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FILE - One of Pacific Gas & Electric's Diablo Canyon Power Plant's nuclear reactors in Avila Beach, Calif., is viewed Nov. 3, 2008. California legislators and Gov. California Gov. Gavin Newsom and a group of legislators reached a late-hour compromise bill released late Sunday, Aug. 28, 2022, to extend the lifespan of the state's last operating nuclear plant by up to five years, but the proposal faces an uncertain future even if it manages to clear the Legislature in the final days of a two-year session. (AP Photo/Michael A. Mariant, File) [Read More](#)

BY MICHAEL R. BLOOD

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LOS ANGELES (AP) — The utility that oversees California's last operating nuclear power plant said Thursday it was taking steps to seek federal approval for an extended lifespan, just hours after the Legislature opened a pathway to keep it running through 2030.

The lopsided vote in the state Assembly and Senate represented a victory for Gov. Gavin Newsom, who pushed to keep the Diablo Canyon Power Plant running beyond its scheduled 2025 closure to ward off potential blackouts as the state transitions to solar and other renewables. Coincidentally, a heat wave that

pushed temperatures around the state into triple digits this week and resulted in warnings to conserve power almost certainly helped the governor make his case.

Still, many regulatory hurdles and unanswered questions remain, and it's not guaranteed it will continue operating beyond 2025. Here's a look at what's ahead for Diablo Canyon, which sits on a bluff above the Pacific midway between Los Angeles and San Francisco:

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WHERE'S THE MONEY?

Part of the strategy is tied to operator Pacific Gas & Electric qualifying for a share of \$6 billion the Biden administration set aside to rescue nuclear plants at risk of closing. To apply by a Tuesday deadline and qualify, the utility needed to show it had a path to keep Diablo Canyon operating. The Legislature's vote — which included a \$1.4 billion forgivable loan -- was intended to provide that evidence.

Still, there are questions about whether the plant will make the cut. The Energy Department tweaked application rules at the request of the Newsom administration that are favorable for an application from Diablo Canyon, but some environmentalists question if those changes run afoul of the federal law that provided the funding. The state could back out if the reactors don't qualify for federal dollars.

The state expects to know by January.

LEGAL OR NOT?

In an August filing with the California Energy Commission, Friends of the Earth, the Natural Resources Defense Council and Environment California argued that the 2016 agreement to close the plant by 2025 — which was negotiated and signed by PG&E, environmentalists and plant worker unions and later endorsed by California utility regulators, the Legislature and then-Democratic Gov. Jerry Brown — is a “legally binding contract.” Deviating from it, they said, “would violate the contracts clause of the U.S. Constitution,” which says no state shall pass any “law impairing the obligation of contracts.”

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At issue is whether any of the groups might challenge the Legislature's action in court, arguing that it was unlawful and the earlier agreement should be honored. The closing agreement required PG&E to “cease any efforts” to renew the licenses.

“We are looking at ways to ensure that the (joint agreement) is fully executed,” said Erich Pica, president of Friends of the Earth.

A BRIGHT SPOT FOR A LONG-STRUGGLING INDUSTRY

The U.S. nuclear industry has been through a tough stretch, with reactors retiring and its share of energy production slipping since 2012. But many leaders see a renaissance on the horizon, as climate change has brought attention to carbon-free power from reactors. After the Legislature’s vote, Craig Piercy, CEO of the American Nuclear Society, said in a statement that “California’s decision to keep Diablo Canyon running is just the latest indication of nuclear energy’s growing resurgence in the U.S.” The Nuclear Energy Institute said the California vote “mirrors actions we have seen around the country and around the world as governments recognize the critical role nuclear plays in decarbonizing the electric sector.”

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WHAT’S THE BOTTOM LINE?

Following the 2016 agreement to shutter the plant by 2025, PG&E has put off maintenance it might otherwise have conducted. Estimates for that deferred maintenance vary widely, though some have pegged the cost of seismic upgrades and other improvements at over \$1 billion. The legislation says the state could consider backing out of the extension if capital costs climb over \$1.4 billion.

IT’S NOT SO EASY TO RENEW THIS LICENSE

A critical piece in extending the plant’s operation is out of Newsom’s control: PG&E needs the endorsement of the Nuclear Regulatory Commission, which oversees plant safety. Utility spokeswoman Suzanne Hosn said Thursday that PG&E will start the necessary steps to seek relicensing. It’s expected that review will revisit long-standing seismic issues at the site.

Construction at Diablo Canyon began in the 1960s. Critics say potential shaking from nearby earthquake faults not recognized when the design was first approved — one nearby fault was not discovered until 2008 — could damage equipment and release radiation. PG&E has long said the plant is safe, an assessment that the NRC has supported.

Timing will be an issue. Relicensing a nuclear plant is complex and can take years to complete, but a timeline circulated by the Newsom administration said it didn't expect PG&E to submit its application until next spring. The current license for Diablo Canyon's Unit 1 reactor expires in November 2024, which would give the Nuclear Regulatory Commission little time to make a decision. The Unit 2 license expires in August 2025.

The NRC warns on its website that "if a sufficient application is not submitted at least five years before the current license expires, the plant may have to stop operating if the license expires before a renewal decision is made." But Democratic U.S. Sen. Dianne Feinstein, in a letter supporting continued operations, said her staff confirmed that the NRC is "prepared to conduct this review in the necessary timeframe."

PG&E officials have said they are eager for certainty about the plant's future because of the difficulty of reversing course on a plant that was headed for permanent retirement, but now needs to prepare it for a potentially longer lifespan. Among the challenges: Ordering sufficient nuclear fuel and casks to store spent fuel, which can take up to two years to obtain.

The proposal would also face reviews from a string of state agencies, which under Newsom's plan would have to be expedited.

Associated Press writer Jennifer McDermott in Providence, Rhode Island contributed to this story.

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