



Diablo Canyon Nuclear Plant: A costly and unnecessary boondoggle

STOP THE PG&E SWINDLE!

More than three and a half years ago, the California Legislature enacted S.B. 846, giving Pacific Gas and Electric Co. (PG&E) a \$1.4 billion interest-free “forgivable loan” (*i.e.*, assumed never to be paid off by PG&E) and other subsidies to keep the two aging Diablo Canyon Nuclear Plant reactors operating for five years beyond their original closure dates of 2024/25.

The result was a sweetheart deal for PG&E and a swindle for consumers:

Taxpayers and already-overburdened ratepayers -- not only in PG&E’s service area but across California -- are paying PG&E for the rising costs of operating two decrepit and expensive reactors through guaranteed revenues and generous taxpayer subsidies – even as cheaper renewable energy sources expand to render Diablo Canyon unnecessary.

Now, with Governor Newsom on his way out of office, PG&E is seeking to lock in this sweetheart deal for an additional 15 years, through 2045.

Tell the Legislature enough is enough!

Stop allowing PG&E shareholders to reap huge profits from the Diablo Canyon plant while keeping ratepayers and taxpayers on the hook for hundreds of millions of dollars, with the cost continuing to rise. These high charges are all for energy the legislature was told would just cost a few bucks when SB 846 was hastily passed into law.

The facts about SB 846:

PG&E’s sweetheart deal leaves California taxpayers on the hook to pay hundreds of millions of dollars on the \$1.4 billion loan.

The Legislature was promised that the full \$1.4 billion forgivable state loan to PG&E would be covered by a Dept. of Energy grant. **BUT:**

- PG&E applied for only \$1.1 billion.
- PG&E is eligible for *only \$741 million of the \$1.1 billion grant.*
- It is unclear whether that federal funding will be paid under the Trump Administration.

California taxpayers are now stuck with at least a \$659 million bill to pay off the loan! And they may be liable for the entire amount – while PG&E pays nothing.

California’s electric rates are the highest in the U.S. outside Hawaii!

- More than 1 million PG&E customers — 18% — are behind on their energy bills.
- The average amount owed is \$675.
- Residential electricity rates have risen 118% since 2014.
- That is more than twice the rate of inflation.

The costs of operating the Diablo Canyon plant are driving up the affordability crisis.

Since SB846 was passed, the price paid by the power market for Diablo Canyon's electricity has plummeted — largely because of cheaper solar and battery power. As a result, *ratepayers are covering the yawning gap* between the high costs of operating the overhead-intensive nuclear plant and what PG&E earns by operating Diablo Canyon:

- In 2025 PG&E collected \$722 million from statewide ratepayers to cover the gap.
- In 2026, PG&E collected \$382 million to cover the gap.
- For 2027, PG&E seeks \$595 million to cover the gap.
- PG&E's own projections show ratepayers could be charged hundreds of millions each year through 2030!

PG&E leads with greed, not love.

PG&E CEO Patricia Poppe has vowed to “lead with love.” Instead, PG&E leads with greed:

- PG&E boasted record profits for the past three years: \$2.593 billion in 2025, \$2.47 billion in 2024 and \$2.2 billion in 2023.
- Poppe took home \$19.8 million in 2025.
- PG&E's shareholders benefit while ratepayers face higher electric bills.

The Diablo Canyon plant is not needed to keep the lights on.

The March 2026 off-season, triple-digit heat wave — stretching from the Bay Area to the southern border — was the kind of extreme event cited as the reason to keep Diablo Canyon running. The grid operated without a single emergency notification, Flex Alert, or curtailment request. This highly successful performance was consistent with the robust surplus margins documented in the 2025 Fourth Quarterly Joint Agency Report. Indeed, the reserve margins throughout this period showed that Diablo Canyon is not needed even to meet an unusual and unexpected load.

The questions now before the Legislature:

- **At a time when California is struggling to fund social services, health care and other needs, can the state afford to add more largesse to the hundreds of millions of dollars (between \$659 million and \$1.4 billion) that PG&E has already looted through the "forgivable" loan?**
- **Should strapped ratepayers across the state keep propping up two costly and unnecessary nuclear reactors?**

The Legislature must stop the PG&E swindle!

California cannot afford to extend Diablo Canyon beyond 2030.

Citations and references available upon request