

## Statement by State Sen. John Laird (D-Santa Cruz) on SB 864 (Dodd)

This has been a very difficult and agonizing few weeks – considering the proposed extension of the Diablo Canyon Nuclear Power Plant, which is located in my district. I have long-time friends on both sides of this issue, and at a virtual town hall meeting on the subject almost three weeks ago, nearly seven hundred people attended – many of whom were constituents – and there was a strong and passionate divide on the administration’s proposal.

Here is the history of Diablo Canyon:

- It was first proposed in the 1960’s;
- The two reactors opened in 1984 and 1985 – licensed for a forty year timeframe for operation – after a large number of protests and arrests, including my colleagues on the Santa Cruz City Council at the time;
- In 1974 the legislature limited any future nuclear power plants contingent on a resolution of the nuclear waste storage issue, which effectively put a limit on new nuclear power plants in California;
- Legislation was passed while I was in the State Assembly – after the discovery of additional earthquake faults near the plant – that required measures regarding seismic safety;
- In 2009 PG&E began the relicensing process to take the life of the plant past the 2025 date;
- In 2011 the Fukushima earthquake and tsunami flashed a light on nuclear plant safety;
- In 2013, the San Onofre Nuclear Plant closed, leaving Diablo Canyon as the only operating nuclear power plant in California;
- In 2016, PG&E stopped the relicensing process and made a settlement agreement on decommissioning the plant in 2025; many stakeholders gave on some of their concerns in exchange for the 2025 closure date;
- In 2018, the legislature adopted SB1090 (18 Senators currently on this floor supported this bill) – authored by my predecessor State Sen. Bill Monning – that supported the settlement agreement, and appropriated transition monies for San Luis Obispo County residents, workers, and agencies;
- PG&E started the process to decommission, setting up an advisory group and consulting with stakeholders. With the fixed closure dates, many workers made retirement plans, and some of the work on deferred maintenance and seismic safety was viewed more in terms of a 2025 plant closure;

- Then last November two former national secretaries of energy penned an op-ed suggesting that the life of Diablo Canyon be extended. I confess to have been irritated at the time, since it was a high level argument – and made no mention of the difficult issues that would have to be navigated on the ground by we mere mortals to actually make this happen;
- As late as this March, PG&E and the administration said they had no plans to extend the life of the plant;

Then in April of this year, the world changed when the Governor suggested that the plant extend its life beyond 2025. At first I, along with many others, thought this was too complicated to be achieved in the time available. And there has been a great deal of confusion. Some of our problems with the grid are now, and yet Diablo Canyon will still be online until 2025. The problems now are not alleviated by an extension. The key question is where we will be in the years after 2025, and the answer to that question is the issue at hand.

And many have asked why do we have to do this now? Why not wait until January, until more is known. The answer from the administration is that there is a deadline to apply for federal funds that will pass in the next week – and without those funds, the extension if not possible without major subsidy from the state, not the federal government. Federal funding only Diablo seems to be eligible for. So, in short, we have a small window to take advantage of this one-time funding from the federal grant.

Notwithstanding these challenges, I engaged the administration, and compiled a list of issues that had to be resolved in order to even consider extending the life of the plant. My opening testimony at the August 12 town hall listed most of them:

- **Timing.** If a bill is to be considered we should only take the minimum steps necessary for a full decision to be made later made. Inwhen we have more information. So in June, the Administration proposed a few Diablo Canyon actions for the budget. I asked what was absolutely necessary, and the answer was getting in line to purchase additional fuel and cask storage options, so I asked that all else be removed from the budget, and clarified that this wasn't a decision on Diablo Canyon, but would enable the legislature to later consider the remaining decisions.
- **Necessity.** How do we know that we actually need the energy provided by the Diablo Canyon plant after 2025?
- **Who pays?** The question of who pays is important – the first proposal of a \$1.4 billion loan to PG&E suggested risk to ratepayers and taxpayers. The return to PG&E in the rates after 2025 needs to be examined closely.
- **Date Certain.** Will the plant life be extended to a specific date, the original administration proposal was vague, and said it was asking for a 5 to 10 year extension and possibly more? Offshore wind is scheduled to come on line off the San Luis Obispo

County coast as early as 2029, and the transmission out of Diablo Canyon may be necessary for that, and plant operations at that time could get in the way.

