

MEETING  
STATE OF CALIFORNIA  
LANDS COMMISSION

HOLIDAY INN CAPITOL PLAZA  
300 J STREET  
SACRAMENTO, CALIFORNIA

MORRO BAY COMMUNITY CENTER AUDITORIUM  
1001 KENNEDY WAY  
MORRO BAY, CALIFORNIA

TUESDAY, JUNE 28, 2016  
10:06 A.M.

JAMES F. PETERS, CSR  
CERTIFIED SHORTHAND REPORTER  
LICENSE NUMBER 10063

A P P E A R A N C E S

COMMISSION MEMBERS:

Ms. Betty T. Yee, State Controller, Chairperson

Mr. Gavin Newsom, Lieutenant Governor, also represented by  
Mr. Rhys Williams

Mr. Michael Cohen, Director of Department of Finance,  
represented by Ms. Eraina Ortega

STAFF:

Ms. Jennifer Lucchesi, Executive Officer

Mr. Colin Connor, Assistant Executive Officer

Mr. Mark Meier, Chief Counsel

Mr. Brian Bugsch, Chief, Land Management Division

Mr. Chris Huitt, Environmental Scientist

Ms. Kim Lunetta, Administrative Assistant

Mr. Cy Oggins, Chief, Division of Environmental Planning  
and Management

Mr. Drew Simpkin, Public Land Management Specialist,  
Division of Land Management

ATTORNEY GENERAL:

Mr. Andrew Vogel, Deputy Attorney General

ALSO PRESENT:

Mr. Dennis Allen, Board Chairman, Allen Construction

Mr. Ron Alsop, Emergency Services Manager, County of San  
Luis Obispo

Ms. Sybil Ashley, representing self and Mothers for Peace

Mr. Marcel Barajas, Vice President/General Manager, Lehigh  
Hanson, Inc.

A P P E A R A N C E S C O N T I N U E D

ALSO PRESENT:

Ms. Rochelle Becker, Executive Director, Alliance for Nuclear Responsibility

Ms. Debbie Belardino, SGI-USA Buddhist Organization

Mr. Mary Bernier, representing self

Ms. Vickie Bookless, representing self

Ms. Mary Beth Brangan, Co-Director, Ecological Options Network

Dr. Jerry Brown, Head, Safe Energy Program, World Business Academy

Mr. Marty Brown, Mothers for Peace

Mr. Michael Brown, Government Affairs Director, Coalition of Labor, Agriculture and Business (COLAB)

Ms. Elizabeth Brosse, representing self

Mr. Rinaldo Brutoco, President, World Business Academy

Ms. Joan Carter, Mothers for Peace

Ms. Lee Andrea Caulfield, representing self

Mr. Lee Callister, Activist, Docktown Marina

Mr. Laurence Chaset, World Business Academy

Mr. Jesse Chellar, representing self

Mr. Andrew Christie, Chapter Director, Sierra Club

Mr. Tom Daizell, IBEW 1245

Mr. Ben Davis, Jr., representing self

Mr. Emelio Diaz, Docktown resident

Ms. Gretchen Dumas, Immaculate Heart Community

A P P E A R A N C E S C O N T I N U E D

ALSO PRESENT:

Mr. Carl Dundley, representing self

Mr. Patrick Ellsworth, representing self

Mr. John Ewan, representing self

Ms. Michele Flom, representing self

Ms. Melinda Forbes, representing self

Mr. Fred Frank, representing self

Mr. Peter Galbraith, representing self

Mr. William Garris, representing self

Mr. Orman Gaspar, representing self

Mr. John Geesman, Attorney, Alliance for Nuclear  
Responsibility

Mr. William Gloege, President, Californians for Green  
Nuclear Energy

Mr. David Grace, representing self

Mr. Eric Greening, representing self

Mr. Glenn Griffith, Mothers for Peace

Ms. Henriette Groot, Ph.D., representing self

Mr. Richard Harasick, Director of Water Operations, Los  
Angelesl Department of Water and Power

Ms. Lynne Harkins, representing self

Mr. Adam Hill, Supervisor District Three, County of San  
Luis Obispo

Mr. David Hirsch, representing self

Mr. Ace Hoffman, representing self

A P P E A R A N C E S C O N T I N U E D

ALSO PRESENT:

Mr. Erik Howell, Pismo Beach City Councilmember

Mr. Sam Irvine, Environmental Entrepreneur

Ms. Marcy Israel, Mothers for Peace

Mr. Joseph Ivora, Retired Engineer

Mr. James Jonas, representing self

Mr. Michael Jencks, Biodiversity First!

