Docket Number: A.26-03-031

Exhibit Number: ___________

Witness: Robert Sarvey

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

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| Application of Pacific Gas and Electric Company to Recover in Customer Rates the Costs to Support Extended Operation of Diablo Canyon Power Plant from January 1 through December 31, 2027, and for Approval of Planned Expenditures of 2027 Volumetric Performance Fee (U39E) | Application 26-03-031<br>(Filed March 27, 2026) |

**Opening Testimony of Robert Sarvey for**

**CAlifornians for Renewable Energy, Inc. (CARE)**

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July 16, 2026

**Testimony of Robert Sarvey Addressing Pacific Gas & Electric's 2027 Cost Recovery Forecast for Diablo Canyon**

**Introduction**

PG&E's plan to hide the true costs of extended operations and transfer those costs on to ratepayers is clearly demonstrated in this application. First PG&E needed to hide the true costs of extended operations to avoid the Commission scrutiny under Pub. Util. Code Section 712.8(c)(2)(B). To accomplish this PG&E slow walked information they had in their possession, ignored previously canceled capital projects due to impending retirement, claimed the DCISC had made no recommendations, and hired experts who claimed there was no deferred maintenance and capital expenditures which would add to the cost of continuing operations.

PG&E did not disclose that projects it cancelled in the 2020 GRC would be presented for ratepayer financing in this and previous applications. PG&E denied that the DCISC made any recommendations despite providing the DCISC with an extensive list of canceled capital projects and upgrades needed for extended operations during the DCISC's August 2023 fact finding report.[1]

[1] During its August 10, 2023 Fact-Finding Meeting, the DCISC reviewed lists of capital projects brought to the PHPC since 2020 that were cancelled during the PHPC review process. Cancelled capital projects included, among others: 1) upgrades to both units' Main Annunciator Systems, 2) upgrade to the Unit 2 Reactor Coolant Pump Vibration Monitoring System, 3) bellows replacements for the Unit 1 Reactor Vessel Level Indication System, 4) upgrades to plant data recorders (analog to digital), 5) relocations of chemistry sampling stations, and 6) Unit 2 spare Startup Transformer piping replacement. The DCISC also reviewed a list of projects authorized for implementation between 2018 and 2020. There were 18 Capital Projects authorized since 2020, of which seven were directly related to security. The remaining 11 non-security related Capital Projects authorized and funded for completion included items such as: 1) Containment Polar Crane modifications, 2) emergent Nuclear Instrument replacements, 3) water treatment facility upgrades, 4) condenser expansion joint replacement, 5) Main Generator stator closed cooling water manifold replacements, and 6) Main Turbine high pressure governor valve replacement. The DCISC concluded in August 2023 that DCPP's process for authorizing or cancelling proposed capital projects was effective. Selections made to delete projects using this process did not appear to compromise plant operational safety.
The DCISC concluded at that time in August 2023 that DCPP followed an effective, formal process for prioritizing, completing, and cancelling capital (plant upgrade) projects since the approval of the Joint Proposal in 2018. Records for these formal processes were retained in DCPP's data management system and were available for subsequent reviews and additional consideration following the passage of SB846 with its mandate to consider the extension of power operations for DCPP beyond 2025.

PG&E's application requests $99,713,000 in Plant and Improvements costs for 2027.[2] In the 2026 application PG&E requested $52,252,000 in Plant and Equipment improvement costs. In 2025 PG&E requested $36,951,000 in plant improvement costs and in 2023 they requested $25,48,000 in plant improvement costs. PG&E needs to answer why $99,713,000 is being requested in 2027 when previous years costs were much smaller.

The 2027 request for project funding for upgrades includes projects which will have a useful life of less than three years. The 2027 request also seeks to reclassify 26 million dollars for projects which were contractually obligated to be funded by the DWR loan but now PG&E seeks to have ratepayers fund these projects.

According to PG&E, *"DCPP's strong operational reliability and focus on delivering safe and affordable energy results in a forecast gross cost per megawatt-hour (MWh) of $73 as of this application for 2027, down from $80 per MWh2 (a reduction of nearly 10 percent)".* [3] According to a Turn Data Response, PG&E states that extended operations resulted in 2024 revenue to equal $37.32 MWh and 2025 revenue of $36 a MWh.[4] At $73 a MWh the cost is twice the revenue that PG&E received in 2025 per MWh. This cannot be considered reasonable under any agency's standard, and a prudent manager would curtail operations at the DCPP or be fired.

If in fact the Diablo Canyon Generation was needed to support grid operations a case could be made to support PG&E's revenue requirement, but the truth is Diablo Canyon is no longer needed for reliability. The June 7, 2026, Joint Agency Reliability Planning Assessment - SB 846 Second Quarterly Report 2026 reveals that Diablo Canyon is not needed for reliability. According

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DCISC 34th Annual Report Pages 199,200 of 1270 https://www.dcisc.org/download/library/annual-reports/34th-annual-report-88.pdf

[2] PG&E Workpapers WP 2-10 Line 109

[3] PG&E Amended Testimony page 1-2 DCPP-ExtendedOperations2027-Forecast_Test_ PGE_20260703_880390.pdf

[44] PG&E Data Response to TURN Data Request Number TURN-001-Q026

to the latest 2026 Joint Agency Report, "*Projected system conditions for summer 2026 show improved reliability compared to the first quarter assessment. The latest resource stack analysis, which focuses on September, the month with the highest risk of shortfalls, continues to show positive supply margins under planning standard conditions. Under planning standard conditions, the installed capacity surplus is projected to be 6,635 megawatts (MW), an increase of over 2,100 MW compared to the first quarter report's 4,442 MW projection."* ***Even under extreme heat scenarios similar to 2020 and 2022 events, the system maintains an adequate surplus with projections of 4,540 MW for a 2020 equivalent event and 2,911 MW for a 2022 equivalent event."*** [5] These conclusions are made without including Diablo Canyons generation included in the assessment. Even assuming an event like a wildfire which could create a 4,000 MW shortfall the 2,911 MW surplus assuming a 2022 event combined with the Strategic Reserve of over 4,000 MW could easily meet any generation requirements for the CAISO grid.

The latest IRP decision precludes continued operation of the DCPP. In the *most recent Integrated Resource Planning proceeding final decision (D.26-02-057), the California Public Utilities Commission's (Commission) issued a zero-emitting generation procurement order of 6,000 megawatts by 2032"*.[6]

Based on these facts and due to the limited useful life of the requested upgrade projects and the huge disparity between revenue received by PG&E and the cost of DCPP generation CARE recommends the following.

**<u>Recommendations</u>**

1. Determine that PG&E's request is not reasonable and establish an immediate retirement date.

5 Joint Agency Reliability Planning Assessment - SB 846 Second Quarterly Report 2026 Page 11 of 44

6 PG&E Amended Testimony Page 7 of 232

2. Apply VPF funds to DCPP operating costs and deny PG&E Proposed VPF Plan.[7]
3. Deny PG&E's request to reclassify $26 million dollars in upgrades from the DCTRMA to the DCEOBA.
4. PG&E should use a benchmark price of $36 a MWh to calculate 2027 CAISO revenue.
5. Interest on the Liquidated Damages Account should be used to reduce the requested revenue requirement.
6. PG&E should be required to solicit substitution capacity from the open market rather than use its own portfolio.
7. PG&E should disclose its potential liability under SB 931 and include it in its cost analysis.

