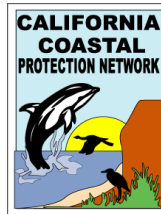




Union of Concerned Scientists



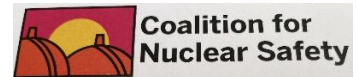
CALPIRG



Beyond Nuclear



CODEPINK Don't Waste Michigan ECOLOGISTICS



April 16, 2026

The Honorable Gavin Newsom
Governor
State Capitol

The Honorable Monique Limón
President pro Tempore
California State Senate

The Honorable Robert Rivas
Speaker of the Assembly
California State Assembly

The Honorable Ben Allen
Chair, Energy, Utilities and
Communications Committee
California State Senate

The Honorable Cottie Petrie-Norris
Chair, Utilities and Energy Committee
California State Assembly

The Honorable John Laird
Chair, Budget, and Fiscal Review
Committee
California State Senate

The Honorable Jesse Gabriel
Chair, Budget Committee
California State Assembly

**RE: The Diablo Canyon Power Plant 15 Year Extension Deal – Raising Process
and Substantive Concerns**

Dear Governor Newsom, Speaker Rivas, Pro Tem Limón, and Honorable
Members:

On behalf of the undersigned organizations and individuals, we are writing to
express serious concern regarding the emerging effort to extend the operation
of the Diablo Canyon Power Plant beyond 2030 for an additional 15 years
without a full, open, and transparent legislative process. As discussed more fully
below, the Legislature's experience with Senate Bill 846 in 2022 – which
extended the operation of Diablo Canyon to 2030 -- should serve as a clear
warning of what happens when essential safeguards are bypassed. **Any
decision to extend Diablo Canyon beyond the agreed upon closure deadline of
2030 must proceed through the regular policy process, including full policy and
budget hearings, independent analysis, and meaningful public engagement.
The decision to extend Diablo Canyon's operation for an additional 15 years
implicates billions of dollars in public funding, long-term ratepayer obligations,
and significant safety risk.**

We are very concerned that the Legislature may be heading down the same path that led to SB 846. The policy committee process for this year’s legislative session is already well underway with the first house policy committee deadline looming at the end of this month. Despite this deadline, no bill has been publicly amended to include a proposal to extend Diablo Canyon. Therefore, to date, there has been no public discussion of any agreement to extend Diablo Canyon beyond 2030. We are also concerned that a Diablo Canyon extension could show up as part of the budget deal at the end of June. A last-minute push in the budget to include Diablo Canyon is just as bad as an end of session gut-and-amend similar to what was done in SB 846. **This lack of transparency undermines public trust and deprives stakeholders and legislators alike of the opportunity to meaningfully evaluate the fiscal, environmental, and safety implications of a potential extension.**

If the Legislature and/or Governor plan to enact legislation this year to extend Diablo Canyon operations, those discussions, deliberations, and legislation must be made public and open to full policy process in both houses. Moreover, as discussed below, such an extension should also be debated in the budget committees given the considerable cost impacts to taxpayers.

SB 846 was introduced, negotiated, and enacted in the final days of the legislative session in 2022 leaving little opportunity for meaningful public review, stakeholder input, or deliberation by policy committees. That compressed timeline resulted in the adoption of a complex financial and regulatory framework with far-reaching consequences for California's taxpayers and ratepayers and, as it turns out, was based on flawed information. **A study released last week by UC Santa Barbara concluded that Pacific Gas and Electric (PG&E) “inflated the costs of Diablo Canyon’s capital upgrades and operational costs.”¹**

SB 846 authorized up to \$1.4 billion in state funding to support Diablo Canyon operations, while also enabling PG&E to access federal subsidies and guaranteeing recovery of costs from ratepayers. The ongoing consequences of the rushed timeline and lack of public participation are apparent in SB 846's

¹ University of California, Santa Barbara, *The 2035 Initiative, The Economics of Diablo Canyon* (Apr. 2026), [The Economics of Diablo Canyon — The 2035 Initiative at UC Santa Barbara](#)

failure to reconstitute the plant's Unitary Tax, resulting in the current \$10 million budget deficit for the San Luis Coastal school district.²

That full \$1.4 billion loan has now effectively been committed with approximately \$1.33 billion disbursed directly to PG&E and the remaining approximately \$70 million allocated to the California Department of Water Resources (DWR) to administer and implement the program.

