
- Pending Conservation Space (1,200 acres)
- Land Conservancy of SLO Fee
- Federal Parcels
- Private Party
- Port San Luis Harbor District Parcels
- Point Buchon Trail
- Pecho Coast Trail
- Coastal Zone
- Avila Beach Urban Reserve Line

Reference Table

1	GTE Mobilnet (Verizon) Site License Agreement for telecommunication equipment
2	California State Lands Commission Lease to PG&E for Water Discharge Channel and Intake Structure
3	Properties Lease to PG&E: Plant (Parcel P), Transmission Lines (Parcel T), (Parcel L) and Road (Parcel R)
4	Grazing and Agricultural License to Mello
5	License to Mello for Marre House
6	Road Easement to Land Conservancy of SLO County Fee Lands
7	Grazing License for Blanchard
8	1,200-Acre Deed Restriction Area
9	Point Buchon Deed Restriction Area
10	License to Blecha for North Ranch House



PG&E's Public Outreach Process