Mr. Mark Joseph, Attorney, Coalition for California  
Utility Employees

Ms. Ermina Karim, CEO, San Luis Obispo Chamber of Commerce

Mr. Paul Kangas, Solar Workers Union #1

Mr. Derick Lennox, San Luis Obispo Coastal Unified School  
District

Mr. Rick London, CEO, United Way of San Luis Obispo County

Mr. Nathan Macher, March for Environmental Hope

Ms. Erica Maharg, Staff Attorney, San Francisco Baykeeper

Ms. Simone Malboeuf, representing self

Mr. Michael Manchar, President & CEO, Economic Vitality  
Corporation

Dr. Michael Marinak, representing self

Mr. Christian Marsh, Legal Counsel, Hanson Marine

Ms. Heather Matteson, Vice President, Mothers for Nuclear

Mr. Gordon McDowell, March for Environmental Hope

Ms. Coralie McMillan, Ranchers of Gillis Canyon

Mr. Josue Mendoza, representing self

A P P E A R A N C E S C O N T I N U E D

ALSO PRESENT:

Mr. Eric Meyer, Organizer, March for Environmental Hope

Mr. Peter Miller, Senior Scientist, Natural Resources  
Defense Council

Ms. Liz Moody, Marketing Directory, Cannon

Mr. Matthew Mosgofian, son of Diablo Canyon Power Plant  
employee

Ms. Rory Moore, representing self

Ms. Linda Mulvey, representing self

Mr. Larry Murray, President, Pipefitters Local 403, San  
Luis Obispo

Mr. David Nelson, representing self

Dr. Gene A. Nelson, Government Liaison, Californians for  
Green Nuclear Power

Mr. Bob Ornstein, representing self

Mr. Larry Parker, Engineer, representing self

Mr. Ian Parkinson, Sheriff, County of San Luis Obispo

Mr. Cesar Penafiel, Director of Analytics, Environmental  
Progress

Mr. Bob Perry, Director of Research, World Business  
Academy

Mr. Erich Pica, President, Friends of the Earth

Mr. Jeff Pienack, representing Surfrider and self

Dr. Eric Prater, Superintendent, San Luis Coastal Unified  
School District

Ms. Emma Redfoot, student, representing self

A P P E A R A N C E S C O N T I N U E D

ALSO PRESENT:

Mr. Matt Regan, Senior Vice President of Policy, Bay Area Council

Mr. Matt Renner, Executive Director, World Business Academy

Ms. Sharon Rippner, representing self

Mr. Bob Rowen, former Nuclear Control Technician

Mr. Ty Safreno, CEO/CTO, Trust Automation Inc.

Ms. Jennifer Savage, California Policy Manager, Surfrider Foundation

Mr. Klaus Schumann, representing self

Mr. Daniel See, representing self

Ms. Linda Seeley, Spokesperson, Mothers for Peace

Ms. Ellen Sheffer, Trustee, San Luis Coastal Unified School District

Ms. Sandy Silver, representing self

Mr. Brad Snook, Chair, Surfrider Foundation San Luis Obispo

Ms. Tania Solé, Docktown

Ms. Sarah Spather, Mothers for Nuclear

Mr. Doug Stevens, Member, Californians for Green Nuclear Power

Mr. Brian Sturtevant, City Councilman, City of Atascadero

Mr. William Toman, Principal, Pacific Marine Renewables

Ms. Rebecca Townsend, representing self

Mr. Charles Varni, representing self

A P P E A R A N C E S C O N T I N U E D

ALSO PRESENT:

Mr. Jim Vaughn, Environmental Progress

Ms. Crystal Waldorf, representing self and Mothers for Peace

Ms. Laura Lee Waldorf, Mothers for Peace

Ms. Mary Webb, representing self

Dr. Gerald Weber, representing self

Mr. David Weisman, Outreach Coordinator, Alliance for Nuclear Responsibility

Dr. Mike Weissman, representing self

Mr. Virgil John White, Executive Director, Center for Energy Efficiency and Renewables Technologies

Mr. Ian Wren, Staff Scientist, San Francisco Baykeeper

Mr. Carl Wurtz, Government Liaison, Californians for Green Nuclear Power

Ms. Kristin Zaitz, President, Mothers for Nuclear

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I 10:00 A.M. - OPEN SESSION	1
II CONFIRMATION OF MINUTES FOR THE MEETING OF April 5, 2016	1
III EXECUTIVE OFFICER'S REPORT	2
Continuation of Rent Actions to be taken by the Executive Officer pursuant to the Commission's Delegation of Authority - no items for this meeting.	
IV CONSENT CALENDAR C01-C90	9
THE FOLLOWING ITEMS ARE CONSIDERED TO BE NON-CONTROVERSIAL AND ARE SUBJECT TO CHANGE AT ANY TIME UP TO THE DATE OF THE MEETING.	

