

**DOCKETED**

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<b>Project Title:</b>	Energy System Reliability
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**CALIFORNIA ENERGY COMMISSION**

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CEC-70 (Revised 7/22)



**IN THE MATTER OF:  
Diablo Canyon Power Plant**

**Docket No. 21-ESR-01**

**NOTICE OF JOINT-AGENCY  
REMOTE-ACCESS WORKSHOP**

**RE: Diablo Canyon Power Plant**

**Notice of Joint-Agency Workshop  
August 12, 2022**

Start Time 4:00 p.m. – End Time 7:00 p.m.  
Remote Access Only  
See Attendance Instructions.

A workshop will be 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.

The workshop will also explore actions that are needed to preserve the option of extending, for a limited term, the operating license of the Diablo Canyon Power Plant. There will not be a quorum of CEC commissioners or California ISO board members, and no votes will be taken at the workshop.

The public can participate in the workshop consistent with the attendance instructions below. The CEC aims to begin promptly at the start time posted and the end time is an estimate based on the proposed agenda. The workshop may end sooner or later than the posted end time.

### **Agenda**

Representatives from the Office of Governor Gavin Newsom, the CEC, and the California ISO will discuss the state's electric system reliability outlook, actions that would be needed to preserve the option of extending, for a limited term, the operating license of the Diablo Canyon Power Plant, and how such an extension, if it occurs, could fit within California's broader clean energy

transition. Federal, state, and local elected officials will also be present to provide opening remarks and/or comments. Time will also be designated for public comment and a question-and-answer session.

A detailed agenda will be posted prior to the workshop on the [Reliability Assessments Webpage](https://www.energy.ca.gov/data-reports/reports/integrated-energy-policy-report/reliability-assessments) under the events section <https://www.energy.ca.gov/data-reports/reports/integrated-energy-policy-report/reliability-assessments>.

## **Background**

California continues to experience extreme weather conditions as a result of the changing climate. These extremes are impacting many facets of daily life, including the reliability of the electric system in unprecedented ways that extend beyond traditional, and even modified, planning assumptions. To address these growing challenges, Governor Gavin Newsom recently signed Assembly Bill (AB) 205, which, among other provisions, appropriates \$2.2 billion to a Strategic Electricity Reliability Reserve to acquire sufficient reliability energy resources beyond the existing clean energy procurement activities of utilities, community choice aggregators, and electric service providers to preserve reliability during the kinds of extreme events that are occurring with greater frequency due to climate change. Neither AB 205 nor recent budget actions extend the current operations of the Diablo Canyon Power Plant.

In addition to addressing extreme events, California risks greater supply shortfalls in the coming years and beyond due to delays in online dates for procurement that has been authorized to backfill significant planned retirements in 2024 and 2025, including the Diablo Canyon Power Plant. California is seeing greater than anticipated load growth and will need to plan for a continued load growth as a result of increasing electrification of transportation and other sectors.

To ensure that all Californians have access to a supply of reliable and resilient energy resources during extreme weather events, Governor Newsom has expressed that all options need to be considered, including the option of extending the operating license of the Diablo Canyon Power Plant beyond its current planned closure date of 2024 (Unit 1) and 2025 (Unit 2). Preserving this option would require legislative action as well as subsequent legislation and substantive review and approval by multiple state, local, and federal regulatory entities that have jurisdiction over safety, operations, environmental impact, and funding for the facility.

The Diablo Canyon Power Plant is owned and operated by Pacific Gas & Electric (PG&E) and is in coastal San Luis Obispo County. It consists of two units that have been operating since 1985 (Unit 1) and 1986 (Unit 2), with a combined generation capacity of 2,240 megawatts (MW). The units are currently licensed to operate by the Nuclear Regulatory Commission (NRC) and are scheduled to retire in 2024 (Unit 1) and 2025 (Unit 2).

On August 11, 2016, PG&E filed an application (16-08-006) to the CPUC proposing to retire the Diablo Canyon Power Plant upon the expiration of its NRC licenses. In addition to retiring the Diablo Canyon Power Plant, PG&E's application requested approval of:

- 1) Procurement of three tranches of greenhouse gas-free resources to partially replace the output of the Diablo Canyon Power Plant.
- 2) Retention, retraining, and severance programs for the Diablo Canyon Power Plant employees.
- 3) A program that would provide funding to the local community to mitigate the economic impact of the plant's retirement.
- 4) Rate recovery of various costs, including amounts spent for environmental reviews and PG&E's now-suspended NRC license renewal application.

Over the course of a 15-month public process, the CPUC evaluated the schedule for closure of the power plant, PG&E's request for replacement procurement, and requests for cost recovery, some of which were supported by stakeholders in settlement agreements. The CPUC issued a Proposed Decision on November 8, 2017, and it was approved on January 11, 2018. The final Decision ([18-01-022](#)) authorized PG&E to recover in rates \$241.2 million in costs associated with retiring the plant: \$211.3 million to retain PG&E employees until the power plant is scheduled to close; \$11.3 million for retraining of workers; and \$18.6 million for Diablo Canyon license renewal expenses incurred by PG&E.

