



**FILED**

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# APPENDIX A

## Settlement Agreement



**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

**FILED**

12/16/22

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A2112007

Application of Pacific Gas and Electric  
Company in the 2021 Nuclear  
Decommissioning Cost Triennial Proceeding

Application No. 21-12-007

U 39 E

**JOINT MOTION FOR ADOPTION OF SETTLEMENT AGREEMENT  
AMONG PACIFIC GAS AND ELECTRIC COMPANY (U 39 E),  
THE UTILITY REFORM NETWORK, PUBLIC ADVOCATES OFFICE AT THE  
CALIFORNIA PUBLIC UTILITIES COMMISSION, ALLIANCE FOR NUCLEAR  
RESPONSIBILITY, COUNTY OF SAN LUIS OBISPO, NORTHERN CHUMASH  
TRIBAL COUNCIL, DHK ASSOCIATES AND WOMEN'S ENERGY MATTERS**

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December 16, 2022

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric  
Company in the 2021 Nuclear  
Decommissioning Cost Triennial Proceeding

U 39 E

Application No. 21-12-007

**JOINT MOTION FOR ADOPTION OF SETTLEMENT  
AGREEMENT AMONG PACIFIC GAS AND ELECTRIC  
COMPANY (U 39 E), THE UTILITY REFORM NETWORK,  
PUBLIC ADVOCATES OFFICE AT THE CALIFORNIA PUBLIC  
UTILITIES COMMISSION, ALLIANCE FOR NUCLEAR  
RESPONSIBILITY, COUNTY OF SAN LUIS OBISPO,  
NORTHERN CHUMASH TRIBAL COUNCIL, DHK ASSOCIATES,  
AND WOMEN’S ENERGY MATTERS**

In accordance with Rule 12.1 and 1.8 of the Rules of Practice and Procedure of the California Public Utilities Commission ("Commission") Pacific Gas and Electric Company ("PG&E") respectfully submits this Motion for Adoption of Settlement Agreement in this Nuclear Decommissioning Cost Triennial Proceeding ("NDCTP"). On December 15, 2022, Administrative Law Judge ("ALJ") Michelle Cooke (on behalf of ALJ Amin Nojan) granted PG&E’s request to file this Motion one day late on December 16, 2022. PG&E, The Utility Reform Network ("TURN"), the Public Advocates Office at the California Public Utilities Commission ("Cal Advocates"), Alliance for Nuclear Responsibility ("A4NR"), County of San Luis Obispo ("SLO County"), Northern Chumash Tribal Council ("NCTC"), DHK Associates ("DHK"), and Women’s Energy Matters ("WEM") (collectively, the "Settling Parties") jointly request that the Commission approve the Settlement Agreement, which is included as an Attachment to this Motion.

The Settlement Agreement reflects compromise among the Settling Parties’ litigation positions to resolve nearly all disputed issues raised in this proceeding. Except as expressly carved out in Section II of the Settlement Agreement, all proposals and recommendations by the

Settling Parties inconsistent with the terms and conditions of the Settlement Agreement are either withdrawn or considered subsumed without adoption by the Settlement Agreement.

## **I. PROCEDURAL HISTORY**

On December 14, 2021, PG&E filed the Application of Pacific Gas and Electric Company in its 2021 Nuclear Decommissioning Cost Triennial Proceeding, A.21-12-007 (“2021 NDCTP Application”). A4NR, Cal Advocates, NCTC, SLO County, TURN and WEM each filed timely protests or responses to the 2021 NDCTP Application, to which PG&E responded on January 24, 2022.

Southern California Edison Company (“SCE”) filed a motion for party status on February 15, 2022. During the telephonic prehearing conference held on February 17, 2022, Administrative Law Judge (“ALJ”) Nojan granted party status to SCE and to DHK. At the prehearing conference the parties specified issues agreed to be within the scope of proceeding, and those issues lacking consensus as to whether they were appropriately included within the scope of this proceeding.

On April 19, 2022, Commissioner Houck issued the *Assigned Commissioner’s Scoping Memo and Ruling* (“Scoping Memo”) which established the issues to be considered in the 2021 NDCTP. The Scoping Memo also requested comments on (1) whether the 2021 NDCTP should be consolidated with A.22-02-016, the Joint Application of SCE and San Diego Gas & Electric Company for the 2021 NDCTP (“SONGS NDCTP”); and (2) whether the Commission should conduct a site visit and/or public participation hearing for Humboldt Bay Power Plant (“HBPP”). PG&E, TURN, SCE, NCTC, SLO County, WEM and A4NR each filed comments on the Scoping Memo on April 29, 2022.<sup>1/</sup>

yak tityu yak tilhini Northern Chumash Cultural Preservation Kinship (“YTT Kinship”) and James Adams moved for party status on March 7, 2022, and April 22, respectively; these motions were granted by email ruling on May 20, 2022.

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1/ The Commission elected not to consolidate PG&E’s NDCTP with the SONGS NDCTP in *Assigned Commissioner’s Scoping Memo and Ruling* issued on May 24, 2022, in A.22-02-016.

The Settling Parties actively and thoroughly reviewed the 2021 NDCTP Application, PG&E's supporting testimony and site-specific decommissioning cost estimates ("DCEs"). To enhance their understanding of the issues, the Settling Parties submitted, and PG&E responded to, a substantial number of data requests. On May 31, 2022, A4NR, Cal Advocates, NCTC, TURN, SLO County, and WEM each served direct testimony. PG&E served rebuttal testimony addressing the issues raised by those parties who filed direct testimony on June 30, 2022.

On July 7, 2022, ALJ Nojan issued an *Administrative Law Judge's Ruling Noticing Date and Time of Public Participation Hearing and Authorizing PG&E to Deviate from The Notice Requirement Timelines of Rule 13.1(b)*. On August 10, 2022, ALJ Nojan canceled the public participation hearing,<sup>2/</sup> and subsequently rescheduled public participation hearings for January 26 and 31, 2023.<sup>3/</sup>

Californians For Green Nuclear Power, Inc. ("CGNP") filed a motion for party status on July 13, 2022, which motion PG&E opposed on July 20, 2022, on the grounds that the motion was untimely and that the issues CGNP raised were outside the scope of this NDCTP. On August 1, 2022, ALJ Nojan issued a *Ruling Granting Motion for Party Status but Limiting Participation To The Identified Scope*.

The Scoping Memo had also directed PG&E to meet and confer with the parties to attempt to reach settlement and to file a settlement status update by August 5, 2022, identifying resolved issues, and all remaining contested issues of law and/or facts. PG&E provided a preliminary report by email on August 5, stating that on July 7, PG&E served timely notice of telephonic settlement conferences on each party to the proceeding, and that the parties that participated - PG&E, Cal Advocates, TURN, A4NR, SLO County, NCTC, WEM, YTT Kinship, SCE and DHK - had held settlement conference calls on July 25, July 27, and August 2. PG&E stated that it would provide a final settlement status update on August 26, 2022. PG&E also

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2/ *Administrative Law Judge's Ruling Cancelling Public Participation Hearing* issued on August 10, 2022.

3/ *Administrative Law Judge's Ruling Noticing Date and Time Of Public Participation Hearings* issued on December 1, 2022.

indicated that the parties believed that evidentiary hearings on at least some issues would be necessary and requested that the Commission schedule two days of evidentiary hearings in November. The Commission initially scheduled hearings for November 14-15, 2022.<sup>4/</sup>

The parties held an additional settlement conference call on August 22, 2022, and reported in the August 26, 2022, Settlement Status Update that the Settling Parties had reached an agreement in principle covering nearly all issues in the proceeding and anticipated filing a Motion for Approval of Settlement Agreement. The Settling Parties stated that they would continue to attempt to narrow the issues to be set for evidentiary hearings. Further negotiations succeeded in narrowing the contested issues and this Settlement Agreement represents the Settling Parties' final settlement.