LAND MANAGEMENT DIVISION  
NORTHERN REGION

C01 ANDREW MACKENZIE, AS TRUSTEE OF THE MACKENZIE FAMILY 1994 TRUST; MARY LOUISE BANTA, AS TRUSTEE OF THE MARY LOUISE BANTA 1997 TRUST; R. ALAN COTTON AND CYNTHIA A. COTTON, TRUSTEES OF THE COTTON FAMILY REVOCABLE TRUST DATED DECEMBER 20, 2001; AND MICHAEL GRIFFUS AND MELISSA GRIFFUS, TRUSTEES OF THE MICHAEL AND MELISSA GRIFFUS TRUST DATED JANUARY 14, 2002 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 5758 North Lake Boulevard, near Carnelian Bay, Placer County; for an existing pier, boathouse, boat lift, sundeck with stairs, and two mooring buoys. CEQA Consideration: categorical exemption. (PRC 3554.1; RA# 23215) (A 1; S 1) (Staff: M.J. Columbus)

C02 ARTHUR GRANT BURTON AND KATHLEEN KEANE BURTON, TRUSTEES OF THE BURTON FAMILY TRUST (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 3216 Edgewater Drive, near Tahoe City, Placer County; for an existing pier and two mooring buoys. CEQA Consideration: categorical exemption. (PRC 8739.1; RA# 22915) (A 1; S 1) (Staff: M.J. Columbus)

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C03 BARBARA B. CORNEILLE, TRUSTEE OF THE CORNEILLE LIVING TRUST DATED MARCH 19, 1990 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 135 Quiet Walk Road, near Tahoma, El Dorado County; for an existing pier, boat hoist, sundeck with stairs, and two mooring buoys. CEQA Consideration: categorical exemption. (PRC 3654.1; RA# 37314) (A 5; S 1) (Staff: M.J. Columbus)

C04 JOHN MOZART, AS TRUSTEE OF THE JOHN MOZART REVOCABLE TRUST CREATED AS OF JANUARY 3, 1995 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 52 Moana Circle, near Homewood, Placer County; for an existing pier, boat lift, and two mooring buoys. CEQA Consideration: categorical exemption. (PRC 7450.1; RA# 25115) (A 1; S 1) (Staff: M.J. Columbus)

C05 OLEG OBUHOFF AND RUTH OBUHOFF, TRUSTEES OF THE OLEG OBUHOFF AND RUTH OBUHOFF FAMILY TRUST, DATED SEPTEMBER 27, 1991; MATHEW PETER OBUHOFF, TRUSTEE OF THE IRREVOCABLE TRUST OF OLEG OBUHOFF DATED NOVEMBER 13, 2012; NICOLE RUTH PRIETO, TRUSTEE OF THE IRREVOCABLE TRUST OF OLEG OBUHOFF DATED NOVEMBER 13, 2012; NICOLE RUTH MCGEE; JANE B. CHARTZ, TRUSTEE OF THE SURVIVOR'S TRUST OF THE MCELLOWNEY CHARTZ TRUST; JANE B. CHARTZ, TRUSTEE OF BYPASS TRUST A OF THE MCELLOWNEY CHARTZ TRUST; JANE B. CHARTZ, TRUSTEE OF BYPASS TRUST B OF THE MCELLOWNEY CHARTZ TRUST (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 5468 and 5464 North Lake Boulevard, near Carnelian Bay, Placer County; for an existing joint-use pier, boat lift, and three mooring buoys. CEQA Consideration: categorical exemption. (PRC 6388.1; RA# 21415) (A 1; S 1) (Staff: M.J. Columbus)

C06 SELECTIVE RUBICON PROPERTY, LLC (ASSIGNOR); PETER MULLIGAN AND SHARMILA MULLIGAN (ASSIGNEE): Consider application for the assignment of Lease No. PRC 7449.1, a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 8579 Meeks Bay Avenue and 8581 North Lane, near Rubicon Bay, El Dorado County; for an existing joint-use pier

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and two mooring buoys. CEQA Consideration: not a project. (PRC 7449.1; RA# 15215) (A 5; S 1) (Staff: M.J. Columbus)

C07 SIX BAR C, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY; ROBERT C. COOK, JR., AS TRUSTEE UNDER THE WILL OF ROBERT C. COOK, SR., DECEASED, FOR BENEFIT OF KRISTEN A. COOK; AND ROBERT C. COOK JR., AS TRUSTEE UNDER THE WILL OF ROBERT C. COOK, SR., DECEASED, FOR BENEFIT OF MARK A. CHRISLER (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 770 West Lake Boulevard, near Tahoe City, Placer County; for an existing pier and two mooring buoys. CEQA Consideration: categorical exemption. (PRC 3491.1; RA# 31914) (A 1; S 1) (Staff: M.J. Columbus)

C08 SIX BAR C, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY; ROBERT C. COOK, JR., TRUSTEE UNDER THE WILL OF ROBERT C. COOK, SR., DECEASED, FOR BENEFIT OF KRISTEN A. COOK; AND ROBERT C. COOK JR., AS TRUSTEE UNDER THE WILL OF ROBERT C. COOK, SR., DECEASED, FOR BENEFIT OF MARK A. CHRISLER (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 750 West Lake Boulevard, near Tahoe City, Placer County; for two existing mooring buoys. CEQA Consideration: categorical exemption. (PRC 3492.1; RA# 31814) (A 1; S 1) (Staff: M.J. Columbus)

