

SB 968 FACT SHEET
SENATOR BILL MONNING
DIABLO CANYON: ADVERSE ECONOMIC IMPACT ASSESSMENT

PROPOSED BILL

Senate Bill (SB) 968 requires the Pacific Gas and Electric Company (PG&E) to submit to the California Public Utilities Commission an assessment of the adverse economic impacts that could occur in the San Luis Obispo County region if the Diablo Canyon Nuclear Power Plant were to temporarily or permanently shut down.

The assessment would be conducted by an independent third party and made publically available.

BACKGROUND

The Diablo Canyon Power Plant (Plant) is owned and operated by PG&E and located on the California coast in San Luis Obispo County. The Plant is the only nuclear power plant operating in the state and is licensed by the Nuclear Regulatory Commission (NRC). Unit 1 is licensed to operate until November 2, 2024, and Unit 2 is licensed to operate until August 26, 2025.

On November 24, 2009, PG&E filed a 20 year license renewal with the NRC but after the accident at the Fukushima Daiichi nuclear power plant in Japan in 2011, active efforts to extend the license have stalled. As a result, seismic studies and reviews are ongoing and will need to be completed prior to NRC's decision to extend Diablo Canyon's license.

Additionally, if PG& E continues to move forward with the Plant's license extension, use of the Once-Through Cooling system and future environmental mitigation will need to be reviewed by the State Water Resources Control Board.

A June 2013 Economic Impact Study funded by PG&E concluded that the local economic impact of Diablo Canyon is substantial, with the total 2011 estimated economic impact to be \$919.8 million.

The Plant has approximately 1,483 employees and it is estimated that this year the San Luis Coastal Unified School District will receive more than \$10 million, 16 percent of its operating revenue, from taxes paid by PG&E.

According to San Luis Obispo County records, PG&E is the largest property taxpayer in the County, paying over \$25 million in 2014, much of that attributable to its operations at Diablo Canyon.

NEED FOR LEGISLATION

While the 2013 Economic Impact Study highlighted the economic benefits of Diablo Canyon, the study failed to detail the adverse economic impacts that could occur if the Plant were to shut down.

No one can say for certain whether the Diablo Canyon Nuclear Power Plant will continue to operate in the near-term or long-term. Given this uncertainty and the region's economic reliance on the Plant, it is critical that state regulators and the public be informed about the potential adverse economic impacts should the plant not be in operation and how to best mitigate these impacts

In 2013, local communities were ill prepared for the sudden closure of the San Onofre Nuclear Generating Station (SONGS) in San Diego.

Unlike the region impacted by the SONGS closure, the San Luis Obispo region relies more heavily on the economic benefits provided by Diablo Canyon and needs economic impact information in order to assess how the region can absorb adverse economic impacts should the Plant be closed.

FOR MORE INFORMATION

Contact: Ryan Guillen
Phone: (916) 651-4017
Email: ryan.guillen@sen.ca.gov

SOLUTION

SB 968 calls for a comprehensive economic assessment of the region that would be impacted if the Diablo Canyon Nuclear Power Plant temporarily or permanently closes. The assessment would determine if there would be decreases in local tax revenues, decreases in the local workforce, and if there would be indirect economic losses. Additionally, the assessment would include a review of the economic impacts of the closure of the San Onofre Nuclear Generating Station and how the community is handling decommissioning.

Assessing and planning for any adverse economic impacts should the Diablo Canyon Power Plant shut down is prudent and will not take away from the existing public safety assessments related to the Plant. SB 968 will allow local communities and the state with the information they need to develop potential contingency plans should Diablo Canyon temporarily or permanently shut down.

SUPPORT

None at this time

OPPOSITION

None at this time