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# California State Senate

SENATOR  
**JOHN LAIRD**  
SEVENTEENTH SENATE DISTRICT



STANDING COMMITTEES  
BUDGET & FISCAL REVIEW  
CHAIR  
HUMAN SERVICES  
JUDICIARY  
LABOR, PUBLIC EMPLOYMENT  
& RETIREMENT  
LOCAL GOVERNMENT  
NATURAL RESOURCES & WATER  
RULES  
JOINT COMMITTEES  
LEGISLATIVE BUDGET  
CHAIR  
RULES  
VICE CHAIR  
SELECT COMMITTEE  
NONPROFIT SECTOR

January 30, 2026

San Luis Obispo City Council

Via [emailcouncil@slocity.org](mailto:emailcouncil@slocity.org) and [cityclerk@slocity.org](mailto:cityclerk@slocity.org)

Subject: SLO City Council Agenda for February 2, 2026  
Diablo Canyon Power Plant Letter – Item No. 5.h

Dear Mayor Stewart and Council Members:

As the Senator representing the Central Coast including the City of San Luis Obispo, I am writing in regard to the subject item, specifically your letter to the state legislature regarding the Diablo Canyon Power Plant. I wanted to clarify a few items that are referenced in your draft letter and otherwise relevant to the topic.

First, in spite of rumors to the contrary, I did not request that the City or any other entity submit a letter to the legislature regarding Diablo Canyon, although I always welcome your input.

Second, I know that unitary tax (and local revenues related to the operation of Diablo Canyon Power Plant, in general) is a critically important issue to SLO City and other local agencies. As you know, the unitary tax was levied on plant assets for the original forty-year life of the plant (from 1985 – 2025). PG&E, as the operator of the plant, paid the tax, and it was distributed to various local entities, chief among them the San Luis Coastal Unified School District. The adoption of SB 846 in 2022 extended the life of the plant for five years, from 2025-2030. Yet state agencies did not adequately extend the unitary tax to the additional five years of operations, and thus the local agencies have faced a reduction in funding from plant operations during the extended period. I am now working on the introduction of legislation in this session that will attempt to remedy this condition, again, for the period 2025-2030. I would welcome the City Council's support for this effort once the bill is introduced.

Third, with regard to any extension *beyond* 2030, I wrote a letter in 2024 to the San Luis Obispo Board of Supervisors, in which I expressed my concern that the conditions required for the five-year extension be fully met before an additional extension is contemplated (a copy of that letter is attached for your reference). Chief among those concerns is the plant's seismic assessment required under SB 846 (in which issues raised by the Diablo Canyon Independent Peer Review Panel have yet to be addressed), and lingering questions about PG&E's ability to repay a \$1.4 billion state loan made to the utility for the extension. We do not yet know how large that unpaid amount will be -- but it could rise to multiple hundreds of millions of dollars - - nor whether taxpayers or ratepayers will be responsible for the shortfall. In addition, we haven't yet seen

the results of a pending assessment of embrittlement for the plant's Unit 1, nor do we know how PG&E will manage the spent nuclear fuel that will be generated over the next five years (which would exceed the capacity of the existing dry cask storage site as currently designed).

And just as was done in 2022 – in any future possible legislation on Diablo Canyon's potential extension, I will advocate that the same issues of concern to local residents be included in the discussion -- whether in safety studies, support for the transition funding to workers and local agencies, a further unitary tax for a potential extended period, conservation of the remaining Diablo Canyon Lands that were not addressed recently by the California Coastal Commission, as well as general affordability for ratepayers and taxpayers across the state. It is whether those concerns are met that should guide our views on further extension.

In sum, the issue of the unitary tax raised in my forthcoming legislation will not and should not be linked to any plant operations beyond 2030 – it only addresses the 2025-2030 extension. If the two are linked, there is a chance that legislation for the further extension beyond 2030 will not be successful or may take considerable time. The issue of continuing the unitary tax for the SB 846 five-year extension is urgent and must be considered NOW. It is too important to be jeopardized by linking it to longer-term and far more complex discussions.

Thank you for the opportunity to express myself on this issue. I wish you well in your deliberations.

Sincerely,

A handwritten signature in black ink that reads "John Laird". The signature is written in a cursive style with a large initial "J".