C09 FEATHER RIVER RECREATION AND PARK DISTRICT (APPLICANT): Consider application for a General Lease - Public Agency Use, of sovereign land located in the Feather River, adjacent to a public park known as Riverbend Park, near the city of Oroville, Butte County; for a public park and facilities previously authorized by the Commission and an existing boat dock, launching ramp, and other ancillary park facilities not previously authorized by the Commission. CEQA Consideration: categorical exemption. (PRC 6751.9; RA# 33714) (A 3; S 4) (Staff: M.J. Columbus)

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REMOVED FROM AGENDA

C10 TAVERN SHORES ASSOCIATION, A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 180 West Lake Boulevard, near Tahoe City, Placer County; for an existing pier, 44 mooring buoys, and two marker buoys. CEQA Consideration: categorical exemption. (PRC 4015.1; RA# 30115) (A 1; S 1) (Staff: M.J. Columbus)

C11 DAGMAR DOLBY, AS TRUSTEE OF THE DAGMAR DOLBY 2010 HOMEWOOD QPRT, DATED OCTOBER 26, 2010; AND DAGMAR DOLBY, AS TRUSTEE OF THE DAGMAR DOLBY TRUST ESTABLISHED UNDER THE DOLBY FAMILY TRUST INSTRUMENT, DATED MAY 7, 1999 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 2530 West Lake Boulevard, near Tahoe City, Placer County; for an existing pier and one mooring buoy. CEQA Consideration: categorical exemption. (PRC 5556.1; RA# 18267) (A 1; S 1) (Staff: N. Lee)

C12 PAULA K. MATHIS, TRUSTEE OF THE PAULA K. MATHIS REVOCABLE TRUST DATED 11/17/2000; AND JEFF HAWKINS AND MEGAN MYERS, CO-TRUSTEES OF THE TAHOE TRUST U/T/A 12/30/2005 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 4970 West Lake Boulevard, near Homewood, Placer County; for an existing pier, boathouse with a boat hoist, and two mooring buoys. CEQA Consideration: categorical exemption. (PRC 5652.1; RA# 21615) (A 1; S 1) (Staff: N. Lee)

C13 CHRISTINE S. DAVIS, AS TRUSTEE OF THE CHRISTINE S. DAVIS TRUST UNDER AGREEMENT DATED OCTOBER 29, 2007 AND C. GEOFFREY DAVIS, AS TRUSTEE OF THE C. GEOFFREY DAVIS TRUST UNDER AGREEMENT DATED APRIL 9, 2008 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 7780 North Lake Boulevard, near Kings Beach, Placer County; for two existing mooring buoys. CEQA Consideration: categorical exemption. (PRC 8657.1; RA# 22515) (A 1; S 1) (Staff: M.)

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Schroeder)

C14 DEPARTMENT OF WATER RESOURCES (APPLICANT): Consider application for a General Lease - Public Agency Use, of sovereign land located in the Feather River, adjacent to 5 Table Mountain Boulevard, city of Oroville, Butte County; for an existing fish hatchery. CEQA Consideration: categorical exemption. (PRC 3703.9; RA# 22715) (A 3; S 4) (Staff: M. Schroeder)

REMOVED FROM AGENDA

C15 HUMBOLDT REDWOOD COMPANY, LLC, A DELAWARE LIMITED LIABILITY COMPANY (LESSEE): Consider revision of rent to Lease No. PRC 2760.1, a General Lease - Right-of-Way Use, of sovereign land located in the Eel River, adjacent to Assessor's Parcel Numbers 211-141-003 and 211-132-007, near Dyerville, Humboldt County; for a seasonal bridge. CEQA Consideration: not a project. (PRC 2760.1) (A 2; S 2) (Staff: M. Schroeder)

C16 CHASER NAUTICAL FOUNDATION, INC. (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in the Napa River, adjacent to 402 Riverside Drive, city of Napa, Napa County; for an existing uncovered floating boat dock and appurtenant facilities previously authorized by the Commission; and extension of an uncovered floating boat dock and movable service platform not previously authorized by the Commission. CEQA Consideration: categorical exemption. (PRC 7010.1; RA# 29515) (A 4; S 3) (Staff: M. Schroeder)

C17 VICKI INDIG SMITH, TRUSTEE OF THE INDIG-SMITH TRUST DATED JUNE 23, 2006 (LESSEE); PHILLIP S. ESTES AND NANCY F. ESTES, TRUSTEES OF THE PHILLIP S. AND NANCY F. ESTES REVOCABLE TRUST DATED JUNE 27, 2013 (APPLICANT): Consider termination of Lease No. PRC 5276.9, a Recreational Pier Lease, and an application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 5680 North Lake Boulevard, near Carnelian Bay, Placer County; for an existing pier and one mooring buoy. CEQA Consideration: categorical exemption. (PRC 5276.1; RA# 23315) (A 1; S 1) (Staff: M. Schroeder)

