COLAB
San Luis Obispo County
The Coalition of Labor Agriculture and Business

Honorable Planning Commissioners:

Alex Villicana, Mariam Shah, Kristina Simpson-Spearman,

Anne Wyatt, and Alex Villicana

DIABLO DEMOLITION EIR STUDY SESSION
EIR FAILURE TO ANALYZE THE MOST IMPORTANT ISSUES

1. PG&E is proceeding on parallel paths with respect to the Plant's future. The first path is to process a permit application with SLO County to shut down the Plant in 2024 and 2025 and then dismantle it over a period of years. This is probably the most complex permit ever reviewed by the County. It covers demolishing large industrial structures, transportation and disposal of demolition debris, and on-site storage of decaying nuclear fuel for an indefinite period. As noted below at **point 3**, the EIR fails to adequately analyze the societal energy impacts of the shutdown.

The second path is to seek relicensing of the Plant for 5 years or perhaps longer, assisted by government subsidies, as the state and the PG&E service area lack sufficient power, at least in the near term years, absent the Plant's 2,240 MGW of 24/7constant power.

The subject of the study session is the status of path one.

2. For a decade PG&E sought to relicense the Plant and but was opposed at every juncture by both SLO County and Santa Barbara County leftist Boards of Supervisors and the usual coterie of environmental luddites. It wasn't until 2016, when the SLO County Board achieved a conservative majority, that the County switched policy and sought to retain the Plant. Santa Barbara County has never advocated for retention of the Plant. Hysterical fears of the Plant being inundated by a tidal wave similar to the Fukushima Japan disaster were fanned relentlessly. Of course the Fukushima Plant sits at sea level, while the Diablo Plant is situated on top of an 85-foot-high bluff.

Additionally, the State imposed the community choice aggregation (CCA) program, which allowed the creation of new tax-free government entities to compete against PG&E, utilizing long term energy contracts and tax-exempt status. Meanwhile, PG&E was forced to serve those areas opting into the CCA programs while maintaining its massive infrastructure to transmit power. Further compounding the problem, PG&E was compelled to fund a wide variety of energy saving grants to individuals and governments. The State of California forced PG&E to acquire thousands of MGW of solar energy during its early development with long term contracts. These contracts are very expensive placing PG&E at a severe competitive disadvantage with the tax exempt CCA's such as 3CE. Over the years, the company determined to abandon the energy generation portion of its business. In 2016 it announced that it would cease seeking approval for relicensing Diablo.

3. The EIR fails to analyze the adequacy and legality of the replacement energy required. Unlike most EIRs, which generate multiple reasons to deny projects, the Diablo Closure EIR approaches the issue narrowly by focusing on the short-term temporary impacts of the de-construction project and the debris disposal. In terms of the societal energy impact of the project, it deliberately avoids any discussion of the loss of energy capacity to the customers and the state. Rather, it focuses on the energy required to execute the demolition project. Section 4.7.4 actually states in part:

Because the decommissioning of DCPP would be a consequence of PG&E's prior decision to not pursue renewal of the existing licenses to operate the DCPP reactors, this analysis focuses on the energy use that could occur during decommissioning activities themselves. See Impact EN-2 for a discussion of the effects of procuring replacement power.

The referenced impact of Section EN-2 essentially states that the CUPC conditions for closure issued in 2018 have already solved the problem of replacing Diablo's CO_2 free energy.

CPUC's 2021 order for statewide electric system reliability specifically establishes the emissions profile for the replacement capacity for DCPP's retirement to require procurement of 2,500 MW from firm, zero-emitting resources by 2024. The order assigned the procurement responsibility to all load-serving entities based on their share of peak demand (CPUC, 2021). These requirements ensure that the replacement power for DCPP retirement would be procured in a manner that is consistent with statewide plans for promoting renewable energy.

