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California State Senate

SENATOR
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SEVENTEENTH SENATE DISTRICT



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October 23, 2025

California Coastal Commission
455 Market Street, Suite 300
San Francisco, CA 94105

Subject: PG&E's Application for Extended Operation of the Diablo Canyon Power Plant -
Coastal Development Permit and CZMA Consistency Certification
Hearing Date: November 6, 2025 – Items 8 and 9

Dear Chair Harmon and Commissioners:

As the State Senator for the 17th Senate District, I am writing in regard to the application (and associated staff report) by Pacific Gas and Electric Company (PG&E) for the extended operation of the Diablo Canyon Power Plant. I represent the Central Coast, including most of San Luis Obispo County, where the plant is located. I was also actively engaged in the development of Senate Bill 846 (2022), which sets forth the conditions for state approval of a five-year extension of the plant's operations from 2025 to 2030. One such condition of SB 846 is the retention of Coastal Commission authority, which is why this permit application is in front of you on November 6, 2025.

In this letter, I will describe the background and key elements of SB 846 and the extension of Diablo Canyon Power Plant from the years 2025 to 2030. However, **I wish to first state my position on the staff report and its recommendation: I believe the recommendation to be wholly inadequate.**

While I have very high regard for the Coastal Commission leadership and staff, and acknowledge the significant effort that was put into the staff report and underlying analysis, I believe in this case, the conclusions fall short of what is required and necessary to mitigate Diablo Canyon's extension. Specifically, the staff report's recommended mitigation package falls short in multiple respects: (1) it does not reflect the requirements of SB 846; (2) it fails to mitigate the environmental impacts associated with the plant's extended operation; (3) it is inconsistent with the multiple processes and documents that have been developed by the California Natural Resources Agency and the Central Coast community; and (4) it presumes a plant life extension beyond 2030. (SB 846 **only** authorizes a plant life extension to 2030, and any recommendations applying to beyond that date presumes a plant extension that has not been formally considered or authorized by the state legislature and is not before the Coastal Commission -- and therefore is premature at best).

In response to these concerns, I propose an alternative Mitigation Plan, as the conditions for which the Coastal Commission will accept PG&E's application and issue permits, as follows:

- (1) A conservation easement protecting ecological and cultural resources across the *entire* approx. 4600-acre **North Ranch** of the Diablo Canyon Lands (opening the door to future public or tribal ownership);
- (2) A conservation easement protecting ecological and cultural resources across the *entire* approx. 5000-acre **South Ranch** of the Diablo Canyon Lands (opening the door to future public or tribal ownership);
- (3) A Right of First Refusal (ROFR) for a State Agency or non-profit land conservation group to acquire the approx. 2400-acre **Wild Cherry Canyon** property on the Diablo Canyon Lands (to be structured like the ROFR suggested for South Ranch in the staff report) with respect to any land interests/rights that PG&E and/or its subsidiary Eureka Energy hold/retain following the completion of the pending litigation with HomeFed Corp;
- (4) Offers to Dedicate on **all public access trails** as described in the staff report on the Diablo Canyon Lands (approx. 10 miles on North Ranch, 15 miles on South Ranch, *plus* approx. 3.3 miles on the Wild Cherry Canyon Alignment if enabled by Eureka Energy's successful litigation outcome);
- (5) A **multi-million-dollar endowment** from PG&E for design, implementation, and management of the public access trails noted in (4) in an amount to adequately fund and manage the public access trails over time by a state agency or non-profit land conservation/public access group (see P.S. note at the end of this letter); and
- (6) All mitigation measures stated above to be required **now** -- for the issuance of permits for Diablo Canyon's extension under SB 846's **2025 - 2030 timeframe** - the only plant extension that has been enacted into state law.

Background of SB 846

The two units of the Diablo Canyon Power Plant were originally approved by the federal Nuclear Regulatory Commission and the state for a forty-year operational term concluding in 2025. In 2018, Senate Bill 1090 (authored by my predecessor Senator Bill Monning), authorized a number of actions around the 2025 scheduled closure date – including community impact mitigation funds and an employee retention program.