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C18 CHESTER JOHN PIPKIN AND JANICE ANN PIPKIN, TRUSTEES OF THE PIPKIN FAMILY REVOCABLE TRUST DATED OCTOBER 6, 1989, AS AMENDED AND COMPLETELY RESTATED JULY 19, 1995 (LESSEE); SECOND MANASSAS, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY (APPLICANT): Consider termination of Lease No. PRC 7936.9, a Recreational Pier Lease, and an application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 843 Stateline Avenue, city of South Lake Tahoe, El Dorado County; for an existing pier and boat lift. CEQA Consideration: categorical exemption. (PRC 7936.1; RA# 27715) (A 5; S 1) (Staff: M. Schroeder)

C19 PAUL C. CRESS AND LORIE S. CRESS, AS TRUSTEES OF THE CRESS FAMILY 2002 REVOCABLE LIVING TRUST, ESTABLISHED ON NOVEMBER 26, 2003 (APPLICANT): Consider an application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 5250 West Lake Boulevard, near Homewood, Placer County; for two existing mooring buoys. CEQA Consideration: categorical exemption. (W 26941; RA# 22215) (A 1; S 1) (Staff: C. Singleton)

BAY/DELTA REGION

C20 ASHLY BLACK (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in the Sacramento River, adjacent to 13810 State Highway 160, near Walnut Grove, Sacramento County; for an existing uncovered floating boat dock and appurtenant facilities. CEQA Consideration: categorical exemption. (PRC 5348.1; RA# 32815) (A 11; S 3) (Staff: G. Asimakopoulos)

C21 CITY OF SANTA CRUZ (APPLICANT): Consider application for a General Lease - Public Agency Use, of sovereign land located in the Pacific Ocean, adjacent to West Cliff Drive, near the city of Santa Cruz, Santa Cruz County; for existing rock revetment structures. CEQA Consideration: categorical exemption. (PRC 2635.9; RA# 40314) (A 29; S 17) (Staff: G. Asimakopoulos)

C22 DONALD A. MURPHY, TRUSTEE OF THE DONALD A. MURPHY 10-YEAR RESIDENCE TRUST DATED DECEMBER 28, 2012; AND DONALD A. MURPHY, TRUSTEE OF THE DONALD A. MURPHY

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12-YEAR RESIDENCE TRUST DATED DECEMBER 28, 2012  
(APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in the Sacramento River, adjacent to 7260 Pocket Road, city of Sacramento, Sacramento County; for an existing boathouse with boat lift, floating boat dock, and appurtenant facilities. CEQA Consideration: categorical exemption. (PRC 8709.1; RA# 12415) (A 9; S 6) (Staff: G. Asimakopoulos)

C23 HUBERT K. GRIESBACH (LESSEE); JOHN WYATT (APPLICANT): Consider acceptance of a quitclaim deed for Lease No. PRC 8384.1, a General Lease - Recreational Use, and an application for a General Lease - Recreational Use, of sovereign land located in the Sacramento River, adjacent to Assessor's Parcel Numbers 142-0097-026 and 142-0098-013, near Walnut Grove, Sacramento County; for an existing uncovered floating boat dock and appurtenant facilities. CEQA Consideration: categorical exemption. (PRC 8384.1; RA# 32015) (A 11; S 3) (Staff: G. Asimakopoulos)

C24 TYSON M. SHOWER AND HILARY J. SHOWER (ASSIGNOR); ANTHONY KENNEDY AND ELISE KENNEDY (ASSIGNEE): Consider application for the assignment of Lease No. PRC 8613.1, a General Lease - Recreational and Protective Structure Use, of sovereign land located in the Sacramento River, adjacent to 6941 Garden Highway, near the city of Sacramento, Sacramento County; for an existing uncovered floating boat dock with boat lift, appurtenant facilities, and bank protection. CEQA Consideration: not a project. (PRC 8613.1; RA# 32115) (A 7; S 6) (Staff: G. Asimakopoulos)

C25 DAROLD SIMS (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Mare Island Strait, adjacent to 15 Sandy Beach Road, near the city of Vallejo, Solano County; for removal of an existing deck not previously authorized by the Commission; and installation of a lanai and open deck, and appurtenant facilities. CEQA Consideration: categorical exemption. (W 22296; RA# 40914) (A 14; S 3) (Staff: V. Caldwell)

C26 FORESTAR (USA) REAL ESTATE GROUP, INC. (LESSEE/ASSIGNOR); 2101-2603 WILBUR LLC (ASSIGNEE):

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Consider application for the assignment and revision of rent of Lease No. PRC 1546.1, General Lease - Industrial Use, of filled and unfilled sovereign land in the San Joaquin River, adjacent to 2301 Wilbur Avenue, near the city of Antioch, Contra Costa County; for an existing non-operational industrial pier, maintenance pier, pipelines, and appurtenant facilities. CEQA Consideration: not a project. (PRC 1546.1; RA# 32915) (A 11; S 7) (Staff: V. Caldwell)

