

AMENDED IN ASSEMBLY AUGUST 1, 2016

AMENDED IN ASSEMBLY JUNE 28, 2016

AMENDED IN SENATE MAY 31, 2016

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~~: *electricity, and making an appropriation therefor.*

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. *Existing law establishes the Public Utilities Commission Utilities Reimbursement Account and authorizes the commission to annually*

determine a fee to be paid by every public utility providing service directly to customers or subscribers and subject to the jurisdiction of the commission, except for a railroad corporation.

This bill would require the commission to cause an assessment to be completed by no later than July 1, 2018, conducted by an independent 3rd party, selected as specified, of the adverse and beneficial economic impacts, and net economic effects, that could occur, and of potential ways for the state and local jurisdictions to mitigate 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~~ *when* the Pacific Gas and Electric Company ~~were to decide not to pursue license renewal. closes the powerplant upon the expiration of its current licenses. The bill would appropriate \$400,000 from the account to the commission for additional staffing to urgently effectuate the third party assessment.~~

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

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

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

6 (1) Estimates of any changes in local tax revenues, changes in
7 workforce populations, changes in indirect or induced economies,
8 and potential impacts to ratepayers from a shutdown.

9 (2) A review of the economic impacts that affected the region
10 surrounding the San Onofre Nuclear Generating Station after it
11 was decommissioned by the Southern California Edison Company
12 and of the relevant decommissioning plans of the San Onofre
13 Nuclear Generating Station.

14 (3) A review of regions in the United States similar to the
15 County of San Luis Obispo and the surrounding regions that have
16 experienced the decommissioning of a nuclear powerplant and of
17 the resulting economic impacts of the decommissioning on those
18 regions.

19 (4) Identification of any contingency plans that could mitigate
20 the adverse economic impact of a shutdown to state and local
21 jurisdictions, the local workforce, and entities receiving enhanced
22 tax revenue.

23 (c) (1) The commission shall issue a request for proposal for
24 the independent third party that will ensure that the selected party
25 is able to make an independent review and analysis of the data
26 described in subdivision (b).

27 (2) The independent third party shall consult with the Board of
28 Supervisors of the County of San Luis Obispo, the governing board
29 of the San Luis Coastal Unified School District, the Center for
30 Labor Research and Education at the University of California at
31 Berkeley, the regional economic development group of the County
32 of San Luis Obispo, and other relevant governmental entities or
33 community-based organizations to assist in an accurate assessment
34 of the economic and workforce impacts of a shutdown.

35 (d) The commission shall make the assessment publicly available
36 on its Internet Web site and place it as an item on the agenda at
37 the next commission meeting after the assessment is made publicly
38 available for purposes of collecting and recording public comment.
39 *site, distribute copies to relevant state and local jurisdictions, and*

1 *convene a public forum in the County of San Luis Obispo on the*
2 *findings and recommendations of the assessment.*

3 SEC. 2. The Legislature finds and declares that a special law
4 is necessary and that a general law cannot be made applicable
5 within the meaning of Section 16 of Article IV of the California
6 Constitution because, currently, the Diablo Canyon Units 1 and 2
7 powerplant, owned and operated by the Pacific Gas and Electric
8 Company, is the last operating nuclear powerplant in California
9 and its continued operation is uncertain as Diablo Canyon Units
10 1 and 2 are only authorized to operate until California, and, on
11 June 21, 2016, the Pacific Gas and Electric Company announced
12 that it would not renew its licenses for Diablo Canyon Units 1 and
13 2, which are set to expire in 2024 and 2025, respectively. In
14 addition, a joint proposal governing the closure of the Diablo
15 Canyon Units 1 and 2, which included an orderly replacement of
16 electricity from generating resources that do not emit greenhouse
17 gases and an employee retention severance program, was signed
18 by interested parties. Local communities were ill-prepared and
19 given no notice after the sudden closure of the San Onofre Nuclear
20 Generating Station was announced on June 7, 2013, and the state
21 is still responding, at significant cost, to the sudden, permanent,
22 and unexpected loss of baseline electricity. Therefore, an
23 assessment is needed on the economic impact specific to a
24 shutdown of the Diablo Canyon Units 1 and 2 powerplant to
25 provide the state, and local communities, with valuable and
26 necessary information to plan and prepare for that circumstance.
27 *The findings and recommendations made are not intended to*
28 *interfere with or invalidate the joint proposal and can be used by*
29 *local communities and parties to the joint proposal to provide*
30 *further information and recommendations to minimize the local*
31 *economic and other impacts that the planned closure may cause.*

32 SEC. 3. *The sum of four hundred thousand dollars (\$400,000)*
33 *is hereby appropriated from the Public Utilities Commission*
34 *Utilities Reimbursement Account to the Public Utilities Commission*
35 *for additional staffing to urgently effectuate the third-party*
36 *assessment pursuant to Section 712.5 of the Public Utilities Code.*

O