In the spring of 2022, the Governor signaled his interest in extending the life of Diablo Canyon beyond 2025. Discussions were held with the legislature, which resulted in the passage of SB 846 (Dodd) on the last night of session. That bill authorized an extension of the plant, with multiple conditions, including the following (the top three of which are most relevant to this matter before the Coastal Commission):

- **Using federal funds and a state loan, the Diablo Canyon Power Plant would be authorized to extend operations for just five years through 2030, as the state transitions to renewables and Diablo Canyon's energy would no longer be needed to ensure grid stability and avoid blackouts;**
- **The California Coastal Commission would retain permitting authority for that extension, with the requirement that its action would be taken no later than six months after the submission of a completed application by PG&E;**
- **A process and funding for the conservation of and public access to the 12,000-acre Diablo Canyon Lands surrounding the plant would be created;**
- The employee retention fund pursuant to SB 1090 would continue to be funded for the benefit of the local economy and workers;
- A seismic safety assessment process was required to ensure the continued safety of workers and surrounding residents in the extended operations of an aging facility;
- The financing of the state loan for the plant's extension costs would have limited exposure for utility ratepayers;

- The purchase of fuel in a timely manner was provided for to meet the extended plant life (which was included in the 2022-2023 budget);
- The maintenance of facilities and planning for local economic development were provided for; and
- A commitment was made to use any increased revenue from Diablo Canyon's once-through-cooling fees for the protection of the Diablo Canyon Lands (which was not in the bill but referenced in my floor speech on SB 846).

Many of these major provisions of SB 846 and other extension-related issues remain unresolved or incomplete -- more than three years now since the enactment of the legislation. For example:

- PG&E \$300 Million Loan Repayment. While a federal grant of \$1.1 billion for Diablo Canyon's extension has been approved, the state has loaned PG&E \$1.4 billion -- without a guaranteed source to cover the \$300 million gap. Indeed, at the 8/19/2025 meeting of the California Senate Energy, Utilities and Communications Committee, PG&E representatives expressed doubt that its "surplus revenues" that were expected to cover the \$300 million gap would actually exist. This leaves a risk that taxpayers and ratepayers may be on the hook for that amount, which is especially concerning at a time when PG&E rates have increased sharply in recent years and created a heavy burden on lower income families;
- Seismic/Safety. The safety and maintenance work completed thus far by PG&E and per SB 846 does not include the results of the "embrittlement testing" of Unit 1, which will not be available until the first or second quarter of 2026. Moreover, seismic issues and concerns -- including those raised by Dr. Peter Bird, Professor of Geophysics and Geology Emeritus at UCLA -- have not yet been fully analyzed by the Diablo Canyon Independent Safety Committee nor the Diablo Canyon Independent Peer Review Panel;
- Diablo Canyon Lands. In multiple provisions of SB 846, the state acknowledged the importance of conserving and making available for public access the 12,000-acre Diablo Canyon Lands (including North Ranch, South Ranch, and Wild Cherry Canyon) -- and not to have that process delayed by Diablo's continued operation or eventual decommissioning. Among other things, the legislation allocated \$150 million to acquire the Diablo Canyon Lands (from PG&E and its subsidiary) by state, tribal, and/or conservation groups. It also allocated \$5 million to the State Coastal Conservancy to create conservation easements *to cover the entire 12,000 acres*, create a public access plan, engage the community and local tribes, and undertake pre-acquisition steps for the transfer of Wild Cherry Canyon to a state agency or non-profit conservation group. The whole point of this exercise was to use this information to set the stage for full conservation of the lands, and while this process is well underway, much work remains. Importantly, SB 846 also required the California Natural Resources Agency to author a report on the future disposition/conservation of the Diablo Canyon Lands, which was completed in 2023. More on this below;
- Spent Nuclear Fuel Storage. For years now, and as detailed in PG&E's Nuclear Decommissioning Cost Triennial Proceeding reports, the expectation was that Diablo Canyon's highly radioactive spent nuclear fuel would be only temporarily placed in on-site, spent nuclear pools, and then moved within about three years to on-site dry-cask storage (called the "ISFSI"). This is consistent with discussions surrounding SB 846, where it was expected that the dry-cask storage site could be reconfigured to accommodate the extra spent nuclear fuel generated from 2025-2030. Now, questions have been raised about whether this is PG&E's plan moving forward, and no clear answers were provided by the utility at the 8/19/2025 Senate committee meeting referenced above. This is significant because it is widely recognized that spent nuclear fuel storage in dry casks presents fewer safety risks than wet, pool storage -- which requires active management;
- Unitary Tax Shortfall. PG&E paid unitary taxes based in part upon the value of Diablo Canyon assets. However, those assets were prematurely depreciated in expectation of the plant's closure in 2025. This has not been adjusted to reflect SB 846's five-year plant extension. Thus, this has created a windfall for PG&E and a shortfall for San Luis Obispo County, the local school district, cities, and special districts. For the 2026 legislative session, I am considering legislation to rectify this situation, which has severely strained local government; and