C27 FORESTAR (USA) REAL ESTATE GROUP, INC. (LESSEE/ASSIGNOR); COMMERCIAL DEVELOPMENT COMPANY, INC. (ASSIGNEE): Consider application for the assignment and revision of rent of Lease No. PRC 4813.1, General Lease - Industrial Use, of sovereign land in the San Joaquin River, adjacent to 2301 Wilbur Road, near the city of Antioch, and West Island, Contra Costa and Sacramento Counties; for an existing non-operational maintenance pier and pipelines. CEQA Consideration: not a project. (PRC 4813.1; RA# 33015) (A 11; S 7) (Staff: V. Caldwell)

C28 GEORGIA-PACIFIC GYPSUM, LLC (APPLICANT): Consider rescission of approval of Lease No. PRC 1589.1, acceptance of a Lease Quitclaim Deed, and an application for a General Lease - Industrial Use, of filled and unfilled sovereign land, located in the San Joaquin River, adjacent to 801 Minaker Drive, Antioch, Contra Costa County; for existing industrial docking and offloading facilities and ancillary improvements previously authorized by the Commission; and removal, installation, and repair of industrial wharf components with ancillary facilities, not previously authorized by the Commission. CEQA Consideration: Mitigated Negative Declaration, adopted by the California State Lands Commission, State Clearinghouse No. 2015062045. (PRC 1589.1; RA# 14400) (A 11, 15; S 7) (Staff: V. Caldwell)

C29 KAMPGROUNDS OF AMERICA, INC. (APPLICANT/LESSEE/ASSIGNOR); STOCKTON DELTA RESORT, LLC (APPLICANT/ASSIGNEE): Consider termination of Lease No. PRC 4194.1, a General Lease - Commercial Use, an application for a General Lease - Commercial Use; and an assignment of Lease No. PRC 4194.1, approval and assignment of subleases, and delegation to the Executive Officer or her designee for certain

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approvals of sovereign land located in Little Potato Slough, adjacent to 14900 W. Highway 12, near the city of Lodi, San Joaquin County, for an existing commercial marina known as Tower Park Resort & Marina. CEQA Consideration: categorical exemption. (PRC 4194.1; RA# 11513, 34715) (A 13; S 5) (Staff: V. Caldwell)

C30 STEVEN T. RAMOS AND ANITA T. RAMOS (APPLICANT): Consider application for a General Lease - Recreational and Protective Structure Use, of sovereign land located in Steamboat Slough, adjacent to 3456 Snug Harbor Drive, on Ryer Island, near Walnut Grove, Solano County; for an existing uncovered floating boat dock, appurtenant facilities, and bank protection. CEQA Consideration: categorical exemption. (PRC 7199.1; RA# 26315) (A 11; S 3) (Staff: V. Caldwell)

C31 CITY OF NOVATO (LESSEE): Consider application for an amendment of lease and revision of rent for Lease No. PRC 7220.1, a General Lease - Public Agency Use, of sovereign tide and submerged land located in Novato Creek, City of Novato, Marin County; for the installation of a recycled water pipeline attached to the Rowland Way Bridge over Novato Creek. CEQA Consideration: Rent Review - not a project; Amendment - Environmental Impact Report, certified by the Sonoma County Water Agency, State Clearinghouse No. 2008072096, and an addendum to the Environmental Impact Report, certified by the North Marin Water District as a responsible agency, and adoption of a Mitigation Monitoring Program, Statement of Findings, and Statement of Overriding Considerations. (PRC 7220.1; RA# 22115) (A 10; S 2) (Staff: A. Franzoia)

C32 DELTA GAS GATHERING, INC. (APPLICANT): Consider rescission of authorization of Lease No. PRC 7832.1, a General Lease - Right-of-Way Use, and an application for a General Lease - Right-of-Way Use of sovereign land located in Miner Slough, Ryer Island, Solano County; for an existing natural gas pipeline. CEQA Consideration: categorical exemption. (PRC 7832.1; RA# 29814) (A 11; S 3) (Staff: A. Franzoia)

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C33 HANSON MARINE OPERATIONS (APPLICANT): Set aside the October 19, 2012 lease approvals for General Leases - Mineral Extraction PRC Nos. 709, 2036, 7779, and 7780 related to the San Francisco Bay and Delta Sand Mining Project; and consider reapproval of the leases located on sovereign lands in central San Francisco Bay, Marin, and San Francisco Counties; for commercial sand and gravel extraction. CEQA Consideration: Environmental Impact Report, certified by the California State Lands Commission, State Clearinghouse No. 2007072036. (PRC 709, PRC 2036, PRC 7779, PRC 7780) (A 10, 17; S 2, 11) (Staff: A. Franzoia, C. Huitt) 9

C34 MARIN ROWING ASSOCIATION (APPLICANT): Consider application for a General Lease - Dredging, of sovereign land located in Corte Madera Creek adjacent to 50 Drakes Landing Road, Greenbrae, Marin County; for maintenance dredging. CEQA Consideration: categorical exemption. (PRC 8748.9; RA# 19715) (A 10; S 2) (Staff: A. Franzoia)

