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PG&E, LABOR AND ENVIRONMENTAL GROUPS FILE DIABLO CANYON JOINT PROPOSAL WITH THE CPUC

SAN FRANCISCO, Calif.—Pacific Gas and Electric Company (PG&E), along with labor and leading environmental groups, today filed with the California Public Utilities Commission (CPUC) a joint proposal to increase investment in energy efficiency, renewables and storage beyond current state mandates while phasing out PG&E’s production of nuclear power in California by 2025.

The parties to the joint proposal are:

- PG&E
- International Brotherhood of Electrical Workers Local 1245
- Coalition of California Utility Employees
- Friends of the Earth
- Natural Resources Defense Council
- Environment California
- Alliance for Nuclear Responsibility

“The members of this diverse coalition believe this joint proposal represents the most appropriate and responsible path forward. It supports the state’s energy vision and ensures the orderly replacement of nuclear power with other GHG-free resources while supporting employees and the community,” said PG&E Electric President Geisha Williams.

PG&E and the other parties announced the joint proposal on June 21, 2016. Since that time, and in line with the company’s commitment to ensuring an open and transparent process, PG&E has hosted a workshop for groups who formally engage in the CPUC intervenor process, as well as four public information meetings in which PG&E provided an opportunity for the public to ask questions and to comment on the joint proposal.

Additional discussions with several select parties, including Community Choice Aggregation providers, the County of San Luis Obispo and the San Luis Coastal Unified School District have also occurred, and will continue with the goal of reaching potential solutions.

Key Elements of the Joint Proposal

Under the terms of this joint proposal, PG&E will retire Diablo Canyon at the expiration of its current Nuclear Regulatory Commission (NRC) operating licenses. The parties will jointly propose and support the orderly replacement of Diablo Canyon with GHG-free resources.

Recognizing that the procurement, construction and implementation of a greenhouse gas free portfolio of energy efficiency, renewables and storage will take years, the parties recognize that PG&E intends to operate Diablo Canyon to the end of its current NRC operating licenses, which expire on November 2, 2024 (Unit 1), and August 26, 2025 (Unit 2).

This eight- to nine-year transition period will provide the time to begin the process to plan and replace Diablo Canyon's energy with new GHG-free replacement resources.

As part of the joint proposal, PG&E immediately ceased any efforts on its part to renew the Diablo Canyon operating licenses, and asked the NRC to suspend consideration of the pending Diablo Canyon license renewal application. PG&E will withdraw the application upon CPUC approval of the joint proposal.

PG&E does not believe long-term customer rates will increase as a result of the proposal. That is because the company believes it is likely that implementing the proposal will have a lower overall cost than relicensing DCPD and operating it through 2044. Factors affecting this include, in addition to lower demand, declining costs for renewable power and the potential for higher renewable integration costs if DCPD is relicensed.

Commitment to Employees and the Community

The parties to the agreement are jointly committed to supporting a successful transition for DCPD employees and the community.

PG&E's DCPD Retention Program will provide, among other things, incentives to retain employees during the remaining operating years of the plant, a retraining and development program to facilitate redeployment of a portion of plant personnel to the decommissioning project or other positions within the company, and severance payments upon the completion of employment. PG&E has reached agreement on these benefits with IBEW Local 1245 and its other labor unions to ensure appropriate benefits for represented employees.

In addition, the joint proposal includes proposed payments by PG&E to San Luis Obispo County totaling nearly \$50 million. The payments are designed to offset declining property taxes through 2025 in support of a transition plan for the county.

Agreement Contingencies

The joint proposal is contingent on the following important regulatory actions:

- Approval by the CPUC of the proposed plan for replacement of Diablo Canyon with greenhouse gas free resources. Any resource procurement PG&E makes will be subject to a non-bypassable cost allocation mechanism that ensures all users of PG&E's grid pay a fair share of the costs.
- CPUC confirmation that PG&E's investment in DCPD will be recovered by the time the plant closes in 2025.

- CPUC approval of cost recovery for appropriate employee and community transition benefits.

Additional Information

The filing with the CPUC can be found here [<link>](#).

The joint proposal can be read in its entirety [here](#).

Information prepared by M.J. Bradley & Associates on the joint proposal, can be accessed [here](#).

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About PG&E

Pacific Gas and Electric Company, a subsidiary of [PG&E Corporation](#) (NYSE:PCG), is one of the largest combined natural gas and electric utilities in the United States. Based in San Francisco, with more than 20,000 employees, the company delivers some of the nation's cleanest energy to nearly 16 million people in Northern and Central California. For more information, visit www.pge.com/ and www.pge.com/en/about/newsroom/index.page.