**Whether PG&E's forecast cost of operations and requested net revenue requirement of $595 million over the Record Period for DCPP is reasonable, including the following forecasts and their underlying financial assumptions and calculations, subject to PG&E updating these forecasts in the Fall Update: a. Operations and maintenance costs (including expenses, project costs, and statutory costs and fees, as well as associated escalations)?**

**Project Costs**

PG&E's new project costs are not reasonable. PG&E's application requests $99,713,000 in updated project costs for 2027.[8] Most of these projects will have a useful life of less than three years. No prudent manager would spend these amounts of money for assets with a useful life of less than three years. Funding for projects that were cancelled in the 2020 GRC rate should not be

[7] D.23-12-036 Finding of Fact 60. The Senate Rules Committee Senate Floor Analysis, SB 846 Senate Third Reading, states the volumetric payment for energy produced by DCPP "must be used to first meet needs at [Diablo Canyon] and then to accelerate, or increase spending on, critical priorities."
[8] PG&E Workpapers WP 2-10 Line 109

approved. Projects costs identified for projects recommended by the DCISC should not be approved. It is not reasonable to allow PG&E to shift 26 million dollars in costs which were DCTRMA costs to DCEOBA. In the following I address each individual project.

**Project Title:** U1/U2 Strategic Feedwater Heater Replacemen

PG&E requests $25,527,796[9] for Feedwater heaters for a project that will not be completed until December 2028 that will have a useful life of approximately 23 months. This equates to over 1.1 million dollars a month for a project that only, *"completes the design and fabrication of the feedwater heaters as well as site preparation modifications to ensure readiness for replacement in the event of a significant failure that cannot be reasonably mitigated." In the alternative PG&E could, "Continue the current strategy of plugging tube leaks."*[10] PG&E does not even intend to install these heaters but retain them as spare parts. The worst part is 14.1 million dollars of this project was supposed to be financed by the DWR loan, but PG&E unilaterally chose to reclassify it for ratepayer financing. It's not clear from PG&E's testimony why only 14.1 million dollars of the over 25-million-dollar request for feedwater heaters was required to be financed by the DWR loan. PG&E needs to provide an explanation why the entire 25 million was not originally submitted to the DWR for reimbursement.

The DCISC identified the feedwater heater replacements as necessary for extended operations in 2022. **The DCISC 32nd annual report states that, *"PG&E confirmed that replacement of the heat exchangers would be a very significant project and represents a project that if DCPP were seeking a license extension would have definitely been undertaken."*[11]** *In 2020* DCISC member, "*Mr. Petersen stated that replacement of the heat exchangers would be a*

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[9] PG&E Workpapers WP 2-8 Line 4

[10] PG&E Workpapers Page WP2-22

[11] Diablo Canyon Independent Safety Committee Thirty-Second Annual Report on the Safety of Diablo Canyon Nuclear Power Plant Operations July 1, 2021—June 30, 2022, https://www.dcisc.org/download/library/annual-reports/32nd-annual-report-51.pdf Page 292,293 of 932

*very significant project and represents a project that if DCPP were seeking a license extension would have definitely been undertaken.*[12] *" DCISC consultant McWhorter stated that when the original license renewal application was filed PG&E proposed to replace all the feedwater heaters as they have an operational life of 20 years."*[13]

The project was recommended by the DCISC in its August 2023 Fact Finding Report which was transmitted to the Commission and in the DCISC 34th Annual Report which was also transmitted to the Commission[14]. The project should have been considered by the CPUC in its evaluating whether the cost to operate Diablo Canyon was just and reasonable.[15] Both PG&E and its hired consultants should have identified this project as necessary for extended operations.

There has been some misinformation provided by PG&E concerning recommendations made by the Diablo Canyon Independent Safety Committee (DCISC). PG&E continues to testify that the Diablo Canyon Independent Safety Committee has made no recommendations for deferred maintenance and capital projects. The DCISC August 2023 Fact Finding Report and the DCISC 34th Annual Report contain One Recommendation to the California Public Utilities Commission. That recommendation was:

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12 Diablo Canyon Independent Safety Committee Thirty-Second Annual Report on the Safety of Diablo Canyon Nuclear Power Plant Operations July 1, 2021—June 30, 2022, https://www.dcisc.org/download/library/annual-reports/32nd-annual-report-51.pdf Page 292,293 of 932

13 DCISC Public meeting February 15, 16 2023 Public Meeting Agenda Page 22 of 103.

14 DCISC 34th Annual Report Page 203 of 1270. https://www.dcisc.org/download/library/annual-reports/34th-annual-report-88.pdf

15B) The commission shall review the reports and recommendations of the Independent Safety Committee for Diablo Canyon described in Section 712.1. If the Independent Safety Committee for Diablo Canyon's reports or recommendations cause the commission to determine, in its discretion, that the costs of any upgrades necessary to address seismic safety or issues of deferred maintenance that may have arisen due to the expectation of the plant closing sooner are too high to justify incurring, or if the United States Nuclear Regulatory Commission's conditions of license renewal require expenditures that are too high to justify incurring, the commission may issue an order that reestablishes the current expiration dates as the retirement date, or that establishes new retirement dates that are earlier than provided in subparagraph (A) of paragraph (1), to the extent allowable under federal law, and shall provide sufficient time for orderly shutdown and authorize recovery of any outstanding uncollected costs and fees.

"DCPP developed an extensive, logical, and formal process for effectively and positively capturing and prioritizing possible plant upgrade projects following the passage of SB846 and considering the possibility of extending power operations through 2030. The DCISC found that DCPP's resulting plans for future plant upgrades to support extended operations were appropriate to ensure nuclear safety and a high standard of equipment reliability. The DCISC recommends that the California Public Utilities Commission and all other necessary California state authorities support the funding of the plant upgrade projects recommended by DCPP."[16]

In the 35th DCISC Annual Report PG&E finally admits that DCISC did in fact make recommendations to approve upgrade projects listed in the 34th Annual report listed on pages 202 to 204 of 1270. PG&E not the Commission responds to the recommendation of the DCISC to the CPUC to finance upgrade projects. PG&E states***, "DCISC was informed that the CPUC approved all those projects."***[17] Accordingly, the DCISC responded, "*The DCISC concludes that the actions taken by PG&E relative to past* ***DCISC recommendations*** *have been satisfactory and have helped to maintain or improve safety and reliability."*[18] Clearly the DCISC has made recommendations which PG&E should have reported to the CPUC so the CPUC could meet its obligation under Pub. Util. Code Section 712.8(c)(2)(B).

**<u>Project Title:</u>** <u>U1/U2 CRVS Condensers</u>

PG&E requests $8,105,000 to replace the CRVS condensers. The project is expected to be completed in August 2027 with a 35-month useful life. The project will cost ratepayers $231,571 a

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[16] DCISC 34th Annual Report page 17 of 1270 https://www.dcisc.org/download/library/annual-reports/34th-annual-report-88.pdf
[17] DCISC 35th Annual Report page 43 of 142 https://www.dcisc.org/download/library/annual-reports/35th-annual-report-93.pdf
[18] DCISC 35th Annual Report Page 43 of 142 https://www.dcisc.org/download/library/annual-reports/35th-annual-report-93.pdf

month. The project is being requested to supply a habitable temperature-controlled environment in the control room. **This project was a project that was canceled in 2020 GRC rate Case.**[19] As such PG&E and its hired consultants should have identified this as a canceled project from 2020 in evaluating the cost to upgrade the DCPP for extended operations so the CPUC could evaluate whether the project cost was too high justify. PG&E and its hired consultant never mentioned this in any of its reports.