C35 CALIFORNIA STATE LANDS COMMISSION AND PACIFIC GAS AND ELECTRIC COMPANY (PARTIES): Consider an indemnification agreement for a natural gas pipeline co-located on the new Santa Fe Avenue Bridge, over sovereign land located in the Tuolumne River, adjacent to the Lakewood Memorial Park between the communities of Empire and Hughson, Stanislaus County. CEQA Consideration: not a project. (W 26990; RA# 27215) (A 12; S 8) (Staff: A. Franzoia)

C36 PACIFIC GAS AND ELECTRIC COMPANY (APPLICANT): Consider application for an amendment to Lease No. PRC 5438.1B, a General Lease - Right-of-Way Use, of sovereign land located in the Sacramento River, near Isleton, in Sacramento County; to decommission and abandon in place an existing natural gas pipeline and revision of rent. CEQA Consideration: categorical exemption. (PRC 5438.1B; RA# 20115) (A 11; S 3) (Staff: A. Franzoia)

C37 PHILIP E. LEBHERZ AND SHARON J. LEBHERZ, TRUSTEES OF THE LEBHERZ FAMILY TRUST DATED NOVEMBER 19, 1990, AS AMENDED AND RESTATED (APPLICANT): Consider application for a General Lease - Protective Structure Use, of sovereign land located in the Pacific Ocean,

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adjacent to 110 Grove Lane, in the city of Capitola, Santa Cruz County; for an existing seawall not previously authorized by the Commission. CEQA Consideration: Negative Declaration, adopted by the City of Capitola, and an addendum prepared by the California State Lands Commission. (W 26763; RA# 19813) (A 29; S 17) (Staff: N. Lavoie)

C38 ARTHUR GIBSON HOWELL, III (APPLICANT): Consider application for a General Lease - Recreational and Protective Structure Use, of sovereign land located in the Sacramento River, adjacent to 3551 Garden Highway, near the city of Sacramento, Sacramento County; for an existing floating boat dock, appurtenant facilities and bank protection. CEQA Consideration: categorical exemption. (PRC 6686.1; RA# 28415) (A 7; S 6) (Staff: D. Tutov)

C39 DIDRIK W. PEDERSEN, JR. (APPLICANT): Consider application for a General Lease - Residential and Recreational Use, of sovereign land located in the Petaluma River, adjacent to 5 Havenwood Road, in Black Point, near the city of Novato, Marin County; for an existing cabin with deck, a separate covered deck, shed, dock, and appurtenant facilities. CEQA Consideration: categorical exemption. (PRC 2745.1; RA# 20215) (A 10; S 2) (Staff: D. Tutov)

C40 EUGENE JOHN MAFFUCCI, TRUSTEE, EUGENE JOHN MAFFUCCI 1998 REVOCABLE TRUST (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Tomales Bay, adjacent to 18621 State Route 1, Marin County; for two existing mooring buoys not previously authorized by the Commission. CEQA Consideration: Negative Declaration, adopted by the California State Lands Commission, State Clearinghouse No. 2012082074. (W 26962; RA# 17715)(A 10; S 2) (Staff: D. Tutov)

C41 FRED P. RODONI JR. AND KAREN E. RODONI, TRUSTEES OF THE F. & K. RODONI TRUST DATED 9-30-2006 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Tomales Bay, adjacent to 19835 State Route 1, Marin County; for an existing mooring buoy not previously authorized by the Commission. CEQA Consideration:

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Negative Declaration, adopted by the California State Lands Commission, State Clearinghouse No. 2012082074. (W 26964; RA# 16715) (A 10; S 2) (Staff: D. Tutov)

C42 GEORGE H. CLYDE, JR. AND SHERI S. CLYDE, AS TRUSTEES OF THE GEORGE H. CLYDE, JR. AND SHERI S. CLYDE TRUST DATED DECEMBER 3, 1991 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Tomales Bay, adjacent to 19495 State Route 1, Marin County; for an existing mooring buoy not previously authorized by the Commission. CEQA Consideration: Negative Declaration, adopted by the California State Lands Commission, State Clearinghouse No. 2012082074. (W 26953; RA# 16415) (A 10; S 2) (Staff: D. Tutov)

C43 GLEN IKEMOTO AND CLARK CABLE (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Tomales Bay, adjacent to 23115 State Route 1, Marin County; for an existing mooring buoy not previously authorized by the Commission. CEQA Consideration: Negative Declaration, adopted by the California State Lands Commission, State Clearinghouse No. 2012082074. (W 26945; RA# 16115) (A 10; S 2) (Staff: D. Tutov)

C44 JAMES H. BAACK AND KIERAN J. BAACK (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Tomales Bay, adjacent to 178 Camino Del Mar, Marin County; for an existing mooring buoy not previously authorized by the Commission. CEQA Consideration: Negative Declaration, adopted by the California State Lands Commission, State Clearinghouse No. 2012082074. (W 26966; RA# 23515) (A 10; S 2) (Staff: D. Tutov)