- **Once-Through-Cooling.** The environmentally impactful once-through-cooling process employed at Diablo Canyon has been the subject of considerable discussion among the state resources agencies. Although a once-through-cooling fee increase for Diablo Canyon's extension was approved by the State Water Board, the issue of formally appropriating that money to serve the conservation of the Diablo Lands has not yet been implemented.

The point of providing this information is to illustrate that while the staff report suggests that Diablo Canyon Power Plant may be extended beyond SB 846's timeframe (2025-2030), that is altogether a premature discussion and perhaps a speculative one. As noted, major elements of SB 846 and other issues relating to Diablo Canyon's extension have **not** been addressed nor completed – and all of this must occur and all of the outstanding questions must be answered, before a subsequent extension is even suggested, let alone considered, by the State Legislature.

Moreover, the premise of SB 846 was that Diablo Canyon's power was needed (between 2025 and 2030) to guard against blackouts during extreme weather events at peak times, while ensuring grid stability during the state's transition to renewable energy. In the last five years, however, California has significantly increased its renewable energy capacity, with over 25,000 megawatts of new clean resources added to the grid (in comparison to the 2240 megawatts generated by Diablo Canyon). And so, the need for Diablo's power to avoid blackouts and ensure grid stability decreases every year. Indeed, at the 8/19/2025 Senate committee meeting referenced above, as well as at the 9/24/2025 meeting of the Diablo Canyon Decommissioning Engagement Panel, two representatives of the California Energy Commission (including the Vice Chair) separately inferred that Diablo Canyon's energy would *not* likely be needed beyond 2030, due to the on-lining of state renewable energy sources including wind, solar, geothermal, and large-scale battery storage.

In light of this SB 846 background, I'd now like to address the inadequacy of the staff report's proposed mitigation plan, and why I am urging the Commission to adopt a more appropriate and compelling plan that reflects the significant impacts resulting from Diablo Canyon Power Plant's extension from 2025-2030, as well as the mandates of the Coastal Act and the federal Coastal Zone Management Act.

Inadequacy of the Proposed Mitigation Plan

Bluntly put, **the proposed mitigation plan in the staff report is grossly inadequate, given the impacts associated with Diablo's continued operations.** The staff report itself makes that clear. A detailed description of the massive impacts begins at page 41, under section D. Marine Biological Resources. As stated on page 49, the plant's 2.5 billion-gallon per day intake of seawater entrains *several billion organisms per year*, and the source of the entrained biological resources extends up to 75 miles up-current from the facility - *affecting about 14 square miles of nearshore habitat*. Per the staff report, this represents a "substantial annual loss of marine life productivity and of public trust resources." There are other impacts associated with Diablo Canyon's continued operation (including public access constraints and the long-term storage of spent nuclear fuel) that are not extensively described in the staff report.

The inadequacy of the proposed mitigation package is best illustrated by Table 2 on page 75, which contains a chart that compares possible areas of land protection that could mitigate for the impacts of Diablo's operations, under different operating year scenarios. For example, if the **entire** 12,000-acre Diablo Canyon Lands were to be protected, it would **still** take 34 years to mitigate for just five years of plant operations (and 130 years to mitigate for 20 years of plant operations!). It's far worse under the staff-report-proposed scenario where conservation easements are imposed on just part of North Ranch while South Ranch is subject to just a Right of First Refusal. In such case, and assuming that Diablo runs just until 2030, then it would take a full 71 years to mitigate for five years of plant operations (and some 209 years if the plant operates an additional 20 years). These unreasonably long time periods -- or "time lags" as the staff report puts it -- just don't pass the straight-face test.