**Project Title:** U2 Fuel Transfer Cart & Upender Upgrade

**This project is one of the canceled projects listed in PG&E's 2020 GRC application**.[20] As such it should have been identified by PG&E employees and consultants as a cancelled project and been considered during the evaluation of if the cost was too high to justify extended operations. PG&E requests $2,719,000 for a project that is expected to be completed in June 2027 for Unti 2 so the project has a useful life of 42 months. This will cost $64,738 a month.

"Based on the available public outage records and operational assessments, **there is no documented Diablo Canyon outage specifically linked to a "Fuel Transfer Cart & Upender Upgrade" in the provided sources**.

The California Energy Commission's 2023 and 2024 Operations Assessment Reports list general outage scopes such as refueling, valve maintenance, containment fan cooler motor overhauls, high-pressure turbine inspections, bus maintenance, and license renewal inspections s3.us-west-002.backblazeb2.com. These reports do not mention a Fuel Transfer Cart or Upender Upgrade as a primary or secondary scope in any of the recent outages. Similarly, NukeWorker's outage history for Diablo Canyon Units 1 and 2 does not list this specific upgrade

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19 Attachment 1 Appendix H Diablo Canyon Canceled Projects List 2020 General Rate Case Line 7 Unit 2, Line 50 Unit 1.

20 Attachment 1 2020 General Rate Case Appendix H Diablo Canyon Power Plant Cancelled Capital Projects Line 14.

as part of any recorded outage NukeWorker.com+**1**.[21] The project should not be financed at this time.

**Project Title:** Circulating Water Pump's Stator Rewinds

For this project PG&E requests $9,932,000 with a completion date of December 2027. The Unit 1 expense is $2,667,504 and the unit 1 retirement date is no later than October 31,2029. The useful life of the Unit 1 project is 24 months so the project will cost ratepayers $111,146 a month. ($2,667,504/24)

Unit 2 has an estimated cost of $7,264,292 with a useful life of 36 months so the project will cost ratepayer's $201,785 a month. (7,264,292/36= $201,785) The project eliminates potential risks of potential winding failure. Winding failure online would require removal of a CWP from service and curtailment to ~50% power until motor repairs could be performed. "Based on the available public inspection and event reports, "***there is no documented failure of a Circulating Water Pump (CCW) stator rewind at Diablo Canyon Power Plant*** *in the provided sources*."[22] This project funding should be denied.

**Project Title:** U1/U2 Procure and Install New RCP Seals

For this project PG&E requests $2,943,000. The project is expected to be completed in May 2027, so it has a useful life of approximately 43 months costing ratepayers $68,441 a month. ($2943,000/43) The project appears to be a canceled project from the 2020 General Rate Case so it should have been identified by PG&E or its consultants early in the process so the commission

[21] https://www.bing.com/search?q=Has+diablo+canyon+ever+had+an+outage+connected+to+Fuel+Transfer+Cart+%26+Upender+Upgrade&cvid=8c36ce0ac895488c913aab38833bff1f&gs_lcrp=EgRlZGdlKgYIABBFGDkyBggAEEUYOTIHCAEQ6wcYQNIBCTE3ODg0ajBqOagCCLACAQ&FORM=ANAB01&PC=LCTS

[22] https://www.bing.com/search?q=has+diablo+canyon+ever+had+a+failure+of+Circulating+Water+Pump%E2%80%99s+Stator+Rewinds&cvid=f2f86aa517a94fec9b16559993b680ba&gs_lcrp=EgRlZGdlKgYIABBFGDkyBggAEEUYOTIHCAEQ6wcYQNIBCTE5OTYxajBqOagCCLACAQ&FORM=ANAB01&PC=LCTS

could determine whether the DCPP extension was just and reasonable.[23] "There is **no public record of a confirmed failure of Diablo Canyon's reactor coolant pump (RCP) seals** in the available NRC inspection reports or safety analysis updates."[24] The CPUC should require PG&E to "Plan for "emergent" replacement and deny this project."

**Project Title:** U1/U2 Condenser Waterbox & Tubesheet Coatings

This project was recommended by the DCISC in its August 2023 Fact Finding Report and its 34th Annual Report to be performed in Refueling Outage 1R24 Projects (Fall 2023).[25] The project costs $1,998,000 and is expected to be completed in July of 2027 with a useful life of 41 months so it will cost the ratepayers $48,731 a month. ($1,998,000/41=$48.731.71)

"Publicly available outage and inspection reports for Diablo Canyon Power Plant do **not** contain specific, verifiable records of outages directly attributed to **condenser** waterbox and tubesheet coating issues**.** The most recent detailed inspection was **the** NRC Integrated Inspection Report for Units 1 and 2 in February 2024**,** which documented two very low safety significance (Green) findings and one Severity Level IV violation, but neither was linked to condenser waterbox or tubesheet coating problems.[26] Project funding should be denied.

**Project Title:** U2 Fuel Transfer Cart & Upender Upgrade

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[23] Attachment 1 2020 General Rate Case Appendix H Diablo Canyon Power Plant Cancelled Capital Projects Line 54.

[24] https://www.bing.com/search?pglt=297&q=has+diablo+canyon+ever+had+afailure+of+RCP+seals&cvid=0b7c230abdb542bba9f31c171daea52d&gs_lcrp=EgRlZGdlKgYIABBFGDkyBggAEEUYOTIHCAEQ6wcYQNIBCTE2ODM3ajBqN6gCALACAA&FORM=ANNTA1&PC=LCTS

[25] DCISC 34th Annual Report Page 202 0f 1270 https://www.dcisc.org/download/library/annual-reports/34th-annual-report-88.pdf

[26] https://www.bing.com/search?pglt=297&q=has+diablo+canyon+ever+expeerinced+an+outage+form+Condenser+Waterbox+%26+Tubesheet+Coatings&cvid=137d2c371c2b4570aec68721083ac07c&gs_lcrp=EgRlZGdlKgYIABBFGDkyBggAEEUYOTIHCAEQ6wcYQNIBCTcwMTkxajBqN6gCALACAA&FORM=ANNTA1&PC=LCTS

PG&E requests $2,719,000 for this project. **This project was a project that was cancelled in the 2020 PG&E GRC.**[27] As such the project should have been reported to the Commission as a canceled project by PG&E or its hired consultants so it could be included in the Commissions Public Resources Code Section Pub. Util. Code Section 712.8(c)(2)(B) evaluation. The project should have been funded by the DWR loan.

**Project Title:** U2 Tricon Control Systems Migration

PG&E requests $1,432,000 for this project, which is to be completed August 2027, giving a useful life of 40 months. The project will cost ratepayers $35,800 a month to extend DCPP operation until October 31, 2030.

**Project Title:** U2 Main Annunciator System Obsolescence

PG&E seeks $11,435,000 to replace the Main Annunciator System on Unit 2. The project is expected to be completed in June 2027 giving it a useful life of 42 months resulting in a cost to ratepayers of $272,261 a month. The main annunciator system upgrade was identified and recommended in the DCISC August 2023 fact finding report which was provided to PG&E and the Commission and was included by DCISC in its 34th Annual Report[28] as a needed upgrade and should be considered by the CPUC whether the cost was too high to continue operations.