At a time when California is facing significant fiscal pressures and the potential loss or reduction of federal funding for core health, housing, and social safety net programs, the opportunity cost of this expenditure is profound. **Every taxpayer dollar committed to Diablo Canyon is a dollar that cannot be used to support Medi-Cal, affordable housing, climate resilience, or other essential public services.**

Although the \$1.4 billion was structured as a loan, there is growing evidence that full repayment is not going to happen. Instead, this loan appears to be more of a gift to PG&E. Indeed, PG&E leadership has been reported as stating that the company anticipates that taxpayers may ultimately be required to cover any shortfall, and PG&E filings as well as the most recent report to the Legislature from the Administration indicate that projected costs may exceed available funding sources.³ **Even assuming the availability of federal Department of Energy support, analyses suggest taxpayers could still be responsible for at least \$659 million in unrecovered costs.**⁴

Beyond the loan itself, SB 846 created a series of additional compensation mechanisms that collectively operate to the financial benefit of PG&E while increasing costs for the public. The California Public Utilities Commission (CPUC) authorized a fixed annual management fee of \$100 million per year for each year of extended operations, guaranteeing PG&E revenue simply for operating

² <https://www.newtimeslo.com/laird-and-addis-introduce-bill-to-revive-local-funding-from-diablo-canyon-operations/>

³ Malena Carollo, *California taxpayers could be on the hook for hundreds of millions in Diablo Canyon deal*, CalMatters (Aug. 2025), <https://calmatters.org/economy/2025/08/diablo-canyon-loan/>. See also Cal. Dep't of Water Res., *Report to the Legislature on the Diablo Canyon Power Plant Loan (Senate Bill 156)* (Feb. 1, 2026).

⁴ *Id.*; See also University of California, Santa Barbara, *The 2035 Initiative, The Economics of Diablo Canyon* (Apr. 2026), [The Economics of Diablo Canyon — The 2035 Initiative at UC Santa Barbara](#)

the plant.⁵ The amount to be collected in 2026 will be \$114 million (this was adjusted from the \$100 million for inflation).

In addition, the structure includes volumetric payments tied to electricity production, which is expected to yield PG&E approximately \$1.4 billion over the extended operating period, functioning as another revenue stream layered on top of fixed and performance-based payments.⁶ At the same time, SB 846 established a \$300 million Liquidated Damages Account to be collected from ratepayers. This account is to be used to procure replacement power if the plant goes offline and to backstop PG&E shareholders – even if the outage is caused by PG&E negligence. **This means that when Diablo Canyon is offline or underperforms, ratepayers, and not PG&E, bear the financial consequences.**

The legislation also includes funding for employee retention and workforce incentives estimated at tens of millions of dollars to ensure continued staffing at the facility.⁷ These costs, which were designed to retain workers who might leave because of the plant's imminent closing, are again borne by the public, effectively requiring taxpayers and ratepayers to subsidize PG&E for nonexistent closing costs at a plant that could potentially operate for another two decades.

When viewed together, the deal embodied in SB 846 will result in a projected approximate \$2.65 billion in ratepayer fees from 2023 to 2030—fees covered not just by PG&E customers, but by all California ratepayers. This is in addition to the \$1.4 billion loan. The cumulative effect is to shift nearly all financial risk away from PG&E and onto taxpayers and ratepayers, while ensuring that PG&E continues to receive guaranteed and even enhanced revenue streams.

These financial risks are particularly difficult to justify when looked at in light of PG&E's enormous profits and California's energy procurement trajectory. Since the passage of SB 846, PG&E has been enjoying enormous profits with the company generating a record \$2.59 billion in profits in 2025.⁸ Both PG&E shareholders and executives have reaped the rewards from these profits with their executives enjoying higher total pay in 2025. In fact, Chief Executive Officer

⁵ Cal. Pub. Utils. Comm'n, Decision 23-12-036, *Decision Implementing Senate Bill 846 Diablo Canyon Power Plant Extension Cost Recovery* (Dec. 14, 2023), <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M521/K424/521424048.pdf>.