Two CPUC Diablo Shutdown footnotes emphasize the point:

CPUC D. 21-06-035, June 24, 2021 (p.44): *"Nonetheless, to ensure no ambiguity, we will require that at least 2,500 MW of the resources procured by the LSEs [load-serving entities] collectively, between 2023 and 2025, be from zero-emission resources that generate electricity, or generation resources paired with storage, to replace Diablo Canyon."*

The CPUC defined "firm" resources as "resources must be able to deliver firm power (with a capacity factor of at least 80 percent). This means that the resource must not be subject to use limitations or be weather dependent. The resource must be a generating resource, not storage, able to generate when needed, for as long as needed. In addition, the resource may not have any *on-site emissions, except if the resource otherwise qualifies under the RPS program eligibility requirements." D.21-06-035 at p. 36*

Obviously, solar (after dark) and wind (on calm days) are totally weather dependent.

The EIR has determined that the CPUC's decision solved this problem. Were the Planning Commission and ultimately the Board of Supervisors to accept this "reasoning," they would be grossly deficient in performing their duty.

The Planning Commission should carefully examine staff, PG&E, Central Coast Community Energy, and the California Independent System Operator on the egregious failure of this EIR to accurately analyze this issue.

The assertion that the CPUC 2018 decision covers the issue is patently not true. As we have noted, the State has extended deadlines for the closure of existing gas plants, has warned Central Coast Community Energy that it is in violation of proven reserve resource adequacy requirements, is allowing importation of large tranches of energy from coal and nuclear powered Arizona Public Service at night, and is now actively promoting the retention of Diablo.

Table 4.7-2. Electricity Consumption for Load Served by PG&E (GWh per year)

Customer Sector	2016	2017	2018	2019	2020
Ag & Water Pump	6,692	5,100	5,832	4,567	6,638
Commercial Building	30,661	30,753	30,148	30,069	26,247
Commercial Other	4,546	4,353	4,266	4,424	3,949
Industry	10,619	10,515	10,519	9,877	9,814
Mining & Construction	1,909	1,765	1,594	1,670	1,748
Residential	28,625	29,138	27,700	27,485	29,834
Streetlight	355	321	311	298	290
PG&E Total Usage	**83,408**	**81,945**	**80,369**	**78,390**	**78,519**

Source: CEC, 2021b.
[1] Usage expressed in gigawatt-hours (GWh); one GWh equals one million kilowatt-hours.

Just exactly how is this level of energy going to be provided when the Plant closes?

4. The EIR fails to analyze the Greenhouse gas generation impact of closing the Plant.
Again, similarly to Section 3, above, the EIR only analyzes the greenhouse gas generation for demolition and debris transportation aspects of the decommissioning project itself. It totally ignores the generation of CO_2 and other greenhouse gasses necessary to the replace CO_2 free energy from the plant. This will mostly be provided by gas, coal, and oil when the nuclear generation ceases. Diablo offsets 7 million metric tonnes of CO_2 per year when compared with energy generated by natural gas, coal, and oil. The EIR contains no analysis of this impact whatsoever. Just how much CO_2 free energy will be available beginning in 2024 to replace Diablo's 2240 MGW over the next 5 and 10 year periods?

Again, the EIR simply relies on the 2018 CPUC approval conditions of the Plant closure. The Planning Commission would be derelict in its duty to not require an analysis of the current situation, which is out of compliance with the CPUC stipulated conditions.

5. The EIR fails to disclose the negative economic impacts and resulting public safety impacts caused by the closure of the Plant. The EIR does inadvertently provide a forecast of the decline of employment resulting from the Plant closure as part of its traffic and transportation analysis.

Table 4.16-2. Project Vehicle Miles Traveled (VMT) Generation

VMT Generator	Existing Conditions	Phase 1	Phase 2
DCPP			
Number of DCPP Employees	1,157	864	268
DCPP Employment VMT per Working Day (miles)	56,080	41,612	12,880

It is not clear where the figure 1,157 comes from, since many other sources report the plant's staffing of PG&E employees and others to be around 1,700. For example, the County's 2022 Annual Financial Report pegs it at 1,700. The jobs which remain will primarily be the temporary construction jobs involved in the demolition and transportation of the demolition materials off site. These are not the $141,000 per year professional, engineering, technical, and skilled trade jobs, which are now permanent.