**Project Title:** COM 230 kV Tie-Line Relay 287 Replacement

PG&E requests $762,000 for this project, expected to be completed in December 2027. This project was identified by the DCISC as an upgrade project in the DCISC 34th the DCISC and the August 2023 Fact finding Report.[29] **This project appears to be a project canceled in 2020**

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[27] Attachment 1 2020 General Rate Case Appendix H Diablo Canyon Power Plant Cancelled Capital Projects Line 18.

[28] Exhibit 1 DCISC 34th Annual Report Page 203 of 1270 https://www.dcisc.org/download/library/annual-reports/34th-annual-report-88.pdf

[29] Exhibit 1 DCISC 34th Annual Report Page 203 of 1270

**during the 2020 GRC Rate Case**.[30] The project should be funded by the DWR loan and included in the CPUC evaluation of whether the cost to extend operations was too high an evaluation the CPUC has still yet to conduct.

**Project Title:** <u>U1/U2 Steam Generator Snubbers Replacement</u>

PG&E is requesting $2,044,000 for this project. The project seeks to purchase 32 snubbers. PG&E states that only 2 snubbers can be removed per outage. With only approximately 6 outages left PG&E is asking ratepayer to pay for snubbers to next "20 years"[31]when only 4 years of operation are authorized by the State of California. There is no justification to pay for snubbers for 20 years of operation. The CPUC should only authorize funding for snubbers for the next four years of operations not the next 20 years of operation that PG&E has not been authorized to conduct by the State of California.

**Project Title:** <u>ISFSI Loading Campaign #9</u>

PG&E is asking for $21,201,000 to," *Complete a SNF loading campaign of 10 casks (5 per unit) utilizing the Holtec HI-STORM 100SA system prior to December 2027 to ensure the SFPs will have sufficient capacity to maintain full core offload capability and to allow receipt of new fuel assemblies prior to the R27 refueling outages."* PG&E's loan agreement with the DWR specifies that, "*Spent Fuel Management: Procurement of materials, products, and services necessary or appropriate to manage DCPP spent fuel inventory including by transferring to dry casks storage to support the required full load offload capability during the DCPP extend operation*." Funding for this project should be denied as costs for spent fuel management are supposed to be funded by the DWR loan not ratepayers.[32]

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[30] Attachment 1 2020 General Rate Case Appendix H Diablo Canyon Power Plant Cancelled Capital Projects Line 57,58.

[31] WP Page 2-28 Benefits line.

[32] DWR Loan Agreement stipulates states that PG&E should charge the DWR for the following costs.

**Project Title:** Replace One Bus of 4kV Breakers

PG&E requests 1.5 million dollars to replace on bus of the 4kV breakers. **That project appears to be one of the canceled projects in the 2020 PG&E GRC rate case.**[33] If that is true it should have been identified by PG&E or its consultants it hired to asses deferred maintenance and upgrades so the CPUC could determine if the DCPP extension was too high to justify an evaluation they have yet to undertake which I required by SB 846.

**Property Taxes/SB 931 Mitigation**

PG&E testimony states, "The 2027 property tax expense for DCPP land is estimated to be $754,281."[34] Currently there is a bill entitled Senate Bill 931. Senate Bill 931 is working its way through the California State Legislature. "The bill establishes a community impact mitigation program similar to the unitary tax which expired in 2025. The bill requires PG&E to provide San Luis Obispo County with 2 equal annual installments of $8,333,333 to the Essential Service Mitigation Fund in the 2026–27 and 2027–28 fiscal years, with the final payment made before October 31, 2028.[35] On May 19, 2026, The bill was approved the California State Senate[36] and

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a. Fuel Purchases: Procurement of materials products and services necessary or appropriate to manufacture nuclear fuel for use in the DCPP.
b. Spent Fuel Management: **Procurement of materials, products, and services necessary or appropriate to manage DCPP spent fuel inventory including by transferring to dry casks storage to support the required full load offload capability during the DCPP extend operation.**
d. Contract Labor: All necessary and appropriate contract labor including specialized nuclear regulatory and legal and other professional services….
e. Project Team: All necessary and appropriate internal PG&E labor to pursue the NRC application and related regulatory filings and required State approvals necessary and appropriate for continued operation of the DCPP……
f. Other Costs: All other costs and expenses that are necessary and appropriate for promoting the purpose, including all costs and expenses in connection with this agreement such as fulfilling any indemnification obligations and payment for tax liabilities among other costs and expenses.[32]

[33] Attachment 1 2020 General Rate Case Appendix H Diablo Canyon Power Plant Cancelled Capital Projects Line 52.

[34] PG&E Amended Testimony Page 4-10

[35] SB 931 as Amended 6/29/26 SB931 | California 2025-2026 | Diablo Canyon nuclear powerplant: Community Impacts Mitigation Program. - Legislative Tracking | PolicyEngage

[36] Read third time. Urgency clause adopted. Passed. (Ayes 29. Noes 10.) Ordered to the Assembly. SB931 | California 2025-2026 | Diablo Canyon nuclear powerplant: Community Impacts Mitigation Program. - Legislative Tracking | PolicyEngage

advanced to the Assembly. The bill is currently working its way through the Assembly. PG&E is certainly aware of this bill but fails to mention it in its testimony. The bill has strong support and is likely to be passed soon. PG&E should be required to report this potential liability in its operating costs.

**Liquidated Damages Account**

According to PG&E's data response on May 22, 2026, it received 4.9 % interest on the account in January 2026 totaling $950,436.81. In February 2026 it received a 4.87 interest rate which yielded $973,839.58.[37] Ironically PG&E received a 12 percent increase in its Fixed Management Fees due to inflation in 2026. A full year interest on the $300,000,000 liquidated damages account assuming an interest rate of 4.9% would equal approximately $14,700,000 a year for 1 year alone. By 2030 the accrued interest on the account will be over $50 million dollars. SB 846 does cap the liquidated damages account at $300,000,000. SB 846 states that, "*The commission shall authorize and fund as part of the charge under paragraph (1) of subdivision (l), the Diablo Canyon Extended Operations liquidated damages balancing account in the amount of twelve million five hundred thousand dollars ($12,500,000) each month for each unit **until** the liquidated damages balancing account has a balance of three hundred million dollars ($300,000,000).*" SB 846 does not authorize PG&E to retain any interest payments on the account.

The accrued interest should be used to lower the 2027 revenue requirement. If not returned to the ratepayers, the liquidated damages account could alternatively be utilized to erase the $2,169,000 million dollar working cash deficit PG&E requests reimbursement for in this application. Withholding of the interest payments does not benefit PG&E in any way but denies ratepayer relief of approximately 14 million dollars in this application alone.

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[37] PG&E data Response to Turn Question _002-Q00 Page 1

**<u>Resource Adequacy (RA) substitution capacity forecast and true-up costs;</u>**

PG&E intends to use its own excess generation to provide substitution capacity. This may lead to increased costs for ratepayers as other more inexpensive options may exist outside of PG&E's own portfolio. PG&E should be required to solicit substitution capacity from the open market rather than use its own portfolio which is subject to manipulation.

