

PG&E's Diablo Canyon closure plan clears 1st hurdle

By David R. Baker | June 28, 2016 | Updated: June 28, 2016 8:33pm

1



Photo: Joe Johnston, Associated Press

IMAGE 1 OF 2

FILE - This aerial file photo taken, June 20, 2010, shows the Diablo Canyon Nuclear Power Plant, in Avila Beach, Calif. California regulators are expected to decide Tuesday, June 28, 2016, whether to drop their ... [more](#)

Pacific Gas and Electric Co.'s [plan to close the Diablo Canyon nuclear plant](#) in nine years

cleared its first government hurdle Tuesday, despite pressure from opponents to shut it down sooner.

PG&E won a new lease from the State Lands Commission to keep the plant running through 2025 without first requiring a lengthy environmental review. The intake and outflow chutes for Diablo Canyon's cooling system rest on tidelands leased from the state, and the current leases expire in 2018 and 2019.



PG&E last week announced an agreement with several environmental and labor

groups to close the nuclear plant — California's last — when its federal operating licenses expire in 2025. The plant's output would be replaced through energy-efficient measures, power storage and renewable resources such as the sun and wind.

But that agreement rests on PG&E having years to plan the transition, lining up contracts with renewable power providers at the best possible prices. Without a new lease from the Lands Commission, Diablo Canyon could have been forced to shut down abruptly in 2018, scuttling the plan.

The commission had considered requiring an environmental impact report before giving PG&E a new lease — a step that could have taken years to complete. Indeed, the threat of an environmental review by the commission, first raised in December by Lt. Gov. Gavin Newsom, helped push PG&E into reaching an agreement to close the plant.

Unanimous vote

On Tuesday, the commission unanimously voted against requiring an environmental impact report after staff assured the commission's voting members that one was not legally required.

5:09 PM
**Business News Roundup,
July 6**



California's greenhouse gas
emissions drop barely

4:51 PM
**Netflix is coming to
Comcast's X1 box**

operations, told the commission Tuesday.

Newsom, who serves on the commission, agreed that time for planning is essential. The abrupt 2012 shutdown of the San Onofre nuclear plant north of San Diego forced Southern California utilities to scramble for replacement power. They ended up getting most of it from power plants burning natural gas, pushing up California's greenhouse gas emissions in the process. And the utilities paid high prices for that electricity.

"San Onofre was a disaster — it increased wholesale energy costs, it hurt working folks, it hurt the economy and it increased greenhouse gas emissions," Newsom said Tuesday. "I think this (plan) will provide a bridge, whereas San Onofre was a ditch."

And yet the commission's vote came only after dozens of speakers — including adamant fans of nuclear power and committed foes — lined up to denounce PG&E's closure plan.

Nuclear opponents insisted that the commission require an environmental review, or press PG&E to close Diablo Canyon sooner.

"One has to wonder what information it is that would come out from a full (environmental) review process that PG&E is so afraid of," said John Geesman, a former member of the California Energy Commission.

Several questioned what would happen if an earthquake struck Diablo Canyon before its planned closure.

The plant, on the Central Coast near San Luis Obispo, is nearly surrounded by earthquake fault lines, all of them discovered after construction began in 1968. Opponents raised the specter of Japan's Fukushima disaster in 2011, when a tsunami triggered by a massive earthquake knocked out a nuclear plant's backup power supply and caused three reactors to melt down.

"I just want to ask each of you to think how you would explain to your families and the people of California if there was an earthquake in 2022, 2023, 2025, that caused a substantial

5:09 PM

**Business News Roundup,
July 6**



**California's greenhouse gas
emissions drop barely**

4:51 PM

**Netflix is coming to
Comcast's X1 box**

Nuclear power supporters, however, complained that PG&E was making a major mistake.

Closing Diablo Canyon would remove a dependable source of greenhouse-gas-free power just as California tries to cut its emissions and fight global warming. Some nuclear supporters had even staged a protest Friday at the San Francisco offices of the Natural Resources Defense Council — one of the environmental groups that signed the Diablo shutdown agreement with PG&E — and then marched to Sacramento to attend Tuesday's hearing.

Nuclear supporters cast doubt on PG&E's claim that it can replace Diablo Canyon with renewable resources, pointing to the example of San Onofre. Closing Diablo, they argued, would hurt the environment rather than help it.

Replacing Diablo power

“Our planet simply does not have time for us to play favorites with clean-energy resources,” said Kristin Zaitz, a Diablo Canyon employee **who helped found the group Mothers for Nuclear** and participated in the march.

Williams insisted, however, that PG&E would not need to rely on natural gas plants to replace Diablo.

The rising popularity of rooftop solar arrays, as well as public-power projects such as CleanPowerSF, is cutting the amount of electricity PG&E needs to generate or buy for its customers. Williams estimated that only 40 percent to 50 percent of the plant's output would need to be replaced. And, given the declining cost of renewable power, Diablo's energy can be replaced without pushing up PG&E customers' bills, she said.

PG&E's closure plan now requires the approval of the California Public Utilities Commission. Williams said the company plans to file its proposal to the utilities commission in late July and hopes for a decision by the end of 2017.

David R. Baker is a San Francisco Chronicle staff writer. Email: dbaker@sfchronicle.com

Twitter: [@DavidBakerSF](https://twitter.com/DavidBakerSF)

5:00 PM

5:09 PM

**Business News Roundup,
July 6**



**California's greenhouse gas
emissions drop barely**

4:51 PM

**Netflix is coming to
Comcast's X1 box**