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PG&E Calls State Lands Commission Vote 'Critical First Step' for Historic Clean Energy Plan

SAN FRANCISCO, Calif. — Pacific Gas and Electric Company said today's vote by the State Lands Commission to approve a lease extension necessary to run the Diablo Canyon Power Plant (DCPP) to 2025 was a critical first step toward realizing the historic clean energy plan jointly proposed by PG&E, labor and leading environmental organizations.

Consideration of the joint proposal moves next to the California Public Utilities Commission. PG&E will file the proposal with the CPUC in July and convene a conference of interested parties who will be able to comment on and join in the settlement.

"We thank the commissioners for their leadership and their support, without which this historic proposal could not move forward. While there is much more work to do, today's vote was a critical first step," said PG&E Electric President Geisha Williams, who spoke on behalf of the company at the commission today.

Joint Proposal

Reflecting California's changing energy landscape, PG&E last week announced a joint proposal with labor and leading environmental organizations that would 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 joint proposal would replace power produced by two nuclear reactors at the Diablo Canyon Power Plant (DCPP) with a cost-effective, greenhouse gas free portfolio of energy efficiency, renewables and energy storage. It includes a PG&E commitment to a 55 percent renewable energy target in 2031, an unprecedented voluntary commitment by a major U.S. energy company.

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 and Alliance for Nuclear Responsibility.

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.

PG&E does not believe customer rates will increase as a result of the joint proposal because it believes it is likely that implementing the proposal will have a lower overall cost than relicensing DCPP 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 DCPP is relicensed.

Commitment to Employees and the Community

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

PG&E's DCPP 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 will immediately engage in bargaining with its other labor unions to ensure appropriate benefits for represented employees.

In addition, the joint proposal includes payments by PG&E to San Luis Obispo County totaling nearly \$50 million. The proposed 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 a number of important regulatory actions, including:

- Today's approval of the lease extensions from the State Lands Commission.
- 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 DCPP 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

PG&E's press release announcing the Joint Proposal can be read in its entirety [here](#).

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

Additional information prepared by M.J. Bradley & Associates, a strategic environmental consulting firm, can be accessed [here](#).

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.