**<u>Netting of California Independent System Operator (CAISO) revenues for the period from January 1, 2027, to December 31, 2027;</u>**

PG&E projects that it will receive $750,559,000 from CAISO for its 2027 generation. It bases this figure by multiplying its net generation of 18,288 Gigawatt-hours by the Market Price Reference of $41.04 a MWh. In 2025 PG&E received $36 MWh for its generation.[38] PG&E's CAISO revenues should be calculated based on the average price PG&E received in 2025 as the benchmark so revenues should be calculated at $36 X 18,288 MWh for a total of $658,368,000. Unlike most generators included in the Market Price reference calculations Diablo Canyon operates even when the cost of a MWh is 0 or negative. Most generators curtail their operations when the price falls below production cost. In 2024 Diablo Canyon operated for 1,004 hours when the price for generations was zero or negative. In 2025 Diablo canyon operated for 794 hours when the price for electricity was zero or negative. So far in 2026 DCPP has operated for 473 hours out of 2,789 hours approximately 16% of the operating hours when the price of electricity was zero or negative.[39] The average price PG&E was paid for by CAISO of $36 a MWh is the appropriate benchmark to calculate CAISO 2027 revenue.

Whether PG&E's proposed volumetric performance fees (VPFs) spending. Such compensation, to the extent it is not needed for Diablo Canyon plan for the January 1, 2027, to

[38] PG&E Data Response to TURN Data Request 002-Q002

[39] PG&E data Response to TURN Data Request 001-Q24

December 31, 2027, period complies with Pub. Util. Code Section 712.8(s)(1) and all Commission requirements and should be approved.

PG&E's proposed volumetric performance fee spending does not comply with SB 846 requirements. PG&E is requesting over 595 million dollars to support operations at the DCPP.[40] SB 846 states, " *The operator shall submit to the commission for its review, on an annual basis the amount of compensation earned under paragraph (5) of subdivision (f), how it was spent, and a plan for prioritizing the uses of such compensation the next year. Such compensation shall not be paid out to shareholders.* ***Such compensation, to the extent it is not needed for Diablo Canyon****, shall be spent to accelerate, or increase spending on, the following critical public purpose priorities*."[41]

Clearly SB 846 does not support Volumetric Performance Fee spending on other priorities if the VPF funding is needed to support DCPP operations. The language in SB 846 is not ambiguous. The Senate Floor analysis supports the requirement that VPF funds cannot be used for other priorities if funding is needed for DCPP operations. The State Senate Floor analysis:

"*Stipulates the compensation from this volumetric charge cannot be paid to shareholders,* ***but rather must be used to first meet needs at DCPP and then to accelerate, or increase spending on, critical priorities including interconnections of resources, grid modernization, building decarbonization, workforce and customer safety, education, or increasing resiliency****.* [42]

By applying the VPF fees to the proposed revenue requirement rather than public purpose programs will also eliminate $500,000 in audit cost for the VPF program.[43]

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[40] PG&E Revised Testimony Page 1-11 DCPP-ExtendedOperations2027-Forecast_Test_PGE_20260703_880390 (1).pdf

[41] Public Utilities Code Section 712.8 (t)(1)

[42] SENATE THIRD READING SB 846 (Dodd) As Amended August 28, 2022 Page 4 of 15 https://billtexts.s3.amazonaws.com/ca/ca-analysishttps-leginfo-legislature-ca-gov-faces-billAnalysisClient-xhtml-bill-id-202120220SB846-ca-analysis-356446.pdf

[43] PG&E amended Testimony Page 4-10

The Commission does have the authority under SB 846 to direct VPF funds to the needs for Diablo Canyon operations when 595 million dollars is needed to support continued operations at Diablo Canyon.[44]

Whether it is reasonable for PG&E to reclassify $26 million in costs originally included in the Diablo Canyon Transition and Relicensing Memorandum Account to the Diablo Canyon Extended Operations Balancing Account, as described in PG&E's testimony;

**Feedwater Heaters**

According to PG&E, *"Based on the information known at the time PG&E filed the TLRES, all spare feedwater heaters were anticipated to be delivered in 2026 and be recovered by the DWR loan. However, when PG&E executed contracts in May 2025 for fabrication of the feedwater heaters, the final fabrication schedule identified six feedwater heaters that would not be delivered until 2027."*[45]

Based on the delivery time of the feedwater heaters PG&E has unilaterally chosen to transfer the 14.1-million-dollar expense to the DCEOBA from the DCTRMA. In Application A.16-08-006 PG&E stated it would not record costs to the DCTRMA by the timeframe they occurred.

*"PG&E states that the costs of these transition and relicensing activities will not be recovered from ratepayers. Instead, costs recorded in the DCTRMA are to be funded solely through government funding steams, including the amounts allocated by Assembly Bill (AB) 18015 and SB 846, as well as any funding made available through DOE's Civil Nuclear Credit program. While PG&E expects most of these costs to be incurred prior to the expiration of the current federal licensing periods, PG&E asserts the costs recorded in the* ***DCTRMA will be defined by the***

[44] D.23-12-036 Conclusion of Law 63. PG&E should demonstrate, in its retrospective reporting on the use of surplus performance-based fees, **how the funds were used solely for the purpose of covering DCPP extended operations costs to borne by ratepayers pursuant to Section 712.8** or critical public priorities authorized by the previous year's Surplus Performance-Based Fees Application proceeding.

[45] PG&E Amended Testimony Page 2-15

***stipulations associated with the relevant loan or funding agreement, and not by the timeframe in which they are incurred."***[46]

PG&E does not even plan to install this 14.1 million dollars' worth of feedwater heaters. According to PG&E, "The feedwater heater project scope consists of the purchasing of spare low pressure feedwater heaters and preparing the turbine building for their installation. Installation of the feedwater heaters is not presented in this application and will only occur in the event of feedwater heater failure that cannot be repaired using normal feedwater heater repair methods."

PG&E is requesting $25,517,796 dollars for feedwater heater in the application. It is unclear why PG&E only reclassifies $14.1 million dollars of the feedwater heater replacement instead of the full $25,517,796.

Reclassifying 14.1 million dollars in DCTRMA cost would cause PG&E preparation costs to exceed the already exhausted 1.4-billion-dollar loan from the DWR. This event would trigger, Section 25233.2(b) which requires the California Energy Commission to *"reevaluate the cost-effectiveness of prolonging the powerplant's operations*" if the "*costs of the extension of operations of the Diablo Canyon powerplant exceed limits provided for in the loan agreement at any time*."[47]

**Control Room Ventilation Condenser Replacement Project.**

PG&E is requesting that 11.5 million dollars be reclassified from DCTRMA financing to the ratepayer financing in the DCEOBA. The control room condenser project was a project that PG&E canceled in the 2020 rate case with a projected cost for Unit 2 of $1,145,736[48] and a projected cost for Unti 1 of $1,800,680.[49] PG&E claims the transfer is due to advance planning

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46 Decision 22-12-005 Page 11
47 D. 22-12-005 Page 16
48 Attachment 1 2020 General Rate Case Appendix H Diablo Canyon Power Plant Cancelled Capital Projects Line 7.
49 Attachment 1 2020 General Rate Case Appendix H Diablo Canyon Power Plant Cancelled Capital Projects Line 50.

and scope definition. As noted above, in Application 16-08-006 PG&E testified that, "*While PG&E expects most of these costs to be incurred prior to the expiration of the current federal licensing periods, PG&E asserts the costs recorded in the* ***DCTRMA will be defined by the stipulations associated with the relevant loan or funding agreement, and not by the timeframe in which they are incurred.***"[50]

**Intake Bar Replacement**

Like the control Room Condenser Project, the Intake Bar replacement was a project that was canceled during the PG&E 2020 GRC.[51] The intake bar racks were determined to be low priority and its completion was moved from 2026 to 2027.[52] *According to PG&E "Due to resource availability, all projects were reviewed and reprioritized in June 2025 based on the project's ability to the safety and reliability of DCPP*." I recommend requiring PG&E to finance this project with its own money or in the alternative not authorize this project as it is a low priority.

