

AMENDED IN SENATE MARCH 31, 2016

AMENDED IN SENATE MARCH 14, 2016

SENATE BILL

No. 968

Introduced by Senator Monning
(Coauthor: Senator Jackson)
(Coauthor: Assembly Member Achadjian)

February 8, 2016

An act to add Section 712.5 to the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

SB 968, as amended, Monning. Diablo Canyon Units 1 and 2 powerplant.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations. The Diablo Canyon nuclear powerplant, composed of reactor Units 1 and 2, is operated by the Pacific Gas and Electric Company in the County of San Luis Obispo. Existing law requires the commission to convene, or continue, until August 26, 2025, an independent peer review panel to conduct an independent review of enhanced seismic studies and surveys of the Diablo Canyon Units 1 and 2 powerplant, including the surrounding areas of the facility and areas of nuclear waste storage.

This bill would direct the commission to require the Pacific Gas and Electric Company to submit an assessment, no later than July 1, 2018, conducted by an independent 3rd party, selected as specified, of the adverse *and beneficial economic impact impacts, and net economic effects*, that could occur, and of potential ways *for the state and local jurisdictions* to mitigate ~~that the~~ adverse economic impact, if the Diablo Canyon Units 1 and 2 powerplant were to temporarily or permanently

shut down before the powerplant’s current operating licenses expire or if the Pacific Gas and Electric Company were to decide not to pursue license renewal. The bill would require the commission to consider any further assessments or reviews needed that could assist local efforts to prepare for a closure of the Diablo Canyon Units 1 and 2 powerplant.

This bill would make legislative findings and declarations as to the necessity of a special statute for the Pacific Gas and Electric Company.

Vote: majority. Appropriation: no. Fiscal committee: yes.
 State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 712.5 is added to the Public Utilities
 2 Code, to read:

3 712.5. (a) (1) The commission shall require the Pacific Gas
 4 and Electric Company to submit an assessment, no later than July
 5 1, 2018, of the adverse ~~and beneficial economic impact~~ *impacts*
 6 for the region surrounding the County of San Luis ~~Obispo~~ *Obispo*,
 7 *and the net economic effects on that region*, that could occur if the
 8 Diablo Canyon Units 1 and 2 powerplant were to temporarily or
 9 permanently shut down before the powerplant’s current operating
 10 licenses from the Nuclear Regulatory Commission expire or if the
 11 Pacific Gas and Electric Company were to decide not to pursue
 12 license renewal. The assessment shall include a review, as
 13 described in paragraph (4) of subdivision (b), of potential actions
 14 for the state and local jurisdictions to consider in order to mitigate
 15 the adverse economic impact of a shutdown.

16 (2) The assessment shall be conducted by an independent third
 17 party, selected in accordance with paragraph (1) of subdivision
 18 (c).

19 (b) The assessment shall consist of, but not be limited to, all of
 20 the following:

21 (1) Estimates of any decreases in local tax revenues, decreases
 22 in workforce populations, losses in indirect or induced economies,
 23 and potential impacts to ratepayers from an early shutdown.

24 (2) A review of the economic impacts that affected the region
 25 surrounding the San Onofre Nuclear Generating Station after it
 26 was decommissioned by the Southern California Edison Company
 27 and of the relevant decommissioning plans of the San Onofre
 28 Nuclear Generating Station.

1 (3) A review of regions in the United States similar to the region
2 surrounding the County of San Luis Obispo that have experienced
3 the decommissioning of a nuclear powerplant and of the resulting
4 adverse economic impacts of the decommissioning on those
5 regions.

6 (4) Identification of any contingency plans that could mitigate
7 the adverse economic impact of a shutdown to state and local
8 jurisdictions, the local workforce, and entities receiving enhanced
9 tax revenue.

10 (c) (1) The commission shall require the Pacific Gas and
11 Electric Company to issue a request for proposal for the
12 independent third party that will ensure that the selected party is
13 able to make an independent review and analysis of the data
14 described in subdivision (b). The commission shall make the final
15 selection of the independent third party from the list of qualified
16 bidders.

17 (2) The independent third party shall consult with the Board of
18 Supervisors of the County of San Luis Obispo, the governing board
19 of the San Luis Coastal Unified School District, and other relevant
20 governmental entities to assist in an accurate assessment of
21 decreases in local tax revenues.

22 (d) The commission shall make the assessment publicly available
23 on its Internet Web site and place it as an item on the agenda at
24 the next commission meeting after the assessment is made publicly
25 available for purposes of collecting and recording public comment,
26 and hold any subsequent public meetings as necessary.

27 (e) The commission shall consider any further assessments or
28 reviews needed that could assist local efforts in the region
29 surrounding the County of San Luis Obispo to prepare for a closure
30 of the Diablo Canyon Units 1 and 2 powerplant and make those
31 considerations and findings publicly available.

32 SEC. 2. The Legislature finds and declares that a special law
33 is necessary and that a general law cannot be made applicable
34 within the meaning of Section 16 of Article IV of the California
35 Constitution because, currently, the Diablo Canyon Units 1 and 2
36 powerplant, owned and operated by the Pacific Gas and Electric
37 Company, is the last operating nuclear powerplant in California
38 and its continued operation is uncertain as Diablo Canyon Units
39 1 and 2 are only authorized to operate until 2024 and 2025,
40 respectively. Local communities were ill-prepared and given no

1 notice after the sudden closure of the San Onofre Nuclear
2 Generating Station was announced on June 7, 2013, and the state
3 is still responding, at significant cost, to the sudden, permanent,
4 and unexpected loss of baseline electricity. Therefore, an
5 assessment is needed from the Pacific Gas and Electric Company
6 on the ~~adverse~~ economic impact specific to a shutdown of the
7 Diablo Canyon Units 1 and 2 powerplant to provide the state, and
8 local communities, with valuable and necessary information to
9 plan and prepare for that circumstance, if needed.

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