## **II. SUMMARY OF SETTLING PARTIES' LITIGATION POSITIONS**

The following subsections summarize the various Settling Parties' litigation positions.

### **A. PG&E's Position**

PG&E's litigation position would result in a site-specific DCE for Diablo Canyon Power Plant ("DCPP") of \$3.96 billion.<sup>5/</sup> For Humboldt Bay Power Plant Unit 3 ("HBPP"), PG&E's litigation position would result in a DCE for HBPP of \$1.1 billion with a cost to complete of \$182.5 million. PG&E requested that the Commission approve \$89 million in completed decommissioning activities as reasonable and prudently incurred.<sup>6/</sup> PG&E did not seek a revenue requirement for DCPP or HBPP.<sup>7/</sup>

### **B. A4NR's Position**

A4NR's litigation position is that PG&E's assumptions about the date the Department of Energy ("DOE") will pick up spent nuclear fuel at DCPP and HBPP are erroneous.<sup>8/</sup> A4NR also asserts that the DCE for HBPP is deficient in that it the uses an outdated assessment of tsunami

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4/ *Notice Of Virtual Evidentiary Hearing*, issued October 19, 2022.

5/ Exhibit PG&E-1, p. 1-9.

6/ *Id.*, pp. 1-12 – 1-13.

7/ *Id.*, pp. 10-1 – 10-2.

8/ Exhibit A4NR-1 pp. 16-20.

risk at the Humboldt Bay (HB) Independent Spent Fuel Storage Installation (ISFSI) in light of updated analytic methodologies and projected sea level rise.<sup>9/</sup> A4NR urges PG&E to promptly commit to a radiation cleanup standard for DCPD that achieves the lowest dose-based levels, measured by millirem per year, previously approved by the Nuclear Regulatory Commission (“NRC”) in a license termination plan.<sup>10/</sup> A4NR also challenges the efficacy of the Diablo Canyon Decommissioning Engagement Panel (“DCDEP”) and makes several recommendations for improvement.<sup>11/</sup>

### **C. Cal Advocates’ Position**

Cal Advocates does not oppose PG&E’s DCE for DCPD or its proposed hybrid decommissioning contracting strategy.<sup>12/</sup> Cal Advocates recommends that PG&E be required to submit an advice letter with a total of its pre-decommissioning spending with a breakdown of costs spent on pre-shutdown decommissioning planning activities, and that planning costs from 2018 through 2024 should continue to be subject to reasonableness review in the appropriate NDCTP.<sup>13/</sup>

Cal Advocates does not oppose PG&E’s HBPP DCE or the reasonableness of its completed decommissioning activities.

### **D. TURN’s Position**

TURN’s litigation position is that the Nuclear Decommissioning Qualified Trust fund is overfunded, that PG&E’s proposed use of these funds is inconsistent with the settlement adopted in the 2018 NDCTP, and that all funds collected in 2022 and 2023 for deposit into the Nuclear Decommissioning Non-Qualified Trust fund for DCPD should be refunded to PG&E customers.<sup>14/</sup> TURN also asserts that PG&E should remain open to considering models other than its proposed hybrid decommissioning contracting strategy, should pursue an approach that

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9/ *Id.*, pp. 20-36.

10/ Exhibit A4NR-1, pp. 15-16.

11/ Exhibit A4NR-2, pp. 3-42.

12/ Exhibit PAO-1, pp. 3-4.

13/ *Id.*

14/ Exhibit TURN-1, pp. 7-9.



minimizes potential duplication of work by utility staff and contractors, and should ensure that contractual obligations are carefully defined and do not include unreasonable limits on liability.<sup>15/</sup> TURN requests that the Commission compare security staffing levels and costs at DCPD and SONGS and that the Commission direct that a third party conduct a comparison between the DCEs for Diablo Canyon, SONGS and other comparable nuclear facilities.<sup>16/</sup>

TURN recommends that PG&E's burial escalation rates for low level radioactive waste be reduced to 2.17% for DCPD and 3% for HBPP.<sup>17/</sup> TURN also makes certain recommendations with respect to PG&E's land disposition cost recovery and treatment of gain on sale.<sup>18/</sup> TURN identifies a discrepancy between the Environmental Impact analysis presented as part of PG&E's application to SLO County seeking a land use permit for the decommissioning project, and the assumptions included in the DCE.<sup>19/</sup> TURN also raised concerns about the Commission's failure, despite the adoption of a specific commitment in D.21-09-003, to engage other state agencies on the rules governing the disposal of uncontaminated materials at in-state Class III landfills.<sup>20/</sup> TURN asserts that PG&E should be limited to recovery of 50 percent of the annual membership fees for the Nuclear Energy Institute ("NEI") and the Decommissioning Plants Coalition ("DPC").<sup>21/</sup> Finally, TURN asserts that PG&E did not provide information regarding ongoing recovery of incremental spent nuclear fuel costs from the federal government as required by the 2018 NDCTP settlement.<sup>22/</sup>

#### **E. SLO County's Position**

SLO County supports PG&E's proposed DCPD DCE.<sup>23/</sup> SLO's litigation position addresses necessary emergency planning and response activities at DCPD;<sup>24/</sup> repurposing of

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15/ *Id.*, pp. 9-12.

16/ Exhibit TURN-1, pp. 13-15.

17/ *Id.*, pp. 15-18.

18/ *Id.*, pp. 19-21.

19/ *Id.*, pp. 24-25.

20/ *Id.*, pp. 23-24.

21/ *Id.*, pp. 26-28.

22/ *Id.*, pp. 28-30.

23/ Exhibit SLO-1, pp. 1-2.

24/ *Id.*, pp. 2-4.

existing Diablo Canyon facilities for the region’s benefit;<sup>25/</sup> and disposition and future use of DCPD lands.<sup>26/</sup> SLO County also responds to A4NR’s proposal regarding the DCDEP.<sup>27/</sup>

**F. WEM’s Position**

WEM addresses PG&E’s proposed hybrid contracting strategy for DCPD and provides additional information regarding sites that have opted for License Stewardship and License Transfer Asset Sale contracting strategies.<sup>28/</sup> WEM provides benchmarking information regarding state-mandated and licensee-sponsored community advisory boards.<sup>29/</sup> In its Protest dated January 13, 2022, WEM questioned PG&E’s inclusion of SNF costs in its Decommissioning Cost Estimates despite its finding that a majority of utilities in the United States assume DOE reimbursement when developing SNF management costs for their DCEs.<sup>30/</sup> WEM also addressed the need for ongoing site characterization at DCPD prior to permanent shutdown.<sup>31/</sup> WEM discussed future uses for the 230kV switchyard and lines.<sup>32/</sup>

**G. NCTC’s Position**

NCTC’s litigation position is that PG&E’s land disposition strategy – for which PG&E requests Commission approval in its application - does not allow for the proper future application of the Commission’s Tribal Land Transfer Policy (“TLTP”) and should be considered in this proceeding.<sup>33/</sup> NCTC proposes that PG&E provide an equitable opportunity for Tribes to acquire DCPD lands proposed for disposition, and a clear and transparent process for land acquisition that provides ample notice to Tribes and meaningful consultation opportunities.<sup>34/</sup>

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25/ *Id.*, pp. 4-6.

26/ *Id.*, pp. 6-7.

27/ Exhibit SLO-2, pp 2-3.

28/ Exhibit WEM-1, pp. 2-8.

29/ *Id.*, pp.8-15.

30/ WEM Protest, , p. 2.

31/ *Id.*, pp.15-17.

32/ *Id.*, p.17.

33/ Exhibit NCTC-1, pp. 4-6.

34/ *Id.*, pp 6-8.