⁶ *Id.*; See also University of California, Santa Barbara, *The 2035 Initiative, The Economics of Diablo Canyon* (Apr. 2026), [The Economics of Diablo Canyon — The 2035 Initiative at UC Santa Barbara](#)

⁷ *Id.*

⁸ *Id.*

Patricia Poppe received just over \$19.8 million in total direct compensation in 2025.⁹

Further, multiple planning documents from the California Energy Commission indicate that the State is on a path to procure sufficient clean energy resources, including renewable generation, energy storage, and demand-side management, to meet reliability needs while achieving its statutory goal of 100 percent clean electricity by 2045.¹⁰ The CEC's Integrated Energy Policy Report and related reliability assessments identify pathways to maintain reliability without long-term reliance on Diablo Canyon as new resources come online.¹¹

The financial risks placed on California's taxpayers and ratepayers are compounded by growing volatility in global uranium markets. Sustained increases in uranium prices – nearly 85% between 2023 and 2024 alone -- or disruptions in fuel supply chains could materially increase the cost of operating Diablo Canyon.¹² Under the framework established by SB 846, these increased costs would likely be passed through to ratepayers or absorbed through public funding mechanisms, rather than borne by PG&E.

The affordability implications of PG&E's current deal to continue to operate Diablo Canyon are profound and any deal to extend operations compounds those affordability concerns. Californians already face some of the highest electricity rates in the nation, and SB 846 adds yet another upward pressure on utility bills. **Ratepayers are required to fund not only continued operations, but also the risks of cost overruns, outages, financing gaps, and fuel price volatility. At the same time, taxpayers are exposed to the risk that the already disbursed \$1.33 billion may not be repaid.**

Equally concerning are the regulatory concessions embedded in SB 846, which reduce oversight and limit transparency. The statute imposes expedited permitting timelines and limits environmental review, constraining the ability of

⁹ PG&E's top boss and other key company executives received higher total pay during 2025, *Marin Indep. J.*, Apr. 10, 2026, <https://www.marinij.com/2026/04/10/pge-bill-power-electric-gas-salary-energy-pay-economy-consumer-fire/>

¹⁰ Cal. Energy Comm'n, *2023 Integrated Energy Policy Report* (CEC-100-2023-001) (Nov. 2023), <https://www.energy.ca.gov/data-reports/reports/integrated-energy-policy-report/2023-integrated-energy-policy-report>; Cal. Energy Comm'n, *Midterm Reliability Analysis* (Aug. 2022), <https://www.energy.ca.gov/data-reports/reports/electricity-assessments/midterm-reliability-analysis>.

¹¹ *Id.*

¹² International Monetary Fund, Global price of Uranium [PURANUSDM], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/PURANUSDM>, March 27, 2024.

state agencies to fully evaluate impacts and reducing opportunities for public participation.

Any proposal to extend Diablo Canyon beyond 2030 must also grapple with unresolved safety issues, including reactor embrittlement, spent fuel management, and seismic risk.¹³ These risks do not just threaten the safety of those who live near Diablo Canyon, **they also pose a substantial financial risk to taxpayers and ratepayers given the current structure of the deal agreed to in SB 846.**

The Legislature must not repeat the process failures that characterized SB 846. Any proposal to extend Diablo Canyon must be subject to full policy and budget hearings, independent fiscal analysis, and transparent public review.

Ultimately, the question before the Legislature is whether California will once again enter into a deal negotiated in the dark and at the last minute that places the financial burden on taxpayers and ratepayers while shielding PG&E from risk and benefiting shareholders.

Before considering any extension beyond 2030, the Legislature must ensure that affordability is prioritized, that all costs are fully accounted for, and that Californians are not asked to bear disproportionate risk for the benefit of a private utility.

Californians deserve an energy policy that is transparent, accountable, and fair, and not another deal that socializes the risk while privatizing the benefits.

Sincerely,

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Mothers for Peace

Leslie Tamminen
Director of Climate Science &
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7th Generation Advisors

Liberty Godshall
Americans For A Safe Future

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Reactor Oversight Project Director
Beyond Nuclear

Phoebe Thomas Sorgen
Chair
BFUU Social Justice Committee

¹³ U.S. Nuclear Regulatory Comm'n, *Generic Aging Lessons Learned (GALL) Report* (NUREG-1801 Rev. 2) (2010), <https://www.nrc.gov/reading-rm/doc-collections/nuregs/staff/sr1801/>; U.S. Nuclear Regulatory Comm'n, *Spent Fuel Storage in Pools and Dry Casks*, <https://www.nrc.gov/waste/spent-fuel-storage.html>.

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