



MEMORANDUM

TO: City Council

FROM: Whitney McDonald, City Manager

BY: Sarah Lansburgh, Deputy City Clerk

SUBJECT: Consideration of Authorization to Sign a Letter by REACH and the Diablo Canyon Power Plant (DCPP) MOU Stakeholder Group in Support of Reuse Opportunities at the Diablo Canyon Power Plant Site

DATE: May 10, 2022

SUMMARY OF ACTION:

Authorizing the Mayor to sign the letter on behalf of the City as drafted by REACH and the Diablo Canyon Power Plant (DCPP) MOU stakeholder group regarding reuse opportunities at the DCPP site will support the ongoing efforts of the stakeholder group to promote responsible and economically beneficial reuse of the DCPP.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

No financial impact is projected related to the signing of the proposed letter.

RECOMMENDATION:

Authorize the Mayor to sign the letter from REACH and the DCPP MOU stakeholder group, on behalf of the City, in support of reuse opportunities at the DCPP site.

BACKGROUND:

The Diablo Canyon Decommissioning Engagement Panel (DCDEP) formed in May 2018 to facilitate local public input on the closure of DCPP. The DCDEP provided a forum for public input regarding reuse of facilities and lands related to the operations of the DCPP. The power plant itself is located on a portion of the property that is commonly referred to as Parcel P.

In March 2021, a Memorandum of Understanding (MOU) was approved with various public and private stakeholders committing to furthering the work of the DCDEP to provide a more focused and detailed reuse plan for Parcel P (Attachment 2). The MOU states that the “participants share the common objective of aligning and guiding the diverse range of public and private sector officials around a shared vision for the DCPP decommissioning process and future use of Parcel P, thereby championing social,

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cultural, environmental and economic interests of Central Coast residents.” REACH serves as the MOU stakeholder group coordinator and facilitator.

In 2021, REACH engaged consultants to conduct a series of 40 stakeholder interviews, host a workshop to facilitate consensus on potential reuse opportunities for Parcel P, and develop a potential reuse “bubble map.” As a result of this process, the consultants recommended that the scenario with the likelihood of success in achieving broader objectives was to support Cal Poly as the lead entity to acquire Parcel P and promote the productive reuse of the site, aligned with the broader vision of the reuse opportunities.

ANALYSIS OF ISSUES:

REACH met monthly from January – April 2022 to further discuss and formalize consensus for Cal Poly taking on the role of lead entity for reuse of Parcel P. The result of this consensus is the letter titled, “Our vision for a world-class clean tech innovation park: Cal Poly should lead Diablo Canyon’s next chapter” provided as Attachment 1. The letter explains the vision to have the DCPP site “accelerate global clean-energy innovation — all while creating jobs and economic benefit for Central Coast residents and retaining the vast surrounding lands for conservation and tribal stewardship.” Other MOU partners have signed the letter and have invited other entities to join. The goal of the letter is to gain community support and publicity for the vision of reuse opportunities at the DCPP site, if and when closure of DCPP occurs in the future.

During the week of April 25, 2022, the Governor’s office confirmed that they are exploring options for keeping the DCPP open. Ultimately, the decision involves other regulatory bodies in addition to PG&E and is not entirely within the hands of the Governor. On May 3, 2022, the San Luis Obispo County Board of Supervisors unanimously approved the letter provided as Attachment 1, which removes the phrase “soon-retiring” from the first sentence in light of the Governor’s recent comments. Any renewed conversations regarding the potential for the plant to remain open do not diminish the need to prepare for a future without the plant nor preclude the ability to support the stakeholder group’s planning efforts. The concept described in the letter is a plan for what will happen if and when the DCPP closes and represents broad consensus achieved through a year-long process of extensive community stakeholder engagement and consulting expertise.

ALTERNATIVES:

The following alternatives are provided for the Council’s consideration:

1. Authorize the Mayor to sign the letter on behalf of the City;
2. Do not authorize the Mayor to sign the letter on behalf of the City; or
3. Provide other direction to staff.

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ADVANTAGES:

Authorizing the execution of the letter provided in Attachment 1 will support the ongoing efforts of the stakeholder group to identify and pursue responsible and economically beneficial reuse of Parcel P.

DISADVANTAGES:

There are no disadvantages identified to the proposed action.

ENVIRONMENTAL REVIEW:

No environmental review is required for this item.

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.

Attachments:

1. Proposed Letter
2. Memorandum of Understanding, March 2021