

# PG&E's \$10 Billion Diablo Canyon Snow Job

**It's official: Renewable energy is cheaper than keeping an aging nuke on life support**

*By David Weisman, Executive Director, Alliance for Nuclear Responsibility*

The California Public Utilities Commission is deliberating on the question of whether the extension of PG&E's Diablo Canyon nuclear plant is reasonable, prudent and cost effective. Getting the answer to those questions was mandated in Senate Bill 846, the hastily passed legislation that sought to extend the life of the aging power plant to 2030 or beyond.

On all counts, the answer should be no. The energy reliability concerns that led to the passage of SB 846 two years ago – that the state did not have enough renewable energy coming online to replace Diablo Canyon's output -- have been largely ameliorated in the ensuing years. But that hasn't curbed PG&E's determination to vacuum money out of the wallets of every taxpayer in the state for a share of the Diablo extension costs.

The Alliance for Nuclear Responsibility has filed testimony in the CPUC proceeding based on three key factors:

- Diablo is no longer necessary to meet the reliability needs that motivated SB 846 in 2022. Aggressive energy procurement and planning have greatly mitigated the 2025 – 2030 “insufficient generation” concerns that motivated SB 846. Fears that supply chain issues would hamstring the deployment of clean resources have been overcome. According to the California Energy Commission's August 5th Joint Agency Reliability Planning Assessment - SB 846 Combined Second and Third Quarterly Report:

...California continues to experience rapid growth in renewable resources, particularly solar photovoltaics (PV) and energy storage. In 2023 alone, over 5,000 MW of solar PV and energy storage nameplate capacity were added to the electric grid...This growth took place despite challenges outlined in previous reports including permitting, construction, and the interconnection processes. Increased transmission development, approved by the California ISO, should increase the amount of both in-state and out-of-state project development in the coming years...In the coming years, more than half of the capacity expected to come online to serve the wholesale electricity market are BESS systems.



On April 25, 2024, Governor Newsom stated that California has increased battery storage capacity to 10,379 MW, up from 770 MW in 2019, telling *The Hill*, “This is our biggest power source in California — significantly bigger than the last remaining nuclear plant in the state of California.” \*<sup>1</sup>

- The total costs for the Diablo extension continue to skyrocket. In July 2023 it was \$8.3 billion. It is now \$9.8 billion when the various cost overrun provisions, slush funds and taxpayer grants PG&E leaves out of the equation are factored in. That puts the cost per megawatt hour at \$114.53, a substantial increase above the \$75/MWh the Governor’s Cabinet Secretary cited to legislators when they were considering SB 846. For comparison, the CPUC’s May 2024 Padilla Report on the Renewable Portfolio Standard (RPS) identified the average cost of new RPS contracts signed in 2023 at \$58/MWh. PG&E’s justification for extending Diablo’s operations has shifted to the associated decarbonization benefits. But \$9.8 billion can buy California nearly twice the clean electricity at \$58 per MWh than it can at \$114 per MWh.
- PG&E’s piecemeal attempt to avoid revealing the full costs of extension is an ongoing project. In its initial December 2023 decision regarding the Diablo extension, the CPUC required PG&E to provide “An upfront, transparent forecast of all anticipated DCPD costs through 2030....” PG&E’s Application ignores this directive and limits its request for Commission approval of “forecasts and their underlying financial assumptions and calculations” from November 3, 2024, through December 31, 2025, leaving 2026–2030 in a fog of unaccountability despite the emphasis of the CPUC requirement.

The authors of SB 846 were wise to include off-ramps in the legislation, and the case before the CPUC provides just such an off-ramp. The Diablo deal simply doesn’t pencil out, and it’s time to pull the plug before more hard-earned dollars of struggling statewide ratepayers disappear into PG&E’s bottomless pockets.

Read [“Earthquake risks and rising costs”](#) from the Aug. 25 L.A. Times.

Watch CPUC intervenor Mothers for Peace video presentation [Diablo Canyon Nuclear Plant, 13 Faults, Cracked Pressure Vessel: What Could Go Wrong?](#)

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<sup>1</sup> “On Wednesday [Aug. 14], a record 8,320 megawatts of battery power was on the grid at 7:35 p.m., the equivalent of 16 natural-gas-fired power plants running full power, or four nuclear power plants the size of Diablo Canyon running at peak capacity.” *East Bay Times*, 8/18/24.