Date of Hearing: August 5, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Buffy Wicks, Chair
SB 931 (Laird) – As Amended June 29, 2026

Policy Committee: Utilities and Energy Vote: 13 - 1

Urgency: Yes State Mandated Local Program: Yes Reimbursable: No

**SUMMARY**:

This bill requires the operator of the Diablo Canyon nuclear power plant (Diablo Canyon PP)—meaning Pacific Gas and Electric (PG&E)—to plan to fund critical public purpose priorities in the County of San Luis Obispo (SLO County) in fiscal years 2026-27 and 2027-28 through two equal installments of $8.3 million of previously authorized ratepayer funds, to be distributed by SLO County as specified.

Specifically, this bill:

1) Requires the plan covering fiscal years 2026-27 and 2027-28 that PG&E, per existing law, must submit annually to the California Public Utilities (CPUC) regarding expenditure of funds PG&E collects in "volumetric" (meaning per-kilowatt-hour) payments from the ratepayers of all load-serving entities—such as electrical utilities—in the state during the period of extended operations of Diablo Canyon PP to include funding in those two fiscal years to continue the Essential Services Mitigation Fund (ESMF) established by the Community Impacts Mitigation Program previously approved by the CPUC.

2) Requires PG&E to provide the funding described above in two equal annual installments of $8,333,333 to the ESMF, starting in the 2026–27 fiscal year and continuing through the 2027–28 fiscal year, with the final payment made before October 31, 2028.

3) Prohibits funding for the ESMF described above from being extended beyond the 2027-28 fiscal year unless the Legislature enacts future legislation that explicitly extends funding for the ESMF.

4) Directs SLO County to distribute the funding within 30 days of receipt of each annual deposit to those entities that previously received allocations from SLO County from disbursements of the ESMF, as specified.

5) Declares that the state is not required to reimburse local costs created by this bill that are incurred because the bill creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, or changes the definition of a crime, but additionally declares the state shall reimburse other local costs if the Commission on State Mandates determines the bill contains other costs mandated by the state.

**FISCAL EFFECT**:

No new state costs, as the bill directs PG&E to use funds that prior legislation authorized PG&E to collect from ratepayers.

**COMMENTS**:

Diablo Canyon PP is the state's only operating nuclear power plant. First opened in 1985, Diablo Canyon PP is a two-unit facility on the coast of SLO County. With a capacity of 2,240 megawatts, the plant typically produces about 9% of California's electric supply.

Diablo Canyon PP 's original operating licenses, issued by the United States Nuclear Regulatory Commission (NRC), allowed it to operate until November 2024 for Unit 1 and August 2025 for Unit 2. Anticipating expiration of the operating license, PG&E, labor organizations and environmental groups announced a joint proposal to close Diablo Canyon PP by 2025 and proposed over $1 billion in ratepayer funds to pay for replacement power (renewables, energy efficiency and storage), employee retention and retraining. The joint settlement also proposed to fund mitigation of harms to the community resulting from closure, such as loss of local tax revenue. This mitigation plan is known as the community mitigation impact settlement.

In 2017, the CPUC approved retirement of Diablo Canyon PP, as proposed in the joint agreement, but rejected elements to pay for the community mitigation impact settlement, stating that such use of ratepayer funds is not legally allowed, absent authorization by the Legislature.

Subsequently, the Legislature passed SB 1098 (Monning), Chapter 561, Statutes of 2018, which, among other things, directed the CPUC to approve full funding of the community impact mitigation settlement as proposed by the joint agreement.

In response to SB 1098, the CPUC authorized ratepayer funding to pay for the Community Impacts Mitigation Program, as follows:

- **Economic Development Fund: $10 million**—(a) $3.84 million for SLO County for economic development ($1.7 million), housing revolving funds ($1 million), infrastructure ($948,000), City of Grover Beach ($192,000) and regional economic funds ($400,000); and (b) $5.76 million to all incorporated cities in the county, excluding Grover Beach.

- **Essential Services Mitigation Fund: $75 million**—(a) $27.9 million for SLO County for general fund mitigation ($12.1 million), housing ($5.4 million), safety ($4.5 million), infrastructure ($4.1 million) and economic development ($1.9 million); and (b) $47 million for the San Luis Coastal Unified School District ($36.8 million) and the San Luis Coastal Unified School District for an educational foundation of the school district's choice ($10 million).

Power shortfalls earlier in this decade led the state to reconsider its commitment to shutter Diablo Canyon PP. The Legislature passed SB 846 (Dodd), Chapter 239, Statutes of 2022, to authorize PG&E to operate Diablo Canyon Unit 1 until 2029 and Unit 2 until 2030. Since then, the CPUC has issued various decisions to allow PG&E to continue to operate Diablo Canyon. However, neither SB 846 nor the CPUC's subsequent decisions authorized additional ratepayer funding of the Community Impacts Mitigation Program.

The author intends this bill to ensure monies continue to fund the Community Impacts Mitigation Program. According to the author:

> When the state extended operations at the Diablo Canyon Power Plant through 2030, it did not extend the community funding program established to offset local impacts. Communities in San Luis Obispo County have relied on community funding for decades to support essential public services, including fire protection, public safety response, and local schools until Diablo Canyon's planned closure. SB 931 ensures that communities surrounding Diablo Canyon are not left carrying the financial burden of supporting critical public services tied to the plant's continued operation.

The Utility Reform Network (TURN) had opposed the bill; however, TURN removed its opposition in response to amendments by the prior committee that requires PG&E pay for the $8.3 million annual community mitigation funding from fee revenue PG&E was authorized to collect from ratepayers by SB 846, rather than from a new charge on ratepayers as this bill had previously required.

**Analysis Prepared by**: Jay Dickenson / APPR. / (916) 319-2081