### **III. SUMMARY OF THE SETTLEMENT TERMS AND CONDITIONS**

#### **A. Matters Not Encompassed Within the Settlement Agreement**

The Settling Parties agreed that two issues are not contained within the Settlement Agreement: (1) Whether PG&E's deferring of the identification of the applicable radiological release criteria for DCPD Part 50 NR C licenses will likely result in an increase in future costs; and (2) Whether amounts currently contained in the Nuclear Facilities Non-Qualified CPUC Decommissioning Master Trust fund for DCPD should be refunded to customers. Evidentiary hearings were held November 15, 2022, on the issue related to site criteria; TURN and PG&E agreed that the issue regarding Non-Qualified Trust refunds could be addressed in briefing without the need for cross-examination.

#### **B. Summary of Settlement Terms and Conditions**

##### **1. Interim Order on 2023 Revenue Requirement**

The Settling Parties request an interim order from the Commission approving PG&E's proposal not to request a revenue requirement for DCPD and HBPP nuclear decommissioning trust funding during the 2021 NDCTP rate period of 2023 through 2026. An interim order will permit PG&E to make a downward adjustment to the nuclear decommissioning charge retroactive to January 1, 2023, rather than continuing the currently authorized nuclear decommissioning revenue requirement subject to refund upon Commission issuance of a final decision in this proceeding. Upon the issuance of an order approving this proposal, PG&E shall cease collection of the revenue requirement in rates and refund any collections occurring since January 1, 2023 to ratepayers.

##### **2. Nuclear Facilities Non-Qualified CPUC Decommissioning Master Trust**

PG&E withdraws its proposal to finance DCPD spent fuel management contract costs from the Non-Qualified Trust fund.

### **3. DOE Spent Nuclear Fuel Assumptions**

With respect to both DCPD and HBPP, proposals addressing the assumed date DOE will commence picking up spent nuclear fuel, and the rate treatment of DOE spent nuclear fuel litigation/settlement proceeds are deferred to PG&E's 2024 NDCTP.

### **4. Escalation Rate for Low Level Radioactive Waste Burial Costs and Disposal Assumption**

For purposes of the 2021 NDCTP, the HBPP and DCPD DCEs are assumed to reflect a 3% escalation rate for low level radioactive waste burial costs. The DCPD DCE reflects an assumption that the DCPD decommissioning waste will be disposed of outside of California.

### **5. DCPD DCE Security Staffing Costs**

PG&E agrees to pursue additional discussions with SCE with the goal of explaining the difference in the security staffing costs assumed in the SONGS DCE versus the DCPD DCE and to present this information in PG&E's 2024 NDCTP.

### **6. Use of Independent Consultant to Compare Decommissioning Cost Estimates**

The Settling Parties urge the Commission to directly engage a third-party consultant to compare DCEs of SONGS, DCPD and all nuclear plants in the United States currently undergoing decommissioning and specify certain criteria to be included in the comparison. In the event the Commission limits the nuclear plants included in the cost comparison study, the Settling Parties request the Commission provide (or direct the consultant to provide) the rationale for selecting the nuclear plants for cost comparisons.

The Settlement Agreement provides that the evaluation should be completed by February 1, 2024, so that the results can be considered in development of PG&E's 2024 NDCTP.

### **7. Humboldt Bay Independent Spent Fuel Storage Installation Updated Tsunami Hazard Assessment**

PG&E will perform an updated tsunami hazard assessment for the HB ISFSI incorporating the most current information about sea level rise and tsunamigenic earthquakes benchmarked against the similar analysis performed for the SONGS ISFSI. PG&E will submit the updated tsunami hazard assessment along with PG&E's 2024 NDCTP application.

## **8. Ratemaking Treatment for Disposition of PG&E Assets and Lands**

In its 2024 NDCTP application PG&E will propose a ratemaking mechanism for the full value of any sale of DCPD depreciable assets to be refunded directly to customers as a credit against generation rates. The Settlement Agreement does not foreclose the ability or rights of any party to fully participate in new or existing proceedings addressing disposition of the DCPD lands owned by PG&E or its affiliate Eureka Energy.

## **9. DCPD Lands Disposition Strategy**

PG&E will reach out to each entity listed on California's Native American Heritage Commission contact list for the DCPD lands and hold at least one meeting addressing DCPD decommissioning potential repurposing and properties expected to be available for acquisition. These meetings do not constitute the formal right of first offer notification called for in the Commission's TLTP guidelines and will occur upon the request of an interested tribe or on PG&E's initiation after the Commission issues a final, non-appealable decision in PG&E's 2021 NDCTP. PG&E will identify a tribal liaison by November 1, 2022<sup>35/</sup> to be PG&E's primary point of contact for the California Native American tribes in the context of PG&E's DCPD land disposition strategy.

The Settlement Agreement recognizes that other Commission proceedings may result in additional or different procedures or provisions relating to the disposition of the DCPD lands and that the Settlement Agreement does not foreclose the ability or rights of any party to fully participate in those proceedings.

## **10. Repurposing of 230 kV Transmission Line**

The Settlement Agreement supports re-use of the 230 kV transmission for offshore wind power, energy storage, subsea transmission projects that deliver renewable energy, or renewable energy technologies. Such repurposing will not be included in the DCPD decommissioning project scope, but work may occur in parallel with decommissioning activities.

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35/ PG&E has identified a tribal liaison, consistent with California Public Resources Code section 25548(g).

## **11. Decommissioning Contract Strategy**

The Settlement Agreement provides that in any solicitation for the decontamination and dismantlement (“D & D”) contract, PG&E shall expressly allow bidders to submit conforming offers that incorporate alternative approaches to the hybrid model proposed in PG&E’s 2021 NDCTP. In the NDCTP following execution of the D & D contract, PG&E shall explain how the D & D contract results in optimized overall staffing over time and identify all relevant dispute resolution and liability cap provisions and explain the rationale for agreeing to each provision.

## **12. Industry Association Membership Fees**

The Settlement Agreement reflects PG&E’s agreement to include only 50% of NEI and DPC membership costs in the DCPD and HBPP DCEs.

## **13. Future of DCDEP**

The Settlement Agreement provides that the Commission’s Executive Director or their delegate may participate on the DCDEP recruitment and selection committee.

PG&E agrees to establish a formal process for tracking and responding to decommissioning-related questions raised by DCDEP panel members and members of the public. This process will include a publicly available question log, and the responses will be posted on the DCDEP webpage. Unless questions will require additional time to respond, PG&E will provide responses to questions within 30 days, or at the next DCDEP meeting, whichever occurs first.

The Settlement Agreement provides that, if an alternative entity to the DCDEP is not adopted following the 2021 NDCTP, PG&E will propose an amendment to Sections V.A.v and V.A.vi of the DCDEP Charter for consideration and agreement by the DCDEP as follows:

- The Panel will consist of a minimum of 8 and a maximum of 11 community members, a senior representative of PG&E's decommissioning team, and up to 5 Ex-Officio members. Vacancies will be filled consistent with Section V.A.xiii.
- Ex-Officio member(s) may be selected by the Panel and PG&E to represent local interests. At least two Ex-Officio spots will be reserved for representatives from

the tribal organizations listed on California's Native American Heritage Commission contact list affiliated with the DCPD lands.

- Proposals for additional revisions to the DCDEP, including A4NR's proposal to eliminate the DCDEP and replace it with the Diablo Canyon Community Advisory Board, will be deferred for consideration until PG&E's 2024 NDCTP. DCDEP costs incurred through September 2024 will be reviewed for reasonableness in PG&E's 2024 NDCTP.

#### **14. DCPD Decommissioning Planning Costs Advice Letter and Review**

The Settlement Agreement provides that PG&E will submit to the Commission annual advice letters for disbursement of funds from the DCPD Nuclear Decommissioning Trusts. Consistent with the Milestone Framework, Milestones 1-3 will be subject to reasonableness review in the first NDCTP after shutdown, and costs incurred pre-shutdown for other Milestones will be reviewed in future NDCTPs in accordance with the Milestone Framework.