**Working Cash Adjustment**

PG&E requests 2.1 million dollars in a working cash adjustment. PG&E has working cash available from the Liquidated damages fund which collected interest on the account in January 2026 totaling $950,436.81. In February it received a 4.87 interest rate which yielded $973,839.58.[53] PG&E also has millions of dollars in VPF funds which have not been expended which can be used for working cash if properly documented.

**Whether PG&E's testimony satisfies all the regulatory requirements set forth, including D.23-12-036, D.24-12-033, D.25-06-002, and D.25-12-007.**

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[50] D22-12-005 Page 11

[51] Attachment 1 2020 General Rate Case Appendix H Diablo Canyon Power Plant Cancelled Capital Projects Line 12.

[52] PG&E testimony Page 2-17

[53] PG&E data Response to Turn Question _002-Q00 Page 1

D.23-12-036 states that, “*PG&E is directed to file an annual application, as described in this decision, **no later than March 1, 2026**, until the retirement of DCPP Unit 1 and Unit 2”* PG&E did not file its 2027 application until March 27, 2026.[54]

D. 23-12-036 required PG&E to comply with D.22-12-005 where, “the Commission concluded that “*PG&E should attempt to recover the following transition and extended operations costs using government funding to the greatest extent possible: all costs associated with preserving the option of extended operations at DCPP; all plant and equipment improvement and investment costs; spent fuel storage capacity costs; and any related taxes or other revenue requirements.”* In this application PG&E is attempting to recover costs from ratepayers for feedwater heaters, CRVS condensers, and intake racking that were previously allocated to government funding.

Decision 24-12-033Finding of Fact Number 25. Require that “PG&E should minimize the amount of confidential information in the next annual application and protect only market-sensitive data.”

## <u>Conclusions</u>

As discussed above the Commission should adopt all of the recommendations made in this testimony. First, the Commission should determine that PG&E’s request is not reasonable and establish an immediate retirement date. All VPF funds should be utilized to lower DCPP operating costs, and the Commission should deny PG&E Proposed VPF Plan.[55] The Commission should

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[54] D.23-12-036 Order 15. “Pacific Gas and Electric Company (PG&E) is directed to file an annual application, as described in this decision, no later than March 1, 2026, until the retirement of Diablo Canyon Nuclear Power Plant Unit 1 and Unit 2, to report the amount of compensation earned under California Public Utilities Code Section 712.8(f)(5), how it was spent, and a plan for prioritizing the uses of such compensation the next year. PG&E is not prohibited from filing an application earlier than March 1, 2026, to request an earlier approval of its plan for prioritizing the uses of funds collected under California Public Utilities Code Section 712.8(f)(5). PG&E’s application may also include one or more proposals that would allow PG&E to spend the performance-based fees while ensuring sufficient funding for the true-up process, as discussed elsewhere in this decision.”

[55] D.23-12-036 Finding of Fact 60. The Senate Rules Committee Senate Floor Analysis, SB 846 Senate Third Reading, states the volumetric payment for energy produced by DCPP “must be used to first meet needs at [Diablo Canyon] and then to accelerate, or increase spending on critical priorities.”

Deny PG&E's request to reclassify $26 million dollars in upgrades from the DCTRMA to the DCEOBA. PG&E should use a benchmark price of $36 a MWh to calculate 2027 CAISO revenue. Interest on the Liquidated Damages Account should be used to reduce the requested revenue requirement. PG&E should be required to solicit substitution capacity from the open market rather than use its own portfolio.  PG&E should disclose its potential liability under SB 931 and include it in its cost analysis.

# Attachment 1 Diablo Canyon Canceled Projects 2020 General Rate Case

APPENDIX H
PACIFIC GAS AND ELECTRIC COMPANY
20.20 GENERALRATECASE
DIABLOCANYON POMR PLANCANCELLED CAPITAL PROJECTSANDAMORTIZATION SCHEDULE

