

SEUC Oversight Hearing on Electricity Reliability

Tuesday, August 19



Produces 18,000 GWHs of Safe and Reliable GHG-free Energy Annually

- Enough power for more than 4 million Californians, or 10% of state population
- The state's largest source of clean energy, 17%
- 8.2% of California's total in-state electric generation
- In 2024, Units 1 and 2 average capacity factor of 94%; YTD 2025 average 91%
- Reliable, baseload power: 24/7, 365 days/year, rain or shine
- NRC: Highest performance category for safety among 90+ U.S. reactors, year after year



Customer Benefits of Extended Operations

Supports Increasing Demand While Other Resources Come Online

- PG&E estimates electricity use from data centers alone will grow by 10 gigawatts by 2035, equal to the power from nearly five Diablo Canyons
- By 2040, the California Energy Commission expects peak electricity demand to grow by 22 gigawatts, equal to 10 Diablo Canyons
- CPUC: July Staff Report shows ~1,500 MW shortfall for DCCP GHG-free energy replacement

Provides Substantial Environmental Benefits

- Annual GHG emissions reductions equivalent to exhaust of 1.6 million cars
- NRC Environmental Impact Statement: Diablo Canyon meets all environmental requirements to operate for another 20 years



Customer Benefits of Extended Operations

Cost Benefits from Operation through 2030

- Overall net benefit of \$3.2 Billion to customers through 2030 – that is, \$540 Million annual average net cost benefit to customers
- Additional \$450 Million annual societal cost benefit
- TOTAL: \$990 Million annual average benefit
- Net cost to customers statewide for Diablo Canyon is forecast to decrease by 42% in 2026 as compared to 2025
- Continuing to operate Diablo Canyon reduces statewide energy costs by 3%-4%



Financial and Community Highlights

- >1300 head of household coworkers at Diablo Canyon
- Represented by IBEW, SEIU, ESC labor unions
- Additional ~1100 workers during planned, refueling outages – provides boost to economy
- PG&E/employees provide hundreds of thousands of dollars in grants and donations to non-profit organizations
- Employees volunteer thousands of hours a year to school/sports programs, churches, etc.
- Polling shows more than 80% of residents support Diablo Canyon operations



Department of Water Resources (DWR) and U.S. Department of Energy (DOE) Civil Nuclear Credit Programs Offset Customer Transition Costs

- SB 846 signed into law on September 2, 2022
- Directed PG&E to pursue extended operations up to an additional 5 years
- Directed the CPUC to establish an annual extended operations cost recovery process through 2030
- Oct. 18, 2022 – up to \$1.4 billion state loan to fund transition costs signed with DWR; all funds received as of Sept 2024
- Jan. 11, 2024 – Credit Award and Payment Agreement (CAPA) signed with DOE, provides up to \$1.1 billion that will be used to repay the DWR loan
- In addition, any excess market revenues from the final year of operations will be used to repay the loan





Overview of PG&E SB 846 and Statutory Requirements

Line No.	SB 846 Requirement	Reference	Status
1	State agencies and PG&E must act quickly to extend DCPD operations.	PRC Chapter 6.3, Diablo Canyon Power Plant, 25548(f)	✓
2	State agencies and PG&E should consult and work collaboratively with local California Native American Tribes on tribal access, use, conservation, and co-management of DCPD lands and to work cooperatively with those interested in acquiring the DCPD lands.	PRC Chapter 6.3, Diablo Canyon Power Plant, 25548(g)	✓
3	Extended operations preparation costs and costs to prepare for, seek, or receive Nuclear Regulatory Commission approval of the License Renewal Application request shall be funded by the DWR loan, not customers.	PU Code Section 712.8(c)(1)(C)	✓
4	Additional funding for the extended operations period employee retention program shall be submitted by PG&E to the CPUC.	PU Code Section 712.8(f)(2)	✓
5	Annually, PG&E shall submit its Volumetric Performance Fee spending plan to the CPUC for review. The VPFs shall be spent on the critical public purpose priorities, or DCPD operations, as necessary. VPFs shall not be paid out to shareholders.	PU Code Section 712.8(t)(1)	✓
6	PG&E shall take all steps necessary to secure a federal grant or other funds to repay the DWR loan.	PRC 25548.3(c)(1)(A)	✓
7	PG&E shall conduct an updated seismic assessment.	PRC 25548.3(c)(13)	✓
8	PG&E shall commission a study by independent consultants to catalog and evaluate any deferred maintenance and to provide recommendations as to any associated risks, potential remedies, and the related costs and timelines for such remedies.	PRC 25548.3(c)(14)	✓
9	PG&E shall report to the commission no later than March 1, 2023, on the available capacity of existing wet and dry spent fuel storage facilities and the increased spent fuel that will be generated by DCPD extended operations.	PRC 25548.3(c)(15)	✓
10	PG&E shall allocate all revenues received from federal or state tax credits on a cost share basis of 10 percent to PG&E and 90% to statewide customers.	PRC 25548.3(c)(10)	✓

NRC LRA Decision Expected in Q1 2026

- CA Governor signed SB 846 into law in Sept 2022, directing PGE to pursue extended operations up to an additional 5 years: Oct. 31, 2029 (Unit 1) and Oct. 31, 2030 (Unit 2)
- In November 2023, PGE filed a 20-year License Renewal Application (LRA) with NRC that would permit operations through 2045, subject to policy direction from the state
- June 2025, NRC completes review of Safety Evaluation Report (SER) and Supplemental Environmental Impact Statement (SEIS) confirming Diablo is safe to operate through 2045.
- Currently, seeking approvals from the California Coastal Commission and Regional Water Board necessary for a final license renewal decision; expected in Q1 2026