#### **15. Permitting/DCPD Project Description**

In the first NDCTP after the final permits are issued for the decommissioning project, the DCPD DCE will include the cost of SLO County staff required to oversee implementation of mitigation measures and compliance with permit conditions. In the first NDCTP after the final permits containing mitigation measures are issued for the decommissioning project, the DCPD DCE will include the cost of mitigation measures. In the first NDCTP after the County issues the final Environmental Impact Report, the DCE will reflect the project description included in the final Environmental Impact Report.

#### **16. Site Characterization**

By November 1, 2023, PG&E will perform soil and sediment sampling and characterization of Diablo Creek within the Part 50 NRC license boundary.

#### **17. HBPP DCE and Reasonableness of Decommissioning Expenditures**

There were no disputed issues related to the HBPP DCE or the reasonableness of completed HBPP decommissioning activities. The Settling Parties do not oppose PG&E's estimate to complete the remaining work at the HBPP site as of January 1, 2021, of \$153.3 million (2021\$) (total cost to decommission HBPP \$1.1 billion (nominal/2021\$)). The Settling

Parties also do not oppose PG&E’s request that the Commission find that the \$89 million in costs incurred for completed decommissioning activities at HBPP were reasonable and prudently incurred.

The Commission should adopt PG&E’s estimate to complete the remaining work at the HBPP site as of January 1, 2021 of \$153.3 million (2021\$) (total cost to decommission HBPP \$1.1 billion (nominal/2021\$)). The Commission should also find that the \$89 million in costs incurred for completed decommissioning activities at HBPP were reasonable and prudently incurred.

#### **IV. THE COMMISSION SHOULD ADOPT THE SETTLEMENT AGREEMENT**

##### **A. Legal Standard for Settlements**

Commission Rule 12.1(d) sets forth the standard for adoption of settlements:

The Commission will not approve settlements, whether contested or uncontested, unless the settlement is reasonable in light of the whole record, consistent with law and in the public interest.

The Commission approves settlement agreements based on whether the settlement agreement is just and reasonable as a whole, not based on its individual terms:

In assessing settlements we consider individual settlement provisions but, in light of strong policy favoring settlements, we do not base our conclusion on whether any single provision is the optimal result. Rather, we determine whether the settlement as a whole produces a just and reasonable outcome.<sup>36/</sup>

##### **B. Commission Policy Favors Settlements**

The Commission has a history of supporting settlement of disputes if they are fair and reasonable in light of the whole record.<sup>37/</sup> As the Commission has reiterated over the years, the “Commission favors settlement because they generally support worthwhile goals, including reducing the expense of litigation, conserving scarce Commission resources, and allowing parties to reduce the risk that litigation will produce unacceptable results.”<sup>38/</sup> This strong public policy

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36/ D.10-04-033, *mimeo*, p. 9.

37/ D.05-03-022, *mimeo*, pp. 7-8, *citing* D.88-12-083 (30 CPUC 2d 189, 221-223) and D.91-05-029 (40 CPUC 2d. 301, 326).

38/ D.10-12-035, 2010 Cal PUC LEXIS 467 at \*87; and *see* D.05-03-022, *mimeo*, p. 8, *citing* D.92-12-019, 46 CPUC 2d 538, 553. *See also* D.10-12-051, 2010 Cal. PUC LEXIS 566 at \*55 (Commission decisions



favoring settlements weighs in favor of the Commission resisting the temptation to alter the results of the negotiation process.<sup>39/</sup>

**C. The Settlement Agreement is Reasonable in Light of the Record as a Whole**

The Commission should adopt the Settlement Agreement as reasonable in light of the entire record. Prior to reaching settlement, parties conducted discovery and served testimony. Interested parties held several telephonic settlement conferences and exchanged written proposals. The Settlement Agreement represents reasonable compromises developed after careful review and extensive discussion by all interested parties; it was reached only after substantial give-and-take through arms-length negotiations, and after each party had made significant concessions to resolve issues in a manner that reflects a reasonable compromise of their litigation positions. In its totality, the Settlement Agreement reflects a reasonable balance of the various interests affected in this NDCTP.

The prepared testimony submitted in this proceeding, this Motion, and the attached Settlement Agreement contains sufficient information for the Commission to judge the reasonableness of the Settlement Agreement.

**D. The Settlement Agreement is Consistent with Law**

The Settlement Agreement is consistent with current law, as it complies with all applicable statutes and prior Commission decisions. These authorities include Public Utilities Code Section 451, which requires that utility rates must be just and reasonable.

**E. The Settlement Agreement is in the Public Interest**

Finally, the Settlement Agreement is in the public interest. The purpose of the NDCTP is to review PG&E's update nuclear DCEs, determine the necessary customer contributions to fully

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“express the strong public policy favoring settlement of disputes if they are fair and reasonable”); D.10-11-035, 2010 Cal. PUC LEXIS 495 at \*17 (the Commission’s “longstanding policy favoring settlement ... reduces litigation expenses, conserves scarce Commission resources ...”) and see D.10-11-011, 2010 Cal. PUC LEXIS 533 at \*50 (“There is a strong public policy favoring the settlement of disputes to avoid costly and protracted litigation.”).

<sup>39/</sup> See, generally, D.05-03-022, *mimeo*, pp. 7-13. D.14-12-040, *mimeo*, p. 15.

fund the nuclear decommissioning trust to the levels needed to decommission PG&E's nuclear plants and to determine the reasonableness of costs expended on decommissioning activities.<sup>40/</sup>

The Settling Parties fairly represent a variety of interests. PG&E represents the interests of its customers and shareholders. The Public Advocates Office represents utility customers' interests before the CPUC. TURN represents the interests of residential customers. A4NR represents the interests of consumers concerned about the cost and safety of PG&E's nuclear operations. SLO County represents the interest of its constituents in the political jurisdictions surrounding Diablo Canyon and is responsible for operational area emergency response. NCTC represents the interests of a tribe of indigenous Northern Chumash people from the San Luis Obispo County region whose ancestral territory includes the site of and lands surrounding Diablo Canyon, with a longstanding obligation of protecting and preserving Northern Chumash cultural resources. Women's Energy Matters represents the perspectives of residential customers, particularly women and low-income customers. DHK focuses on the management of the Nuclear Decommissioning trust funds. The Settling Parties represent all active parties who submitted testimony in this proceeding.

The Settlement Agreement is a reasonable compromise of the Settling Parties' respective positions and is in the public interest as well as in the interest of PG&E's customers. The Settlement Agreement is in the public interest primarily because it reflects an adequate balance of PG&E and customer interests in ensuring adequate funding is available for decommissioning, including decommissioning planning. If adopted by the Commission, the Settlement Agreement avoids the time, expense and uncertainty associated with further litigating these issues.<sup>41/</sup>

## V. CONCLUSION

For the reasons set forth above, the Settling Parties respectfully request that the Commission:

1. Find the attached Settlement Agreement to be reasonable in light of the whole record,

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40/ D.10-07-047, *mimeo*, p. 4.

41/ D.13-11-003, *mimeo*, p. 8; D.13-12-045, *mimeo*, p. 12.

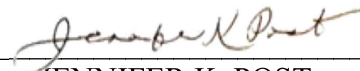
consistent with law, and in the public interest;

2. Adopt the attached Settlement Agreement without modification; and,
3. Grant such other relief as is necessary and proper.

Pursuant to Rule 1.8(d) of the Commission's Rules of Practice and Procedure, PG&E represents that TURN, Cal Advocates, SLO County, A4NR, NCTC, DHK Associates, and WEM have authorized it to sign and tender this Motion on their behalf.