| Line No. | Plami1111 Order | De1Ctin | Total Costs to 06/30/16 | Total Costs Posl 06/30/16 | Total Costs | Costa Excluding AFUDC to 06/30/16 | Costs Excluding AFUDC Posl 06/30/16 | TolalCosta Excklding AFUDC |
|---|---|---|---|---|---|---|---|---|
| 1 | 5727860 | U1:Rpl Process Proteclion System (PPS) | $23,280,917 | $1,893889 | $25,174,806 | $19,221,366 | $808,844 | $20,030,210 |
| 2 | 5727861 | U2: Rpl Process Proteclion System (PPS) | $11,876,018 | $541294 | $12,417,311 | $9,670,456 | $0 | $9,670,456 |
| 3 | 5730278 | U1:Repl Main Gen Voltage Regulator | $105,808 | $8055 | $114,881 | $88,092 | $0 | $88,092 |
| 4 | 5731878 | U1:Repl FHB Supply Fans | $78453 | $3,411 | $79,884 | $49,202 | $0 | $49,20.2 |
| 5 | 5731879 | U1:Repl Aux Bldg Supply Fans | $102,270 | $0 | $102,270 | $70,361 | $0 | $70,361 |
| 6 | 5732159 | U2:Uw Air Partic&Gaa Montr RM-11 & 12 | $42,028 | $3612 | $45,640 | $27,266 | $0 | $27,266 |
| 7 | 5733424 | U2: Control Room Condenser Replacament | $509,558 | $725,684 | $1,235,240 | $484,255 | $881,481 | $1,145,736 |
| 8 | 5733432 | U2:Repl Main Gen Voltage Regulator | $124,689 | $10,721 | $135,410 | $81,165 | $0 | $81,165 |
| 9 | 5733439 | U2:Repl FHB Supply Fans | $1,302,010 | $0 | $1,302,010 | $1,084,194 | $0 | $1,084,194 |
| 10 | 5733440 | U2:Repl Aux Bldg Supply Fans | $418,319 | $0 | $418,319 | $295,049 | $0 | $295,049 |
| 11 | 5733691 | COM:Repl Turbine Building HELB Louvers | $158,591 | $13,654 | $172,244 | $73,053 | $0 | $73,053 |
| 12 | 5733720 | COM:Instlntake Bar Rack Raking System | $2,528,067 | $0 | $2,528,067 | $1,719,041 | $0 | $1,719,041 |
| 13 | 5735024 | U1:Repl Manipulator Control Center | $50,865 | $10,112 | $80,978 | $35,593 | $3,882 | $39,475 |
| 14 | 5735026 | U2:Upgrade Fuel Transfer Cart & Controls | $210,398 | $124,540 | $334,938 | $188,377 | $92,804 | $281,181 |
| 15 | 5735027 | U2:Repl Manipulator Control Center | $80,804 | $9588 | $70,170 | $48,815 | $2,172 | $50,787 |
| 18 | 5735028 | U1:Upgrade Fuel Transfer Cart & Contrail! | $28,389 | $14,281 | $40,869 | $19,815 | $10,622 | $30,437 |
| 17 | 5735677 | U1:Replace 12Kv Bus E Relays | $1,077,513 | $0 | $1,077,513 | $964,871 | $0 | $964,871 |
| 18 | 5735678 | U2:Replace 12Kv Bus E Relays | $69906 | $6011 | $75,917 | $47,178 | $0 | $47,178 |
| 19 | 5735886 | U1-U2:Replace DFO Transfer Pumps | $1,004,692 | $0 | $1,004,692 | $780,176 | $0 | $780,176 |
| 20 | 5735894 | COM:Rem Abandoned Caustic/Acid Tanks | $100,721 | $0 | $100,721 | $100,721 | $0 | $100,721 |
| 21 | 5736879 | U2:Repla<l8 FLUR/SLUR Relays | $1,938,310 | $0 | $1,938,310 | $1,490,088 | $0 | $1,490,088 |
| 22 | 5738000 | U1:Upgr Air Partic &Gas Montr RM-11 & 12 | $472,580 | $185,249 | $657,809 | $353,732 | $138,748 | $492,480 |
| 23 | 5736129 | U1:Replace Exr.ore Thermocouples | $570,852 | $22,818 | $593,670 | $440,542 | $0 | $440,542 |
| 24 | 5736141 | Turb Bldg Sump Pmps & Lvl Contrell Mod | $101378 | $4512 | $105,890 | $65,273 | $0 | $65,273 |
| 25 | 5738238 | U1:Add lbVlvSI Test Hdr Phase II 1R19 | $1,184,362 | $0 | $1,184,362 | $915,783 | $0 | $915,783 |
| 26 | 5739859 | U1:lnstl Redundant Vapor Extm:tor | $135,874 | $5932 | $141,806 | $101,858 | $0 | $101,858 |
| 27 | 5740839 | U1:Repla<l8 FLUR/SLUR Relays | $3,371044 | $0 | $3,371,044 | $2,852,670 | $0 | $2,852,670 |
| 28 | 5740883 | u1:lnstl sew Head Tmk N2 Cover System | $1,175,074 | $118,648 | $1,293,720 | $1,042,753 | $83,294 | $1,106,047 |
| 29 | 5740884 | u2:1ns11sew Head Tmk N2 Cover System | $151358 | $75,600 | $226,958 | $109,702 | $67,520 | $177,222 |
| 30 | 5740886 | U2:1nstl ICW Head Tank N2 Cover System | $56,069 | $2,562 | $58,631 | $40,606 | $0 | $40,606 |
| 31 | 5742281 | COM:Add Equip to Inj PAA to FWSys | $664,788 | $84,699 | $729,465 | $612,079 | $29,174 | $841,253 |
| 32 | 5742339 | U1:Replace Main Generator Oulput Breaker | $2,283,120 | $194,959 | $2,478,079 | $1,922,702 | ($2,259) | $1,920,443 |
| 33 | 5743121 | COM:Upgrade Primary Chemistry Lab | $8,022 | $858 | $8,678 | $5,925 | $0 | $5,925 |
| 34 | 5743876 | U1:Repla<l8 EH Vacuum Dehydrator | $128,854 | $5535 | $134,369 | $101,446 | $0 | $101,446 |
| 35 | 5745078 | Replace Gaseous Radwaste Monitoring Sys | $513,954 | $144,792 | $658,747 | $477,856 | $117,866 | $595,722 |
| 36 | 5745278 | U1:Replace lnstr in Panels PM-177&179 | $0 | $7,047 | $7,047 | $0 | '6,820 '6,820 | |
| 37 | 5745442 | COM:lnst! SWRO Discharge Modifications | $463,345 | $2,744 | $488,088 | $435,607 | ($16,972) | $418,635 |
| 38 | 5748098 | u1:AddThermal Relief Viv to sew HX | $33,120 | $8,181 | $41,300 | $32,330 | $8,390 | $38,720 |
| 39 | 5746099 | u2:AddThermal Relief Viv to sew HX | $14,990 | $21730 | $38,720 | $14,847 | $20,265 | $34,912 |
| 40 | 5746172 | COM:Replac::e DCPP Pwr Block Lighling | $149,402 | $6522 | $155,924 | $137,813 | $0 | $137,813 |
| 41 | 5746724 | U1:REPL CFCU COOLING COILS 1-2 | $0 | $631,141 | $631,141 | $0 | $629,123 | $629,123 |
| 42 | 5749719 | U2:Replace PresHeaters | $864,198 | $0 | $864,198 | $796,611 | $0 | $798,611 |
| 43 | 5749764 | COM:hsU Diesel to Suppt Security Upgr | $70,958 | $6138 | $77,096 | $58,791 | $0 | $56,791 |
| 44 | 5750041 | U1:Upgrade DEG (Margin Deficiency) | $89,592 | $4,108 | $93,700 | $69,484 | $0 | $69,484 |
| 45 | 57527eB | COM:TS SIJtj:rt Cales Rev & Reloc Pll:lj(CAP) | $3,855,873 | $1,281905 | $5,137,778 | $3,401,376 | $929,052 | $4,330,427 |
| 46 | 5752819 | U1:Repl Main Generator Protection | $55,638 | $159,933 | $225,571 | $55,203 | $161,762 | $216,965 |
| 47 | 5752820 | U2:Repl Main Gen-or Protection | $58,863 | $126,379 | $185,242 | $54,364 | $113,395 | $167,759 |
| 48 | 5753458 | U2:Repl PPC Servera | ($646) | $0 | ($646) | ($667) | $0 | ($667) |
| 49 | 5753459 | U1:Repl PPC Servers | $459,859 | $21083 | $480,942 | $383,983 | $0 | $383,983 |
| 50 | 5755714 | U1: Control Room Condenser Replacament | $653,415 | $1,284,305 | $1,937,720 | $623,701 | $1,178,979 | $1,800,680 |
| 51 | 5758524 | U2:1nst ASW Cathodic Protection | $942,560 | $288,620 | $1,211,200 | $909,956 | $185,450 | $1,095,408 |
| 52 | 5759418 | COM:MSLB lmpact on 4KV vital SWGRs | $1,329,955 | $304,723 | $1,634,678 | $1,169,341 | $156,853 | $1,325,993 |
| 53 | 5761274 | U2:UPGRADE DEG 2-2 LOADING MARGIN | $735,404 | $39,576 | $774,980 | $653,693 | $5,717 | $659,410 |
| 54 | 5761286 | U1:Refurbish RCP Rotor RS | $267,210 | $35,188 | $302,398 | $254,870 | $22,929 | $277,800 |
| 55 | 5762786 | lnstall Wreleas Comm Sysh 3 & 4 | $296,190 | $558,582 | $854,752 | $292,116 | $499,597 | $791,713 |
| 58 | 5764036 | Purchase and lnstall CWP Mir Rtr CWP 2-1 | $0 | $101,196 | $101,198 | $0 | $93,281 | $93,281 |
| 57 | 5769888 | COM:Upgrd 230 Kv Switchyard CIXMII"$ion | $0 | $432,334 | $432,334 | $0 | $405,992 | $405,992 |
| 58 | 5789887 | COM: Upgrd 230 Kv Tie Lines | $0 | $91803 | $91,803 | $0 | $86,129 | $86,129 |
| 59 | 5770218 | U1:Repl Penetration 9E | $0 | $175,766 | $175,766 | $0 | $166,379 | $166,379 |
| 60 | 5770362 | COM:hsU PAC G-7 EncioauAI | $0 | $116,573 | $116,573 | $0 | $111,311 | $111,311 |
| 61 | 5771398 | U1: EOG Turbocharger Support Upgrade | $0 | $44,234 | $44,234 | $0 | $40,898 | $40,898 |
| 82 | 5771399 | U2: EOG Turbocharger Support Upgrade | $0 | $130,680 | $130,680 | $0 | $121,798 | $121,796 |
| 83 | 5771802 | U1:hstl Condenser Sodium Analyzens | $0 | $133,831 | $133,631 | $0 | $129,808 | $129,608 |
| 64 | 5772189 | COM:SEPARATE 12KV YRD LOOP FROM PWR | $0 | $8,291 | $8,291 | $0 | $8,149 | $8,149 |
| 65 | 5773058 | COM:hstall 480V Switchgear Protection | $0 | $272,640 | $272,640 | $0 | $260,275 | $200,275 |
| 66 | Grand Total | | $66219351 | $10474822 | $76 694174 | $54 905088 | $7313127 | $62 218215 |
| 67 | | | | | | | | |
| 88 | | | Factor | | | 100% | 25% | |
| 89 | | | | | | | | |
| 70 | | | Amount RIICOY8rablefrom Customers - Over 5Years | | | $54,905,088 | $1,828,282 | $56,733,370 |
| 71 | | | | | | | | |