The staff report itself acknowledges this point, as on page 72 it states that staff **"worked to both inform PG&E of this significant time lag and to reinforce the need for additional feasible mitigation. Staff identified the potential for a conservation easement over the entirety of North Ranch . . . and South Ranch However, PG&E conveyed that such an easement would be infeasible and raised a variety of legal issues . . . "**

This quoted statement is problematic in two ways. First, applicant PG&E's advocacy for a particular outcome (that no doubt serves the needs of the applicant) should not and cannot be the means to properly interpret and enforce the

mitigation provisions of the Coastal Act and the Coastal Zone Management Act. Second, the explanation provided by PG&E doesn't stand up in light of history. PG&E has *already* recorded a deed restriction limiting development on land owned by its subsidiary, Eureka Energy. Specifically, as part of its Coastal Development Permit issued in 2006 for the replacement of the Diablo Canyon steam generator, PG&E agreed to deed restrict (and thereby conserve) 1200 acres at Point San Luis, on the Eureka-Energy owned South Ranch (which was finally (!) recorded in 2022 only as a result of my advocacy efforts). Moreover, since a 1200-acre deed restriction was the mitigation for *just* the steam generator replacement, it shows how out of scale the conservation of a similar amount of acreage is for the *entire* operation of the plant and associated impacts for five years.

Land conservation on South Ranch was successfully completed in 2006, and it can be successfully done again. We just need to require that outcome, as a more-than-reasonable interpretation of the Coastal Act and the Coastal Zone Management Act and as the mitigation necessary to offset environmental impacts associated with Diablo Canyon's continued operation.

In the end, in spite of the clear justification in the staff report to conserve the full 12,000 acres of the Diablo Canyon Lands, the staff report instead recommends a conservation easement on just 1100 acres (about 9%) on North Ranch (if the plant runs until 2030) and another 2200 acres (about 18%) on North Ranch if Diablo closes after that.

The staff report also recommends that a Right of First Refusal be required on South Ranch. But there is *no* timeframe stipulated, and *no* guarantee that PG&E will ever transfer that land. And even if it does, any protection of that land per the language in the proposed permit is a far cry from the protection that could be guaranteed by a conservation easement -- which would be recorded and run with the land in perpetuity, and bind all future owners. The staff report itself concedes this point, noting that "the 5,000-acre 'right of first refusal' area does not provide as much certainty that the land will be permanently protected as the areas PG&E proposes to cover with a conservation easement" (page 85).

Finally, the staff report does *nothing* to conserve Wild Cherry Canyon -- where community members and conservation groups have worked tirelessly over 25 years(!) to protect. Very disappointing.

Interestingly, the staff report *concedes* that the proposed mitigation plan is "**not sufficient to achieve consistency of the proposed project with the Coastal Act and [the California Coastal Management Program] marine biological resource protection policies Sections 30230 and 30231, due to the large scale of the entrainment impacts**" (page 6, second full paragraph). Which is why the staff report concludes that the application must be approved under the "override provision" of the Coastal Act.

Based on the above, the **Coastal Commission has all the facts -- and indeed the duty -- to approve a mitigation package that is sufficient to achieve compliance with the Coastal Act and the Coastal Zone Management Act.**

Inconsistency of the Proposed Mitigation Plan with State Values and Community Vision

As noted above, SB 846 required, among other things, that the California Natural Resources Agency (CNRA) prepare a report on the desired disposition of the 12,000-acre Diablo Canyon Lands that surround the plant, which is comprised of North Ranch, South Ranch, and Wild Cherry Canyon (see staff report for more details about these land parcels). In preparing that report (attached here), called the "Diablo Canyon Power Plant Lands Conservation and Economic Plan," CNRA met and spoke with other state agencies (including the Coastal Commission), elected officials, community leaders, and residents of the Central Coast. CNRA leadership also consulted with local tribes, including yak tityu tityu yak tilhini Northern Chumash Tribe (which has a direct and documented ancestral connection to the native people who lived on the Diablo Canyon Lands for thousands of years) as well as the only federally recognized tribe in the region, the Santa Ynez Band of Chumash Indians. CNRA leadership also visited and walked the Diablo Canyon Lands and held a public listening session, where more local community members spoke up about their vision for the future of the Diablo Canyon Lands.