Respectfully Submitted,

TYSON R. SMITH  
JENNIFER K. POST

By:   
JENNIFER K. POST

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Attorneys for  
PACIFIC GAS AND ELECTRIC  
COMPANY

Dated: December 16, 2022

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric  
Company in the 2021 Nuclear  
Decommissioning Cost Triennial Proceeding

U 39 E

Application No. 21-12-007

**SETTLEMENT AGREEMENT AMONG PACIFIC GAS AND ELECTRIC  
COMPANY (U 39 E), PUBLIC ADVOCATES OFFICE AT  
THE CALIFORNIA PUBLIC UTILITIES COMMISSION,  
THE UTILITY REFORM NETWORK, ALLIANCE FOR  
NUCLEAR RESPONSIBILITY, COUNTY OF SAN LUIS  
OBISPO, NORTHERN CHUMASH TRIBAL COUNCIL, DHK  
ASSOCIATES AND WOMEN'S ENERGY MATTERS**

In accordance with Article 12 of the California Public Utilities Commission’s (“Commission”) Rules of Practice and Procedure, Pacific Gas and Electric Company (“PG&E”), The Utility Reform Network (“TURN”), the Public Advocates Office at the California Public Utilities Commission (“Cal Advocates”), Alliance for Nuclear Responsibility (“A4NR”), County of San Luis Obispo (“SLO County”), Northern Chumash Tribal Council (“NCTC”), DHK Associates (“DHK”) and Women’s Energy Matters (“WEM”) (collectively, the “Settling Parties”) enter into this Settlement Agreement as a compromise of their respective litigation positions to resolve certain of the disputed issues in the above-captioned proceedings before the Commission (“2021 NDCTP”).

## **I. PROCEDURAL HISTORY**

On December 14, 2021, PG&E filed the Application of Pacific Gas and Electric Company in its 2021 Nuclear Decommissioning Cost Triennial Proceeding, A.21-12-007 (“2021 NDCTP Application”). A4NR, Cal Advocates, NCTC, SLO County, TURN and WEM each filed timely protests or responses to the 2021 NDCTP Application, to which PG&E responded on January 24, 2022.

Southern California Edison Company (“SCE”) filed a motion for party status on February 15, 2022. During the telephonic prehearing conference held on February 17, 2022, Administrative Law Judge (“ALJ”) Nojan granted party status to SCE and to DHK. At the prehearing conference the parties specified issues agreed to be within the scope of proceeding, and those issues lacking consensus as to whether they were appropriately included within the scope of the proceeding.

On April 19, 2022, Commissioner Houck issued the *Assigned Commissioner’s Scoping Memo and Ruling* (“Scoping Memo”) which established the issues to be considered in the 2021 NDCTP. The Scoping Memo also requested comments on (1) whether the 2021 NDCTP should be consolidated with A.22-02-016, the Joint Application of SCE and San Diego Gas & Electric Company for the 2021 NDCTP (“SONGS NDCTP”); and (2) whether the Commission should conduct a site visit and/or public participation hearing for Humboldt Bay Power Plant (“HBPP”).

PG&E, TURN, SCE, NCTC, SLO County, WEM and A4NR each filed comments on the Scoping Memo on April 29, 2022.<sup>1</sup>

yak tityu tityu yak tilhini Northern Chumash Cultural Preservation Kinship (“YTT Kinship”) and James Adams moved for party status on March 7, 2022, and April 22, respectively; these motions were granted by email ruling on May 20, 2022.

The Settling Parties actively and thoroughly reviewed the 2021 NDCTP Application, PG&E’s supporting testimony and site-specific decommissioning cost estimates. To enhance their understanding of the issues, the Settling Parties submitted, and PG&E responded to, a substantial number of data requests. On May 31, 2022, A4NR, Cal Advocates, NCTC, TURN SLO County, and WEM each served direct testimony. PG&E served rebuttal testimony addressing the issues raised by those parties who filed direct testimony on June 30, 2022.

On July 7, 2022, ALJ Nojan issued an *Administrative Law Judge’s Ruling Noticing Date and Time of Public Participation Hearing and Authorizing PG&E to Deviate from The Notice Requirement Timelines of Rule 13.1(b)*. On August 10, 2022, ALJ Nojan canceled the public participation hearing,<sup>2</sup> and subsequently rescheduled public participation hearings for January 26 and 31, 2023.<sup>3</sup>

Californians For Green Nuclear Power, Inc. (“CGNP”) filed a motion for party status on July 13, 2022, which motion PG&E opposed on July 20, 2022, on the grounds that the motion was untimely and that the issues CGNP raised were outside the scope of this NDCTP. On August 1, 2022, ALJ Nojan issued a *Ruling Granting Motion for Party Status but Limiting Participation To The Identified Scope*.

The Scoping Memo had also directed PG&E to meet and confer with the parties to attempt to reach settlement and to file a settlement status update by August 5, 2022, identifying

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<sup>1</sup> The Commission elected not to consolidate PG&E’s NDCTP with the SONGS NDCTP in *Assigned Commissioner’s Scoping Memo and Ruling* issued on May 24, 2022, in A.22-02-016.

<sup>2</sup> *Administrative Law Judge’s Ruling Cancelling Public Participation Hearing* issued on August 10, 2022.

<sup>3</sup> Q *Administrative Law Judge’s Ruling Noticing Date and Time Of Public Participation Hearings* issued on December 1, 2022.

resolved issues, and all remaining contested issues of law and/or facts. PG&E provided a preliminary report by email on August 5, stating that on July 7, PG&E served timely notice of telephonic settlement conferences on each party to the proceeding, and that the parties that participated - PG&E, Cal Advocates, TURN, A4NR, SLO County, NCTC, WEM, YTT Kinship, SCE and DHK - had held settlement conference calls on July 25, July 27, and August 2. PG&E stated that it would provide a final settlement status update on August 26, 2022. PG&E also indicated that the parties believed that evidentiary hearings on at least some issues would be necessary and requested that the Commission schedule two days of evidentiary hearings in November. The Commission initially scheduled hearings for November 14-15, 2022.<sup>4</sup>

The parties held an additional settlement conference call on August 22, 2022, and reported in the August 26, 2022, Settlement Status Update that the Settling Parties had reached an agreement in principle covering nearly all issues in the proceeding and anticipated filing a Motion for Approval of Settlement Agreement. The Settling Parties stated that they would continue to attempt to narrow the issues to be set for evidentiary hearings. Further negotiations succeeded in narrowing the contested issues and this Settlement Agreement represents the Settling Parties' final settlement.

## **II. MATTERS NOT ENCOMPASSED WITHIN THE SETTLEMENT AGREEMENT**

The Settling Parties agree that this Settlement Agreement does not encompass the following matters at issue in this proceeding:

**Release Criteria** - Whether PG&E's deferring of the identification of the applicable radiological release criteria for the Diablo Canyon Power Plant ("DCPP") Part 50 Nuclear Regulatory Commission licenses will likely result in an increase in future costs.

**Refund of Non-Qualified Trust Funds** – Whether amounts currently contained in the Nuclear Facilities Non-Qualified CPUC Decommissioning Master Trust fund for DCPP should be refunded to customers.

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<sup>4</sup> *Notice Of Virtual Evidentiary Hearing*, issued October 19, 2022.

These issues have been separately set for evidentiary hearings and/or briefing before the Commission.<sup>5</sup>

### **III. SETTLEMENT TERMS AND CONDITIONS**

The Settling Parties agree to the following terms and conditions as a complete and final resolution of all issues in the 2021 NDCTP Application other than those matters identified in Section II of this Settlement Agreement.

#### **3.1 Interim Order on 2023 Revenue Requirement**

The Settling Parties agree to jointly request an interim order from the Commission approving PG&E's proposal not to request a revenue requirement for DCPD and HBPP nuclear decommissioning trust funding during the 2021 NDCTP rate period of 2023 through 2026. An interim order will permit PG&E to make a downward adjustment to the nuclear decommissioning charge retroactive to January 1, 2023 rather than continuing the currently authorized nuclear decommissioning revenue requirement subject to refund upon Commission issuance of a final decision in this proceeding. Upon the issuance of an order approving this proposal, PG&E shall cease collection of the revenue requirement in rates and refund any collections occurring since January 1, 2023 to ratepayers.

#### **3.2 Nuclear Facilities Non-Qualified CPUC Decommissioning Master Trust**

The Settling Parties agree that Public Utilities Code §712.8(n) states that "the Commission shall halt disbursements from the Diablo Canyon Nuclear Decommissioning Non-Qualified Trust, excluding refunds to ratepayers."

