



**ALLIANCE FOR NUCLEAR RESPONSIBILITY**

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February 23, 2016

Senator Bill Monning  
State Capitol, Room 313  
Sacramento, CA 95814

**RE: SB 968—SUPPORT**

Dear Senator Monning:

On behalf of the Alliance for Nuclear Responsibility (A4NR), we wish to thank you for your leadership in authoring this bill.

As our district's senator, you are keenly aware of San Luis Obispo's historical dependence on revenue—both taxed and indirect—from PG&E's Diablo Canyon Nuclear Power Plant. While this community has for years borne the risks from hosting this facility, it has nonetheless received the economic benefits. However, the latest reports from the Energy Commission and CAISO indicate that changing and newly emerging energy paradigms are creating a situation in which the energy from Diablo Canyon will continue to diminish in importance to California's overall goals.

At the same time, PG&E's bid to relicense the facility faces increasing obstacles, not the least of which are complex permitting requirements from the State Lands Commission, State Water Resources Control Board and the Coastal Commission. Even the early relicensing exuberance of PG&E's executive leadership has waned to a "non-committal" stance at best. It should be remembered that three of four commercial reactors in California closed well in advance of their license expiration, and that Southern California Edison shuttered San Onofre only weeks after their own management testified to the CPUC that they fully expected one unit to restart that summer. The decision to close Diablo Canyon will be made at 77 Beale Street, and as the lesson from San Onofre illustrates, may be made suddenly and on the basis of cutting corporate losses.

Thus, SB 968, with its goal of evaluating San Luis Obispo's post-Diablo economic future, comes at the right time. While the County government has discussed the need to plan for a post-Diablo future, this bill opens the door for dialog between our local community and Sacramento.

Of all the elements in the bill, we find this section to have the most importance to the future of San Luis Obispo:

**(3) Identification of any contingency plans that could mitigate the adverse economic impact** of an early shutdown to state and local jurisdictions, the local workforce, and entities receiving enhanced tax revenue. [emphasis added]

“Running the numbers” regarding economic losses is perhaps the cursory part of the legislation. The development of mitigation strategies to offset the losses that would come with the closing of the plant is key to insuring that this bill achieves its desired impact. True diligence and a broad, macro-view of our region’s development outlook are needed for the mitigation challenge.

While the bill asks for a look at the aftermath of the closing of SONGS, there are recent lessons to be learned from other former reactor communities—including Crystal River, Florida and Kewaunee, Wisconsin—that have similar populations to San Luis Obispo as well as the ancillary drivers of tourism and agriculture. Those communities are scrambling to make up the losses and cobble together redevelopment plans. Among the lessons: Local planners *should* have evaluated land use, zoning, infrastructure, tax and housing policies *in advance* of closure in order to become a competitive location for the economic drivers they now seek. Any study evolving from SB 968 should involve regional planning and economic development consultants, including overtures to the federal government with regard to redevelopment funds as if this were a military base closure.

In closing, we thank you for taking the important steps needed to make sure that San Luis Obispo remains “whole” as a community in the aftermath of Diablo Canyon’s closing. While that decision will be PG&E’s, the ability to remain pro-active remains with us.

Yours truly,

/s/

Rochelle Becker,  
Executive Director

cc: Assemblyman Mike Gatto, Chair, Assembly Utilities and Commerce Committee  
Senator Ben Hueso, Chair, Senate Energy, Utilities and Communications Committee