Also, in preparing its report, CNRA considered the many activities and documents prepared over the last twenty-five years that support the in-perpetuity protection of the Diablo Canyon Lands. This includes a 2000 ballot measure called the "Dream Initiative" which called for the full conservation of and public access to the Diablo Canyon Lands, and passed

by some 75% of the San Luis Obispo County voters. It also includes the “Strategic Vision” of the Diablo Canyon Decommissioning Engagement Panel (www.diablocanyonpanel.org) as well as the “Conservation Framework for the Diablo Canyon Lands” as prepared by the broad-based community group, Friends of the Diablo Canyon Lands (www.diablocanyonlands.org). These documents urged the conservation of and public access to all 12,000 acres of the Diablo Canyon Lands – including all of North Ranch, all of South Ranch, and all of Wild Cherry Canyon.

After this considerable effort, the CNRA published its report in May of 2023. And consistent with SB 846’s requirement that it should determine the disposition of the Diablo Canyon Lands in a “manner that best serves the interests of the local community” the report made the following recommendations, as expressed in five Values, as follows:

Value 1 - Conserve the resources (ecological and cultural) of all the Diablo Canyon Lands (via conservation easements);

Value 2 - Possible transfer of North Ranch and South Ranch to tribal ownership;

Value 3 - Provide managed public access to the Diablo Canyon Lands, including an extension of the CA Coastal Trail connecting the existing Point Buchon and Pecho Coast trails;

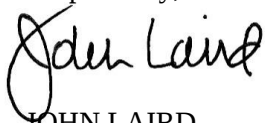
Value 4 - Enable reuse of Parcel P (about 600 acres surrounding the plant and other facilities); and

Value 5 - Possible transfer of Wild Cherry Canyon to State Parks (as feasible -- later budget allocations expanded this to also include non-profit land conservation organizations as potential/temporary owners of the land recognizing State Parks’ current limitations in taking on new park lands).

Given this extensive history of conservation efforts, as well the issuance by the California Natural Resources Agency of its report calling for complete conservation of and public access to the Diablo Canyon Lands, **the staff report recommendations to the Coastal Commission (calling for the implementation of just a small part of the Diablo Canyon Lands vision) falls particularly short.** This is especially true when you consider that the staff report fully acknowledges, as noted above, that its proposed mitigation plan is “not sufficient to achieve consistency of the proposed project” due to the large scale of the project’s environmental impacts.

The Coastal Commission is urged to rectify this imbalance. It can do so, by adopting the alternative mitigation plan (as indicated on the first page of this letter) that comes closer to satisfying the mandates of the Coastal Act and the federal Coastal Zone Management Act, while being in sync with over 25 years of efforts by the Central Coast community (and beyond) to ensure the conservation of and public access to the full 12,000 acres of the Diablo Canyon Lands. It is the Coastal Commission’s obligation to fully mitigate the extension of the Diablo Canyon Power Plant. Thank you for your consideration.

Respectfully,



JOHN LAIRD
Senator, 17th District
California Senate District 17

P.S. One last note about the proposed mitigation plan. It includes a grant by the PG&E for \$5.6 million, to design, implement, and manage a coastal trail plan on the Diablo Canyon Lands by an entity that is willing to accept the trail Offers to Dedicate. The plan also includes a provision that could enable the transfer the responsibility for managing the existing Pecho Coast and Point Buchon trails. I am not sure what level of funding is necessary to run the full trail program but it’s difficult to imagine that \$5.6 million will be even close to sufficient funding to enable any group (public or private) to accept this responsibility. As I understand it from unverified sources, it costs some \$1 million annually for PG&E to operate the Pecho Coast and Point Buchon trails – and those trails are already designed, permitted, and fully operational. So, it’s gravely naïve to imagine that \$5.6 million will be sufficient to motivate anyone to step up and take on that responsibility. I urge the Commission to investigate this issue further, and to adopt a mitigation package that includes adequate funding by PG&E, for there to be any hope that the trail Offers to Dedicate will be anything more than empty promises.