Consistent with this requirement, PG&E withdraws its proposal to finance DCPD spent fuel management contract costs from the Non-Qualified Trust fund.

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<sup>5</sup> *Notice Resetting Date and Time of Evidentiary Hearing*, issued November 9, 2022. Evidentiary hearings were held November 15, 2022, on the issue related to site criteria; TURN and PG&E agreed that the issue regarding Non-Qualified Trust refunds could be addressed in briefing without the need for cross-examination.



**3.3 Department of Energy (“DOE”) Spent Nuclear Fuel Assumptions**

With respect to both DCPD and HBPP, the Settling Parties agree to defer proposals addressing the assumed date DOE will commence picking up spent nuclear fuel, and the rate treatment of DOE spent nuclear fuel litigation/settlement proceeds to PG&E’s 2024 NDCTP.

**3.4 Escalation Rate for Low Level Radioactive Waste Burial Costs and Disposal Assumption**

For purposes of the 2021 NDCTP, PG&E agrees that it is reasonable for the HBPP and DCPD decommissioning cost estimates (“DCEs”) to reflect a 3% escalation rate for low level radioactive waste burial costs. TURN agrees that it is reasonable for the DCPD DCE to reflect an assumption that the DCPD decommissioning waste will be disposed of outside of California.

**3.5 DCPD DCE Security Staffing Costs**

PG&E agrees to pursue additional discussions with SCE with the goal of explaining the difference in the security staffing costs assumed in the SONGS decommissioning cost estimate versus the DCPD decommissioning cost estimate and to present this information in PG&E’s 2024 NDCTP.

**3.6 Use of Independent Consultant to Compare Decommissioning Cost Estimates**

The Settling Parties urge the Commission to directly engage a third-party consultant to compare DCEs of SONGS, DCPD and all nuclear plants in the United States currently undergoing decommissioning. In the event the Commission limits the nuclear plants included in the cost comparison study, the Settling Parties request the Commission provide (or direct the consultant to provide) the rationale for selecting the nuclear plants for cost comparisons.

At a minimum, the third-party consultant should review the following:

- Significant differences in forecasted costs for license termination, spent fuel management, and site restoration

- Comparison of security staffing and costs for different phases of decommissioning
- Treatment of DOE spent nuclear fuel litigation proceeds for purposes of ratemaking and decommissioning cost estimation
- Comparison of costs from the use of different contracting approaches

This evaluation should be complete prior by February 1, 2024, so that the results can be considered in development of PG&E's 2024 NDCTP.

3.7 **Humboldt Bay Independent Spent Fuel Storage Installation (“ISFSI”) Updated Tsunami Hazard Assessment**

PG&E agrees to perform an updated tsunami hazard assessment for HBPP incorporating the most current information about sea level rise and tsunamigenic earthquakes benchmarked against the similar analysis performed for the SONGS ISFSI. PG&E will submit the updated tsunami hazard assessment along with PG&E's 2024 NDCTP application.

3.8 **Ratemaking Treatment for Disposition of PG&E Assets and Lands**

PG&E agrees that it is reasonable for the full value of any sale of DCPD depreciable assets to be refunded directly to customers as a credit against generation rates. PG&E will propose a specific ratemaking proposal in its 2024 NDCTP application.

The Settling Parties agree that, consistent with Public Utilities Code §712.8(o), the Commission may address disposition of DCPD lands owned by PG&E or its affiliate Eureka Energy, including the ratemaking associated with disposition, in a new or existing proceeding. The Settling Parties agree that this Settlement Agreement does not foreclose the ability or rights of any party to fully participate in those proceedings, including, but not limited to, proposing new or additional processes that may affect the disposition of the DCPD lands.

3.9 **DCPD Lands Disposition Strategy**

PG&E agrees to reach out to each entity listed on California's Native American Heritage Commission contact list for the DCPD lands and hold at least one meeting addressing: (1) a summary of decommissioning; (2) potential repurposing; and (3) properties expected to be available for acquisition. These meetings will occur upon the request of an interested tribe or on PG&E's initiation after the Commission issues a final, non-appealable decision in PG&E's 2021 NDCTP. These meetings do not constitute the formal right of first offer notification called for in the Commission's Tribal Land Transfer Policy guidelines. PG&E agrees it will not voluntarily enter any Memorandum of Understanding or other agreement with any party regarding disposition of DCPD lands until the above process occurs, but PG&E must comply with any regulatory or statutory directive to take action related to disposition of DCPD lands.

Consistent with Public Resources Code § 25448(g), PG&E will: (1) consult and work collaboratively with local California Native American tribes and California Native American tribes listed on the Native American Heritage Commission ("NAHC") contact list for the DCPD lands to consider requests related to: tribal access, use, conservation and co-management of DCPD lands. Such consultation and collaboration will be upon request; and (2) PG&E will work cooperatively with local California Native American tribes and California Native American tribes listed on the NAHC contact list that are interested in acquiring DCPD lands.

Also consistent with Public Resources Code §25548(g), PG&E will identify a tribal liaison by November 1, 2022. The tribal liaison will be responsible for compliance with the requirements enumerated in this Section 3.9 and will be PG&E's primary point of contact for the California Native American tribes.

The Settling Parties acknowledge that, consistent with Public Utilities Code §712.8(o), other Commission proceedings may result in additional or different procedures or provisions relating to the disposition of the DCPD lands. The

Settling Parties agree that this Settlement Agreement does not foreclose the ability or rights of any party to fully participate in those proceedings, including, but not limited to, proposing new or additional processes that may affect the disposition of the DCP lands.

**3.10 Repurposing of 230 kV Transmission Line**

The Settling Parties support re-use of the 230 kV transmission line by PG&E or by a third party for offshore wind power, energy storage, subsea transmission projects that deliver renewable energy, or renewable energy technologies, in the near term. Such repurposing will not be included in the DCPD decommissioning project scope, but work may occur done in parallel with decommissioning activities.

**3.11 Decommissioning Contract Strategy**

In conducting any solicitation for the decontamination and dismantlement (“D & D”) contract, PG&E shall expressly allow bidders to submit conforming offers that incorporate alternative approaches to the hybrid model proposed in PG&E’s 2021 NDCTP Application. PG&E agrees to consider such offers and to evaluate whether they could deliver superior value and lower overall cost.

Prior to executing the D & D contract, PG&E shall identify opportunities to minimize duplication of work by utility staff and third-party contractors.

In the NDCTP following execution of the D & D contract, PG&E shall (1) explain how the D & D contract results in optimized overall staffing over time and (2) identify all relevant dispute resolution and liability cap provisions and explain the rationale for agreeing to each provision.

**3.12 Industry Association Membership Fees**

PG&E agrees it is reasonable to include only 50% of Nuclear Energy Institute and Decommissioning Plant Coalition membership costs in the DCPD and HBPP DCEs.

**3.13. Future of Diablo Canyon Decommissioning Engagement Panel (“DCDEP”)**

PG&E agrees to the participation of the CPUC Executive Director or their delegate on the DCDEP recruitment and selection committee.

PG&E agrees to establish a formal process for tracking and responding to decommissioning-related (including questions about the impact of extended operations on decommissioning planning activities) questions raised by DCDEP panel members and members of the public that PG&E is not able to answer in real time. This process will include a publicly available question log, and the responses will be posted on PG&E's DCDEP webpage. Unless it provides prompt notice to the DCDEP that a question will require additional time to respond, PG&E will provide responses to the DCDEP decommissioning-related (including questions about the impact of extended operations on decommissioning planning activities) questions within 30 days, or at the next DCDEP meeting, whichever occurs first.