What is the economic impact? We thought that the County had determined to require an economic impact report on major projects. None is present here. One was required for the Dana Specific Plan.

County of San Luis Obispo
Principal Employers
Current Year and Ten Years Ago
(UNAUDITED)

Employer	2022 Number of Employees	2022 Rank	2022 Percentage of Total County Employment	2013 Number of Employees	2013 Rank	2013 Percentage of Total County Employment
County of San Luis Obispo*	2,847	1	2.04%	2,800	1	1.88%
Atascadero State Hospital	2,300	2	1.67%	2,300	3	1.55%
California Men's Colony	2,000	3	1.45%	2,000	4	1.35%
Cal Poly State University, SLO	1,912	4	1.39%	2,573	2	1.73%
Pacific Gas and Electric Company	1,700	5	1.23%	1,700	5	1.14%
Tenet Healthcare	1,312	6	0.95%	1,200	6	0.81%
Lucia Mar Unified School District	1,070	7	0.78%	1,000	7	0.67%
Community Action Partnership of San Luis Obispo County	942	8	0.68%	-	-	-
Paso Robles Public Schools	935	9	0.68%	935	8	0.63%
Cuesta College	854	10	0.62%	-	-	-
San Luis Coastal Unified School District	-	-	-	902	10	0.61%
Cal Poly Corporation	-	-	-	906	9	0.61%
Total Employment Labor Force	137,800			148,600		

Sources:
Pacific Coast Business Times
State of California Employment Development Department
2012-13 San Luis Obispo County Annual Comprehensive Financial Report
2021-22 County Budget Report*

It represents about $26 million in property taxes per year to a school district, the County, and other agencies.

County of San Luis Obispo
Principal Property Taxpayers
Current Year and Ten Years Ago
(In Thousands)
(UNAUDITED)

		Fiscal Year 2021-22			Fiscal Year 2012-13		
Taxpayer	Industry	Assessed Value	Rank	Percentage of Total County Assessed Value	Assessed Value	Rank	Percentage of Total County Assessed Value
Pacific Gas & Electric Co.	Utility	$ 1,482,778	1	2.31%	$ 2,641,186	1	6.32%
High Plains Ranch II LLC	Solar Ranch	762,251	2	1.19%	-	-	-
Southern California Gas Co.	Utility	154,628	3	0.24%	63,866	7	0.15%
Jamestown Premier	Commercial	153,163	4	0.24%	-	-	-
Phillips 66 Company	Oil Refinery	139,218	5	0.22%	-	-	-
E&J Gallo Winery/Vineyards	Winery	98,162	6	0.15%	-	-	-
CAP VIII - Mustang Village LLC	Apartments	98,068	7	0.15%	76,800	5	0.18%
Firestone Walker LLC	Brewery	91,595	8	0.14%	-	-	-
Treasury Wine Estates	Winery	89,935	9	0.14%	-	-	-
Sierra Vista Hospital	Hospital	84,246	10	0.13%	55,004	10	0.13%
TOSCO Corp	Petroleum & Gas	-		-	144,966	2	0.35%
Plains Exploration & Prod Co	Petroleum & Gas	-		-	81,401	4	0.19%
Beringer Wine Estates Company	Winery	-		-	89,873	3	0.22%
Pacific Bell Telephone Co	Communications	-		-	71,897	6	0.17%
Martin Hotel Management	Hotel	-		-	62,521	8	0.15%
Pasquini Charles Jr Tre Etal	Private	-		-	55,665	9	0.13%
	Total	$ 3,154,044		4.91%	$ 3,343,179		8.00%
	Total County Assessed Value	$ 64,252,963			$ 41,796,284		

Sources:
County Property Tax System
2012-13 San Luis Obispo County Annual Comprehensive Financial Report

6. The costs of remedying the above gaps in the EIR should not be charged to PG&E, as they are the result of the County staff failure to properly manage the project in accordance with CEQA, the County's own policies, and concern for the public interest.