

STATE OF CALIFORNIA

Public Utilities Commission  
San Francisco

**M e m o r a n d u m**

**Date:** June 8, 2015

**To:** The Commission  
(Meeting of June 11, 2015)

**From:** Lynn Sadler, Director  
Office of Governmental Affairs (OGA) – Sacramento

**Subject:** **SB 657 (Monning) – Diablo Canyon Units 1 and 2: enhanced seismic studies and review: independent peer review panel.**  
**As amended: April 21, 2015**

**RECOMMENDED POSITION:** SUPPORT

**SUMMARY OF BILL**

This bill would extend the Independent Peer Review Panel (IPRP) to continue its review of the seismic studies and surveys in the vicinity of Diablo Canyon Power Plant (DCPP) for an additional 10 years until January 1, 2025.

- The IPRP would include participation by the CA Geological Survey, CA Seismic Safety Commission, CA Energy Commission, CPUC, Office of Emergency Services, CA Coastal Commission, and the County of San Luis Obispo.

**CURRENT LAW**

This bill adds Sections 712 to the P.U. Code. Currently, the CPUC contracts with the IPRP member agencies expire November 30, 2015.

**AUTHOR'S PURPOSE**

The author's purpose is to codify the existence of an IPRP through January 1, 2025 when the operating licenses for DCPP expire, which would allow for continued funding for the IPRP at its current rate.

**EXPLANATION OF BILL'S IMPACT ON CPUC PROGRAMS, PRACTICE & POLICY**

The IPRP was created by the CPUC in 2010 in response to recommendation in the CA Energy Commission's AB 1632 Report issued in 2008. Since its inception in August 2010, the IPRP has been reviewing Pacific Gas and Electric Company's (PG&E) enhanced 2-D and 3-D seismic surveys in the vicinity of Diablo Canyon. The IPRP has

held several public meetings and issued 9 reports with comments to PG&E on its seismic imaging project. The IPRP review is on-going, and PG&E continues to refine and update its Seismic Imaging Project Report, which was issued September 2014 to the IPRP and the Nuclear Regulatory Commission.

Continuation of the IPRP would ensure there is no break in the review and analysis of PG&E's seismic hazards and risk assessments for Diablo Canyon. This bill would enable continuation of an independent peer review of the seismic studies and analyses to ensure public safety and plant reliability, which are necessary throughout the current operating license lifetime of DCPD.

### **SAFETY IMPACT**

The IPRP process has provided PG&E with valuable insight and guidance on the Seismic Imaging Project. PG&E uses the IPRP comments and recommendations as guidance for future seismic studies as part of the DCPD Long Term Seismic Program (LTSP) to reduce the uncertainty in the seismic hazard at DCPD that would be beneficial to the safety of the people in the vicinity of the plant and other California residents.

### **RELIABILITY IMPACT**

This bill would extend the IPRP to continue to review PG&E's seismic studies and hazards and risk analyses, to ensure DCPD can continue to operate safely and reliably throughout the plant's current operating license lifetime.

### **RATEPAYER IMPACT**

Extension of the IPRP contracts, which would be 100% reimbursable by PG&E, would be recovered by PG&E in rates. The IPRP's current budget is less than \$200,000 per year and has a negligible impact on PG&E's rates.

### **FISCAL IMPACT**

CPUC Decisions D.10-08-003 and D.12-09-008 authorized \$960,000 for the IPRP when it was created by the CPUC in 2010 until November 30, 2015. An additional 10-year extension would likely cost about \$1.92 million based on the current spending rate of slightly under \$200,000 per year.

### **ECONOMIC IMPACT**

There is no known economic impact of this bill.

### **LEGAL IMPACT**

There is no known legal impact of this bill.

## LEGISLATIVE HISTORY

This bill was first introduced by Senator Monning on February 27, 2015. There was a revision on April 21, 2015.

## BACKGROUND INFORMATION ON IMPACTED PROGRAMS, PRACTICE OR POLICY

There is no known impact on programs, practice, or policy other than extending the term of the IPRP.

## OTHER STATES' INFORMATION

Unknown.

## SUMMARY OF SUPPORTING ARGUMENTS FOR RECOMMENDATION

This bill should be **supported** for the following reason(s):

- (1) The IPRP provides comments and recommendations on studies to further refine the potential seismic hazards at DCPD as well as providing an independent review on PG&E's seismic study plans and analysis. In order to ensure there is continuation in the review process by the IPRP, SB 657 would extend the IPRP for an additional 10 years to coincide with the expiration of the current DCPD operating licenses.
- (2) Because the NRC only reviews but does not approve PG&E's seismic analyses, it is important that there be an independent review by highly specialized experts we have on the IPRP to review and comment on PG&E's seismic studies.
- (3) The public's interest is best served by having an independent peer panel composed of highly specialized personnel from several state agencies to review and comment on PG&E's seismic studies

## SUMMARY OF SUGGESTED AMENDMENTS

The work of the IPRP should be extended to August 26, 2025 to coincide with the expiration of Unit 2's license.

## SUPPORT/OPPOSITION

SB 657 is supported by the Alliance for Nuclear Responsibility (A4NR). SB 657 is also supported by the California Coastal Commission (CCC) by a unanimous vote of the CCC on May 15, 2015.

## VOTES

None yet.

## STAFF CONTACTS

Lynn Sadler, Director  
Nick Zanjani, Senior Legislative Liaison  
Michael Minkus, Legislative Liaison

[lynn.sadler@cpuc.ca.gov](mailto:lynn.sadler@cpuc.ca.gov)  
[nick.zanjani@cpuc.ca.gov](mailto:nick.zanjani@cpuc.ca.gov)  
[michael.minkus@cpuc.ca.gov](mailto:michael.minkus@cpuc.ca.gov)

## **BILL LANGUAGE**

### **SECTION 1.**

*Section 712 is added to the Public Utilities Code, to read:*

#### **712.**

*(a) The commission shall convene, or continue, until January 1, 2025, an independent peer review panel to conduct an independent review of enhanced seismic studies and surveys of the Diablo Canyon Units 1 and 2 powerplant, including the surrounding areas of the facility and areas of nuclear waste storage.*

*(b) The independent peer review panel shall contract with the Energy Commission, the California Geological Survey of the Department of Conservation, the California Coastal Commission, the Alfred E. Alquist Seismic Safety Commission, the Office of Emergency Services, and the County of San Luis Obispo to participate on the panel and provide expertise.*

*(c) The independent peer review panel shall review the seismic studies and hold public meetings.*

*(d) The commission shall make reports by the independent peer review panel publicly available on the Internet Web site maintained by the commission.*

#### **SEC. 2.**

*This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:*

*The Public Utilities Commission in Decision 10-08-003 (August 12, 2010) convened an independent peer review panel to review the seismic studies conducted on behalf of Pacific Gas and Electric Company relative to the Diablo Canyon Units 1 and 2 powerplant. The independent peer review panel, in addition to providing valuable expertise to the commission in evaluating the seismic studies, also operates to assure the public that the seismic studies are being performed in an appropriate manner. Because the commission's current contracts for the independent peer review panel are set to expire on November 30, 2015, the Diablo Canyon Units 1 and 2 powerplant is authorized to operate until January 1, 2025, by the federal Nuclear Regulatory Commission, and there continues to be enhanced seismic studies and surveys conducted that warrant review by the independent peer review panel to ensure the safety of the public, it is necessary that this act take effect immediately.*