If an alternative entity to the DCDEP is not adopted following the 2021 NDCTP proceeding, PG&E agrees to propose an amendment to Sections V.A.v and V.A.vi of the DCDEP Charter for consideration and agreement by the DCDEP as follows:

- The Panel will consist of a minimum of 8 and a maximum of 11 community members, a senior representative of PG&E's decommissioning team (appointed by PG&E), and up to 5 Ex-Officio members. Vacancies will be filled consistent with Section V.A.xiii.
- Ex-Officio member(s) (which may include elected officials) may be selected by the Panel and PG&E to represent local interests. Immediate family members of PG&E employees are not eligible to serve in Ex-Officio capacity. At least two Ex-Officio spots will be reserved for representatives from the tribal organizations listed on California's Native American Heritage Commission contact list affiliated with the DCP lands.
- Proposals for additional revisions to the DCDEP, including A4NR's proposal to eliminate the DCDEP and replace it with the Diablo Canyon Community Advisory Board, will be deferred for consideration until PG&E's 2024 NDCTP. DCDEP costs incurred through September 2024 will be reviewed for reasonableness in PG&E's 2024 NDCTP.

### 3.14 **DCPP Decommissioning Planning Costs Advice Letter and Review**

PG&E agrees to submit to the Commission annual advice letters for disbursement of funds from the DCPP Nuclear Decommissioning Trusts. PG&E will file an advice letter setting out PG&E's proposed procedures, including the information to be provided with each advice letter.

Milestones 1-3 will be subject to reasonableness review in the first NDCTP after shutdown, consistent with the Milestone Framework. Costs incurred pre-shutdown for other Milestones will be reviewed in future NDCTPs in accordance with the Milestone Framework.

### 3.15 **Permitting/DCPP Project Description**

PG&E will update the DCPP DCE to include the cost of SLO County staff required to oversee implementation of mitigation measures and compliance with permit conditions in the first NDCTP after the final permits are issued for the decommissioning project.

PG&E will update the DCPP DCE to include the cost of mitigation measures in the first NDCTP after the final permits containing those mitigation measures are issued for the decommissioning project.

PG&E will update the DCPP DCE as necessary in the first NDCTP after the County issues the final Environmental Impact Report to reflect the project description included in the final Environmental Impact Report supporting issuance of discretionary permits.

### 3.16 **Site Characterization**

PG&E agrees to perform soil and sediment sampling and characterization for Diablo Creek within the Part 50 NRC license boundary by November 1, 2023.

PG&E will conduct sampling in Diablo Creek consistent with NUREG-1575 and the Multi-Agency Radiation Survey and Site Investigation Manual for

radioactivity and California Environmental Protection Agency guidance for hazardous materials.

PG&E's agreement to perform soil and sediment sampling and site characterization for Diablo Creek within the Part 50 NRC boundary by November 1, 2023, resolves disputed issues regarding site characterization for purposes of this 2021 NDCTP.

#### 3.17 HBPP DCE AND Reasonableness Review

The Settling Parties do not oppose PG&E's estimate to complete the remaining work at the HBPP site as of January 1, 2021, of \$153.3 million (2021\$) (total cost to decommission HBPP \$1.1 billion (nominal/2021\$)). The Settling Parties also do not oppose PG&E's request that the Commission find that the \$89 million in costs incurred for completed decommissioning activities at HBPP were reasonable and prudently incurred.

### **IV. GENERAL PROVISIONS**

- 4.1 This Settlement Agreement embodies the entire understanding and agreement of the Settling Parties with respect to the matters described, and it supersedes any prior oral or written agreements, principles, negotiations, statements, representations, or understandings among the Settling Parties with respect to those matters.
- 4.2 In executing this Settlement Agreement, each Settling Party declares and mutually agrees that the terms and conditions are reasonable in light of the whole record, consistent with law, and in the public interest.
- 4.3 In accordance with Rule 12.5, the Settling Parties intend that Commission adoption of this Settlement Agreement will be binding on the Settling Parties, including their legal successors, assigns, partners, members, agents, parent or subsidiary companies, affiliates, officers, directors, and/or employees. Unless the Commission expressly provides otherwise, and except as otherwise expressly



provided herein, such adoption does not constitute approval or precedent for any principle or issue in this or any future proceeding.

- 4.4 This Settlement Agreement represents a negotiated compromise among the Settling Parties' respective litigation positions on the matters described, and the Settling Parties have assented to the terms of this Settlement Agreement only to arrive at the agreement embodied herein. Nothing contained in this Settlement Agreement should be considered an admission of, acceptance of, agreement to, or endorsement of any disputed fact, principle, or position previously presented by any of the Settling Parties on these matters in this proceeding.
- 4.5 The Settling Parties agree that this Settlement Agreement is subject to approval by the Commission. As soon as practicable after the Settling Parties have signed this Settlement Agreement, the Settling Parties intend that PG&E shall file a motion for Commission approval and adoption of this Settlement Agreement. The Settling Parties will furnish such additional information, documents, and/or testimony as the ALJ or the Commission may require in connection with its review of the motion adopting this Settlement Agreement.
- 4.6 The Settling Parties agree to support the Settlement Agreement and use their best efforts to secure Commission approval of the Settlement Agreement in its entirety without modification.
- 4.7 The Settling Parties agree to actively and mutually defend the Settlement Agreement if the adoption is opposed by any other party.
- 4.8 The Settling Parties agree that, if the Commission fails to adopt this Settlement Agreement in its entirety and without modification, the Settling Parties shall convene a settlement conference within fifteen (15) days thereof to discuss whether they can resolve the issues raised by the Commission's actions. If the Settling Parties cannot mutually agree to resolve the issues raised by the Commission's actions, the Settlement Agreement shall be rescinded, and the

Settling Parties shall be released from their obligation to support the Settlement Agreement. Thereafter, the Settling Parties may pursue any action they deem appropriate but agree to cooperate in establishing a procedural schedule.

## **V. MISCELLANEOUS PROVISIONS**

- 5.1 The Settling Parties agree that nothing contained in this Settlement Agreement is to be construed as an admission of liability, fault, or improper action by any Party.
- 5.2 The Settling Parties agree that no signatory to the Settlement Agreement or any employee thereof assumes any personal liability as a result of the Settlement Agreement.
- 5.3 If any Party fails to perform its respective obligations under the Settlement Agreement, any other Party may come before the Commission to pursue a remedy including enforcement.
- 5.4 The provisions of this Settlement Agreement are not severable. If the Commission, or any competent court of jurisdiction, overrules or modifies as legally invalid any material provision of the Settlement Agreement, the Settlement Agreement may be considered rescinded as of the date such ruling or modification becomes final, at the discretion of the Settling Parties.
- 5.5 The Settling Parties acknowledge and stipulate that they are agreeing to this Settlement Agreement freely, voluntarily, and without any fraud, duress, or undue influence by any other party. Each party states that it has read and fully understands its rights, privileges, and duties under the Settlement Agreement, including each Party's right to discuss the Settlement Agreement with its legal counsel and has exercised those rights, privileges, and duties to the extent deemed necessary.
- 5.6 No Party has relied, or presently relies, upon any statement, promise, or representation by any other Party, whether oral or written, except as specifically set forth in this Settlement Agreement. Each Party expressly assumes the risk of

any mistake of law or fact made by such Party or its authorized representative.

- 5.7 This Settlement Agreement may be executed in separate counterparts by the different Settling Parties hereto with the same effect as if all Settling Parties had signed one and the same document. All such counterparts shall be deemed to be an original and shall together constitute one and the same Settlement Agreement.
- 5.8 This Settlement Agreement shall become effective and binding on the Settling Parties as of the date it has been signed by all Settling Parties.
- 5.9 This Settlement Agreement shall be governed by the laws of the State of California as to all matters, including but not limited to, matters of validity, construction, effect, performance, and remedies.

## VI. CONCLUSION

The Settling Parties mutually believe that, based on the terms and conditions stated above, this Settlement Agreement is reasonable in light of the whole record, consistent with the law, and in the public interest. The Settling Parties' authorized representatives have duly executed this Settlement Agreement on behalf of the settling parties they represent.