- **Permitting.** The night of the workshop, I stated “there is a fine line between overriding regulatory authority and speeding up a regulatory process”. This was particularly true with the California Coastal Commission – where I support them going ahead with their normal process.

- **Community Transition Funding.** Will the money that was paid out for transition costs in San Luis Obispo County under SB1090, over \$80 million, not be required to be returned? And if the plant life is extended, will there be transition costs funded for the revised decommissioning date?

- **Safety and Seismic.** Will there be adequate work done on deferred maintenance and any seismic retrofitting if the plant life is extended? Will there be adequately trained work force, given retirements and scheduled retirements that were more attune to the 2025 closure date?

- **Diablo Canyon Lands.** There are 12,000 acres of land surrounding the plant, generally undeveloped, ecologically rich, one of the last remaining blocks of beautiful coastal land left in that part of the world. What steps can be taken to either acquire or protect that land?

- **Marshall Plan.** But as important as anything, this issue is coming to us today because we have not adequately planned for enough renewable energy as we transition from a fossil fuel-based economy in California. That is why we are even considering this action tonight. We need to have what I have termed a Marshall Plan for renewable energy – a no-regrets rapid kick starting of renewable energy development in California. We will need this with Diablo Canyon, and we will need it without Diablo Canyon.

Believe it or not, there are more issues – but these are the biggest ones.

There has been an attempt to address each of these issues in the legislation that is before us tonight:

- The proposal only does the minimum things necessary for an extension – allowing PG&E to apply for the \$1.4 billion loan, and authorizing the Public Utilities Commission to pursue actions to extend the plant life by no more than five years. This is the minimum necessary to keep our options open.

- There are regular energy reliability reports required by this bill – which will help us assess the state’s energy situation on a regular basis.

- The proposal only allows for an extension of the life of the plant up to five years, which gives clarity for planning – and will not get in the way of the development of offshore wind along the central coast.

- The \$1.4 billion loan expenditure will be matched with \$1.4 billion in federal revenue, which limits the requirement of any ratepayer or taxpayer money for that purpose. By January the eligibility of that money will be established, and thus will allow for a status check at that time on this issue.
- Money from the loan is prohibited from going to PG&E shareholders.
- The over \$80 million in transition monies to entities in San Luis Obispo County will not have to be paid back, and the fund will be replenished when the plant actually does close.
- The Coastal Commission process will be sped up, but will not be overridden.
- Any need for seismic retrofit and deferred maintenance will be considered and implemented if there's an extension of the life of the plant.
- There is a continuation of the differential to workers that will incent them to stay to the end of the life of the plant.
- The acquisition and preservation of the twelve thousand acres of Diablo lands will be assured. And the extra monies over the current level of once-through-cooling mitigation fees will be applied to Diablo Canyon Lands. That language was inadvertently dropped from the bill, but the administration has agreed to fix this issue in January.
- And extremely important, this bill is the first step in a Marshall Plan for renewable energy – over \$1.1 billion will be invested in green energy development in a plan overseen by the Energy Commission.

There are still significant tasks that must be undertaken and questions to be answered if this measure passes tonight. We should hold hearings this fall – when we are not under the gun – to have an in depth look at the state's energy portfolio in the next decade. And beyond. And depending on the success of PG&E's application for federal dollars – we can re-visit this issue in January and decide whether to move forward. Also, the cost concerns raised by the solar industry for end users have been addressed, so they are no longer opposing this bill.

Based on this summary provided here, and – only doing what is necessary now, doing our best to protect taxpayers and ratepayers, assessing seismic safety and deferred maintenance issues, addressing the local concerns on a host of issues – and making a strong initial investment on a Marshall Plan for renewable energy, I will cast an aye vote for this measure. I know this vote will not please a number of my constituents, but I have made a good faith attempt to address the concerns that have been brought to me in this process – and will continue to do so going forward.

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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.*