JOHN LAIRD  
Senator, 17<sup>th</sup> District

Attachment: 3/13/2024 Letter to San Luis Obispo County Board of Supervisors

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# California State Senate

SENATOR  
JOHN LAIRD  
SEVENTEENTH SENATE DISTRICT



COMMITTEES  
BUDGET SUBCOMMITTEE #1  
(EDUCATION)  
CHAIR  
JOINT COMMITTEE ON RULES  
VICE CHAIR  
BUDGET & FISCAL REVIEW  
JUDICIARY  
LABOR, PUBLIC EMPLOYMENT  
& RETIREMENT  
NATURAL RESOURCES & WATER  
RULES  
JOINT LEGISLATIVE  
AUDIT COMMITTEE

March 13, 2024

San Luis Obispo County Board of Supervisors  
Katcho Achadjian Government Center  
1055 Monterey Street  
Suite D430  
San Luis Obispo, CA 93408

Subject: Diablo Canyon Power Plant

Dear Supervisors:

I am writing of your proposed resolution on the extension of the life of the Diablo Canyon Power Plant, owned and operated by Pacific Gas & Electric (PG&E). As the local state legislator who was involved in the negotiations for Senate Bill 846 in 2022, which approved extending the life of the plant from 2025 to 2030, I thought it important to call attention to the provisions of that bill and how progress on its implementation should inform your proposed action.

Senate Bill 846 was the result of extensive conversations with relevant stakeholders, the subject of an online townhall meeting with hundreds of attendees, and the consideration of all the relevant issues at hand.

Specifically, the major provisions of SB 846 include the following:

- Required that San Luis Obispo County communities that received \$85 million in mitigation funding and PG&E employees who benefitted by a \$350 million retention and retraining program based on the former closing date of 2025 (as authorized under SB 1090 – 2018) do not have to return those funds, in light of the limited, five-year extension;
- Required seismic and other safety review processes so that the continued safety of workers and surrounding residents would be considered in the extension of an aging facility;
- Required that the financing process around the state loan for the extension process have very limited exposure to utility ratepayers and state taxpayers;

- Required a regular California Coastal Commission approval of the extension, with the time for that process limited;
- Provided a process and funding for the protection of and public access to the Diablo Canyon Lands, which surround the plant;
- Limited the extension to 2030 to allow for the use of transmission for the energy generated by offshore wind at the Morro Bay Wind Energy Area;
- Provided for the purchase of fuel in a timely manner to meet the extended plant life; and
- Set forth provisions about maintenance of facilities; planning for economic reuse of the Parcel P section of the plant; raised the once-through-cooling fee with an eye to certain expenses; and provided one billion dollars over three years for additional renewable electricity development in California.

I list these items, because many of them have are in different stages of process, and have not been completed. For example,

- The safety analysis will not be completed until the embrittlement of Unit 1 can be tested, which will not be done until 2025, with the results available no earlier that 2026;
- While the loan has been approved at the federal level, it does not reach the level expected to cover all costs of plant extension, and the risk to the taxpayers and ratepayers must still be protected, especially at a time when PG&E rates are going through the roof across California;
- PG&E's application to the California Coastal Commission for a Consistency Certification (under the Coastal Zone Management Act) has not been completed, and the conditions of the consistency determination, and of a coastal development permit, have not been developed nor implemented;
- The federal government has issued three leases for offshore wind in the Morro Bay Wind Energy Area since SB 846 was enacted, and the process of involving different stakeholders and attempting to resolve differences has only just begun;
- The once-through-cooling fee issues have not been resolved; and
- The process for reviewing options for the Diablo Canyon Lands is underway but is at the early stages.

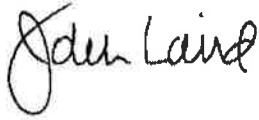
In short, many of the issues that might be involved in an additional *fifteen*-year extension have not even been resolved yet for the *five*-year extension set forth in SB 846. Therefore, it is clear that any discussion of an extension beyond what was enacted with SB 846 is very premature.

There are other issues that are also worthy of examination. If Diablo Canyon Power Plant were to continue twenty years from the current time, it would not likely justify transition pay for the workers, as SB 1090 and SB 846 intended, and implications of this would have to be explored.

For all these reasons, as well as the fact that a stakeholder and public participation process similar to what occurred prior to the enactment of SB 846 has not been completed, I would recommend that the Board set aside a resolution for a further extension at this time. That could be properly considered if the additional five years progressed according to the terms of SB 846, and the safety and other issues were properly and completely addressed, including coordination with offshore wind and other renewable energy development efforts, and, importantly, the financial risk to already stressed ratepayers.

The State Legislature and Governor have only authorized the five-year extension of Diablo Canyon Power Plant beyond 2025, and as a state legislator from this region, I would certainly not support any legislation for a further extension until the extension we have already approved is fully permitted, and all the attending issues outlined above are fully considered and addressed.

Very Truly Yours,

A handwritten signature in black ink that reads "John Laird". The signature is written in a cursive, flowing style.

JOHN LAIRD  
State Senator, 17th District

cc: Chris Patterson, VP, State & Local Government Relations  
Rep. Salud Carbajal  
Rep. Jimmy Panetta  
Sen. Monique Limon  
Asm. Dawn Addis  
Rebecca Campbell, SLO County Chief Administrative Officer