However, Decision 18-01-022 denied PG&E's request for \$85 million for a Community Impact Mitigation Program (CIMP) in the absence of express legislative authorization but noted that PG&E could use shareholder funds to support the CIMP. Decision 18-01-022 further determined that consideration of any electricity procurement that may be needed to replace the Diablo Canyon Power Plant should be addressed in the CPUC's Integrated Resources Procurement proceeding, which actively considers the optimal mix of energy resources needed to reduce the greenhouse gas emissions from the electric sector while simultaneously maintaining reliability and minimizing costs to customers.

On September 19, 2018, Governor Edmund G. Brown Jr. signed Senate Bill (SB) 1090 (Monning), which added Public Utilities Code Section 712.7, effective January 1, 2019. In accordance with SB 1090 (Monning), the CPUC issued a [Proposed Decision](#) modifying Decision 18-01-022 on October 16, 2018, and approved the final Decision ([18-01-024](#)) on November 29, 2018. The final decision required "full funding" for the CIMP (\$85 million) and the employee retention program (an additional \$225.8 million) and authorized this amount to be collected in PG&E rates. Decision 18-01-024 stated that the provision of Section 712.7 addressing potential greenhouse gas emissions impacts would be addressed in the CPUC's Integrated Resource Planning proceeding.

### **Remote Attendance Instructions**

Participants may join via Zoom by internet or phone.

- **To join via Zoom.** Click on <https://energy.zoom.us/j/91814656022?pwd=S2NMT2tnalM2TS9ycUx3b0pNNmRkdz09> or login in at <https://zoom.us/> and enter the Webinar ID **918 1465 6022** and passcode **DCPP** and follow all prompts.

- **To join by telephone.** Call toll-free at (888) 475-4499 or toll at (669) 219-2599. When prompted, enter the Webinar ID 918 1465 6022 and passcode DCP.

**Zoom Closed Captioning Service.** At the bottom of the screen, click the Live Transcript CC icon and choose "Show Subtitle" or "View Full Transcript" from the pop-up menu. To stop closed captioning, close the "Live Transcript", or select "Hide Subtitle" from the pop-up menu. If joining by phone, closed captioning is automatic and cannot be deactivated.

**Zoom Difficulty.** Contact Zoom at (888) 799-9666 ext. 2, or the CEC Public Advisor at [publicadvisor@energy.ca.gov](mailto:publicadvisor@energy.ca.gov), or by phone at (916) 957-7910.

**Participate by Telephone.** To join the meeting, dial toll-free at (888) 475-4499 or toll at (669) 219-2599. When prompted, enter the Webinar ID **918 1465 6022** and passcode **DCPP**.

### **Public Comment**

Written and oral comments, attachments, and associated contact information (including address, phone number, and email address) will become part of the public record of this proceeding with access available via any internet search engine.

**Oral comments** will be accepted at the end of the workshop. Comments may be limited to three minutes or less per speaker and one person per organization. To comment via Zoom, use the "raise hand" feature so the administrator can announce your name and unmute you. To comment via telephone, press \*9 to "raise your hand" and \*6 to mute/unmute.

**Written comments** may be submitted to the Docket Unit by **5:00 p.m. on August 19, 2022**.

The CEC encourages the use of its electronic commenting system. Visit the e-commenting page for this docket <https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=21-ESR-01> at <https://efiling.energy.ca.gov/Ecomment/Ecomment.aspx?docketnumber=21-ESR-01>. Enter your contact information and a subject title that describes your comment. Comments may be included in the "Comment Text" box or attached as a downloadable, searchable document in compliance with California Code of Regulations, Title 20, section 1208.1. The maximum file size allowed is 10 MB.

Written comments may also be submitted by email. Include docket number 21-ESR-01 and "Diablo Canyon Power Plant" in the subject line and email to [docket@energy.ca.gov](mailto:docket@energy.ca.gov).

A paper copy may be mailed to:  
California Energy Commission  
Docket Unit, MS-4  
Docket No. 21-ESR-01  
715 P Street  
Sacramento, California 95814

**Public Advisor.** The CEC's Public Advisor assists the public with participation. To request assistance, interpreting services, or reasonable modifications and accommodations, call (916) 957-

7910 or email [publicadvisor@energy.ca.gov](mailto:publicadvisor@energy.ca.gov) as soon as possible but at least five days in advance of the workshop. The CEC will work diligently to meet all requests based on availability.

**Direct Media Inquiries** to [mediaoffice@energy.ca.gov](mailto:mediaoffice@energy.ca.gov) or (916) 654-4989.

**Availability of Documents.** Documents and presentations for this meeting will be available on the CEC's Reliability webpage under the events section, at <https://www.energy.ca.gov/data-reports/reports/integrated-energy-policy-report/reliability-assessments/reliability>, or at <https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=21-ESR-01>.

When new information is posted, an email will be sent to those subscribed to the Electricity Issues subscription topic. To receive these notices or notices of other email subscription topics, visit [Subscriptions](https://www.energy.ca.gov/subscriptions), at <https://www.energy.ca.gov/subscriptions>.

**Dated** August 5, 2022, at Sacramento, California.

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Siva Gunda  
Vice Chair

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