72 Amount Recoverable from

Declaration of Robert Sarvey

I Robert Sarvey Declare as Follows:

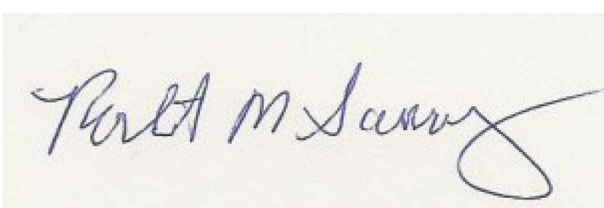
I prepared the attached testimony for Pacific Gas and Electric Company's Diablo Canyon Power Plant 2027 forecast proceeding.

A copy of my professional qualifications and experience is included with this Testimony and is incorporated by reference in this Declaration.

I am personally familiar with the facts and conclusions related in the attached prepared testimony and if called as a witness could testify competently thereto.

It is my professional opinion that the attached prepared testimony is valid and accurate with respect to issues that it addresses.

I declare under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct to the best of my knowledge and that this declaration was executed in Tracy, California on July 16, ,2026.



Robert M. Sarvey
501 W. Grant Line Rd.
Tracy. CA. 95376
209 835-7162

## Resume of Robert Sarvey

### Academic Background

BA Business Administration Accounting California State University Hayward, 1975
MBA Tax Law California State University Hayward, 1985

### Experience

**San Joaquin Valley Air Pollution Control District Citizens Advisory Board Industry Representative:** Analyzed proposed air quality regulations and made recommendations to the Governing Board for approval.

**CPUC Proceeding C. 07-03-006:** Negotiated a settlement with PG&E to voluntarily revoke Resolution SU-58 which was the first pipeline safety waiver of GO112-E granted in the State of California. Provided risk assessment information that was critical in the adoption of the Settlement Agreement with PG&E which, amongst other issues, resulted in PG&E agreeing to withdraw its waiver application and agreeing to replace the 36-inch pipeline under the sports park parcel after construction.

**CPUC proceeding 08-07-018:** Tesla Generating Station CPCN participated in proceeding which was dismissed due to motion by IEP. Reviewed all filings, filed protest, signed confidentiality agreement and reviewed all confidential testimony.

**Tesla Power Project 01- AFC-04:** Participated as an Intervenor and provided air quality testimony on local land use and air quality impacts. Participated in the development of the air quality mitigation for the project. Provided testimony and briefing which resulted in denial of the PG&E's construction extension request.

**CPUC Proceeding 09-09-021**: Provided Testimony that demonstrated PG&E failed to follow its environmental protocol in the LTPP. Provided testimony and evidence that PG&E's need had fallen since 2007 and that the Commission should limit PG&E's procurement to the 950-1000 MW Range.

**CPUC Proceeding A. 09-04-001**: Demonstrated PG&E had violated terms of Mariposa Settlement Agreement. PG&E was fined $25,000 for breach of settlement.

**CPUC Proceeding A. 09-10-022**: Provided Testimony on behalf of CAlifornians for Renewable Energy. Provided confidential evaluation of PPA value. Provided testimony and evidence that PG&E had violated the Mariposa Settlement. Provided testimony that demonstrated PG&E's demand had fallen sharply since the issuance of D. 07-12-052.

**CPUC Proceeding A.11-12-003:** Was credited by the decision for demonstrating that an additional 5 MW of firm capacity was not needed from the Thermal Energy Biomass Plant. Decision led to the plants closure.

**GWF Peaker Plant 01-AFC-16:** Participated as an Intervenor in the project and helped negotiate and implement a 1.3-million-dollar community benefits program. Successfully negotiated for the use of local emission reduction credits with GWF to offset local air quality impacts.

**Modesto Irrigation District 03-SPEE-01:** Participated as an Intervenor and helped negotiate a $300,000 air quality mitigation agreement between MID and the City of Ripon.

**Los Esteros: 03-AFC-2** Participated as an Intervenor and also participated in air quality permitting with the BAAQMD. Responsible for lowering the projects permit limit for PM-10 emissions by 20%.

**SFERP 4-AFC-01:** Participated as an Intervenor and also participated in the FDOC evaluation. My comments to the BAAQMD resulted in the projects PM -10 emission rate to be reduced from 3.0 pounds per hour to 2.5 pounds per hour by the district. Provided testimony on the air quality impacts of the project.

**Long Beach Project:** Provided the air quality analysis which was the basis for a settlement agreement reducing the projects NOx emissions from 3.5ppm to 2.5ppm.

**ATC Explosive Testing at Site 300:** Filed challenge to Authority to Construct for a permit to increase explosive testing at Lawrence Livermore Labs Site 300 above the City of Tracy. The permit was to allow the DOE to increase outdoor explosions at the site from 100 pounds per charge to 1,00 pounds per charge and also grant an increased annual limit on explosions from 1,000 pounds of explosive to 8,000 pounds of explosives per year. The challenge at the hearing board was successful and the permit was never approved.

**Colusa Generating Station: 06-AFC-9:** Participated as air quality consultant for Emerald Farms. Filed challenge to the PSD Permit.

**GWF Tracy Combined Cycle 08-AFC-07:** Participated in negotiation of the Air Quality Mitigation Agreement with the San Joaquin Valley Air Pollution Control District and GWF.

**Oakley Generating Station 09-AFC-04:** Participated as an intervenor. Provided testimony in Alternatives, Air Quality, Environmental Justice, and Water Quality. Negotiated settlement with CCGS to not use ERC's and instead exclusively use 2.5 million dollars to create real time emission reductions through BAAQMD real time emission reduction programs.

**Pio Pico PSD Permit:** Participated in the Pio Pico PSD permit. Comments resulted in a remand to the air district and a lowering of particulate matter emission limits by 10 %