### **PACIFIC GAS AND ELECTRIC COMPANY**

---

Name: BRIAN KETELSEN

Title: Director, Business & Technical  
Services

Date: December \_\_, 2022

### **PUBLIC ADVOCATES OFFICE AT THE CALIFORNIA PUBLIC UTILITIES COMMISSION**

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Name: LINDA SERIZAWA  
Title: Deputy Director

Date: December \_\_ 2022

### **THE UTILITY REFORM NETWORK**

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Name: MATTHEW FREEDMAN  
Title: Attorney

Date: December \_\_, 2022

### **ALLIANCE FOR NUCLEAR RESPONSIBILITY**

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Name: ROCHELLE BECKER  
Title: Executive Director

Date: December \_\_, 2022

**COUNTY OF SAN LUIS OBISPO**

**WOMEN'S ENERGY MATTERS**

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Name: WADE HORTON  
Title:

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Name: JEAN MERRIGAN  
Title: Executive Director

Date: December \_\_, 2022

Date: December \_\_, 2022

**NORTHERN CHUMASH TRIBAL  
COUNCIL**

**DHK ASSOCIATES**

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Name:  
Title:

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Name: DONALD H. KORN  
Title:

Date: December \_\_, 2022

Date: December \_\_, 2022

any mistake of law or fact made by such Party or its authorized representative.

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**PACIFIC GAS AND ELECTRIC COMPANY**



\_\_\_\_\_  
Name: BRIAN KETELSEN

Title: Director Business and Technical Services

Date: December 14, 2022

**THE UTILITY REFORM NETWORK**

\_\_\_\_\_  
Name: MATTHEW FREEDMAN  
Title: Attorney

Date: December \_\_, 2022

**PUBLIC ADVOCATES OFFICE AT THE CALIFORNIA PUBLIC UTILITIES COMMISSION**

\_\_\_\_\_  
Name:  
Title:  
Date: December \_\_ 2022

**ALLIANCE FOR NUCLEAR RESPONSIBILITY**

\_\_\_\_\_  
Name: ROCHELLE BECKER  
Title: Executive Director

Date: December \_\_, 2022

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**PACIFIC GAS AND ELECTRIC  
COMPANY**

---

Name: BRIAN KETELSEN

Title: Director, Business & Technical  
Services

Date: December \_\_, 2022

**PUBLIC ADVOCATES OFFICE AT THE  
CALIFORNIA PUBLIC UTILITIES  
COMMISSION**

---

Name: LINDA SERIZAWA  
Title: Deputy Director

Date: December \_\_ 2022

**THE UTILITY REFORM NETWORK**



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Name: MATTHEW FREEDMAN  
Title: Attorney

Date: December 15, 2022

**ALLIANCE FOR NUCLEAR  
RESPONSIBILITY**

---

Name: ROCHELLE BECKER  
Title: Executive Director

Date: December \_\_, 2022

any mistake of law or fact made by such Party or its authorized representative.

5.7 This Settlement Agreement may be executed in separate counterparts by the different Settling Parties hereto with the same effect as if all Settling Parties had signed one and the same document. All such counterparts shall be deemed to be an original and shall together constitute one and the same Settlement Agreement.

5.8 This Settlement Agreement shall become effective and binding on the Settling Parties as of the date it has been signed by all Settling Parties.

5.9 This Settlement Agreement shall be governed by the laws of the State of California as to all matters, including but not limited to, matters of validity, construction, effect, performance, and remedies.

**VI. CONCLUSION**

The Settling Parties mutually believe that, based on the terms and conditions stated above, this Settlement Agreement is reasonable in light of the whole record, consistent with the law, and in the public interest. The Settling Parties' authorized representatives have duly executed this Settlement Agreement on behalf of the settling parties they represent.

**PACIFIC GAS AND ELECTRIC COMPANY**

\_\_\_\_\_  
Name: BRIAN KETELSEN  
Title: Director Business and Technical Services


Date: December \_\_, 2022

**THE UTILITY REFORM NETWORK**

\_\_\_\_\_  
Name: MATTHEW FREEDMAN  
Title: Attorney

Date: December \_\_, 2022

**PUBLIC ADVOCATES OFFICE AT THE CALIFORNIA PUBLIC UTILITIES COMMISSION**

  
\_\_\_\_\_  
Name: LINDA SERIZAWA  
Title: Deputy Director  
Date: December 14, 2022

**ALLIANCE FOR NUCLEAR RESPONSIBILITY**

\_\_\_\_\_  
Name: ROCHELLE BECKER  
Title: Executive Director

Date: December \_\_, 2022

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## VI. CONCLUSION

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### PACIFIC GAS AND ELECTRIC COMPANY

\_\_\_\_\_  
Name: BRIAN KETELSEN

Title: Director, Business & Technical  
Services

Date: December \_\_, 2022

### PUBLIC ADVOCATES OFFICE AT THE CALIFORNIA PUBLIC UTILITIES COMMISSION

\_\_\_\_\_  
Name: LINDA SERZAWA

Title: Deputy Director

Date: December \_\_ 2022

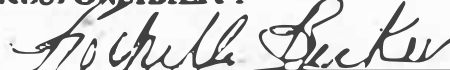
### THE UTILITY REFORM NETWORK

\_\_\_\_\_  
Name: MATTHEW FREEDMAN

Title: Attorney

Date: December \_\_, 2022

### ALLIANCE FOR NUCLEAR RESPONSIBILITY



\_\_\_\_\_  
Name: ROCHELLE BECKER

Title: Executive Director

Date: December 15, 2022



**COUNTY OF SAN LUIS OBISPO**



---

Name: WADE HORTON

Title:

Date: December 15, 2022

**WOMEN'S ENERGY MATTERS**

---

Name: JEAN MERRIGAN

Title: Executive Director

Date: December \_\_, 2022

**NORTHERN CHUMASH TRIBAL  
COUNCIL**

---

Name:

Title:

Date: December \_\_, 2022

**DHK ASSOCIATES**

---

Name: DONALD H. KORN

Title:

Date: December \_\_, 2022

**COUNTY OF SAN LUIS OBISPO**

**WOMEN'S ENERGY MATTERS**



---

Name: WADE HORTON  
Title:

---

Name: JEAN MERRIGAN  
Title: Executive Director

Date: December \_\_, 2022

Date: December 14, 2022

**NORTHERN CHUMASH TRIBAL  
COUNCIL**

**DHK ASSOCIATES**

---

Name:  
Title:

---

Name: DONALD H. KORN  
Title:

Date: December \_\_, 2022

Date: December \_\_, 2022

**COUNTY OF SAN LUIS OBISPO**

**WOMEN'S ENERGY MATTERS**

---

Name: WADE HORTON  
Title:

---

Name: JEAN MERRIGAN  
Title: Executive Director

Date: December \_\_, 2022

Date: December \_\_, 2022

**NORTHERN CHUMASH TRIBAL  
COUNCIL**

**DHK ASSOCIATES**

*Violet Sage Walker*  
Name: *Violet SAGE WALKER*  
Title: *Chairwoman NCTC*

---

Name: DONALD H. KORN  
Title:

Date: December *15* 2022

Date: December \_\_, 2022

**COUNTY OF SAN LUIS OBISPO**

\_\_\_\_\_  
Name: WADE HORTON  
Title:

Date: December ^, 2022

**NORTHERN.CHUMASH TRIBAL  
COUNCIL**

\_\_\_\_\_  
Name:  
Title:

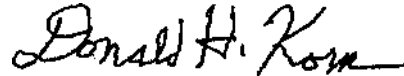
Date: December .. 2022

**WOMEN'S ENERGY MATTERS \*'**

\_\_\_\_\_  
Name: JEANMERRIGAN  
Title: Executive Director

Date: December , 2022

**DHK ASSOCIATES**



Name: DONALD H. KORN  
Title: Principal

Date: December 14, 2022

**(END OF APPENDIX A)**