C45 JOHN DONOVAN (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Tomales Bay, adjacent to 19225 State Route 1, Marin County; for an existing mooring buoy not previously authorized by the Commission. CEQA Consideration: Negative Declaration, adopted by the California State Lands Commission, State Clearinghouse No. 2012082074. (W 26952; RA# 18315) (A 10; S 2) (Staff: D. Tutov)

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- C46 MARK C. DARLEY AND MIRANDA DARLEY (APPLICANT):  
Consider application for a General Lease -  
Recreational Use, of sovereign land located in Tomales  
Bay, adjacent to 12938 Sir Francis Drake Blvd, Marin  
County; for an existing mooring buoy not previously  
authorized by the Commission. CEQA Consideration:  
Negative Declaration, adopted by the California State  
Lands Commission, State Clearinghouse No. 2012082074.  
(W 26954; RA# 16615) (A 10; S 2) (Staff: D. Tutov)
- C47 MARK SUTTON AND REBECCA DIXON (APPLICANT):  
Consider application for a General Lease -  
Recreational Use, of sovereign land located in Tomales  
Bay, adjacent to 12938 Sir Francis Drake Blvd, Marin  
County; for an existing mooring buoy not previously  
authorized by the Commission. CEQA Consideration:  
Negative Declaration, adopted by the California State  
Lands Commission, State Clearinghouse No. 2012082074.  
(W 26965; RA# 25815) (A 10; S 2) (Staff: D. Tutov)
- C48 MARY WILCOX OXMAN (ASSIGNOR); GARY MOORE  
(ASSIGNEE): Consider application for the assignment of  
Lease No. PRC 5778.1, a General Lease - Agricultural  
and Protective Structure Use, of filled and unfilled  
sovereign land located on Assessor's Parcel Number  
157-0110-030 and in the Sacramento River, near the  
city of Isleton, Sacramento County; for the storage of  
agricultural equipment and bank protection. CEQA  
Consideration: not a project. (PRC 5778.1; RA# 28915)  
(A 11; S 3) (Staff: D. Tutov)
- C49 PAUL K. WRIGHT AND TAUN M. WRIGHT (APPLICANT):  
Consider application for a General Lease -  
Recreational Use, of sovereign land located in Tomales  
Bay, adjacent to 19855 State Route 1, Marin County;  
for an existing mooring buoy not previously authorized  
by the Commission. CEQA Consideration: Negative  
Declaration, adopted by the California State Lands  
Commission, State Clearinghouse No. 2012082074. (W  
26948; RA# 17515) (A 10; S 2) (Staff: D. Tutov)
- C50 RON ELLIOTT AND CAROL ELLIOTT (APPLICANT):  
Consider application for a General Lease -  
Recreational Use, of sovereign land located in Tomales  
Bay, adjacent to 18621 State Route 1, Marin County;  
for an existing mooring buoy not previously authorized  
by the Commission. CEQA Consideration: Negative

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Declaration, adopted by the California State Lands Commission, State Clearinghouse No. 2012082074. (W 26963; RA# 20415) (A 10; S 2) (Staff: D. Tutov)

C51 STEVEN SICHER AND NANCY SICHER (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Tomales Bay, adjacent to 19535 State Route 1, Marin County; for an existing mooring buoy not previously authorized by the Commission. CEQA Consideration: Negative Declaration, adopted by the California State Lands Commission, State Clearinghouse No. 2012082074. (W 26947; RA# 16815) (A 10; S 2) (Staff: D. Tutov)

C52 Thirumalai Muppur Ravi and Francine C. Lejeune, Co-Trustees of The Ravi-Lejeune Family Trust u/t/a dated November 14, 2008 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Tomales Bay, adjacent to 18876 State Route 1, Marin County; for an existing mooring buoy not previously authorized by the Commission. CEQA Consideration: Negative Declaration, adopted by the California State Lands Commission, State Clearinghouse No. 2012082074. (W 26951; RA# 17015) (A 10; S 2) (Staff: D. Tutov)

C53 TIBERIO P. LIZZA (LESSEE): Consider revision of rent to Lease No. PRC 8942.1, a General Lease - Recreational Use, of sovereign land located in the Raccoon Strait, adjacent to 2032 Paradise Drive near the city of Tiburon, Marin County; for an existing pier. CEQA Consideration: not a project. (PRC 8942.1) (A 10; S 2) (Staff: D. Tutov)

C54 WILLIAM H. KENT (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Tomales Bay, adjacent to 19025 State Route 1, Marin County; for an existing mooring buoy not previously authorized by the Commission. CEQA Consideration: Negative Declaration, adopted by the California State Lands Commission, State Clearinghouse No. 2012082074. (W 26949; RA# 17415) (A 10; S 2) (Staff: D. Tutov)

C55 WOODBRIDGE GOLF AND COUNTRY CLUB (LESSEE): Consider revision of rent to Lease No. PRC 5028.1, a

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General Lease - Right-of-Way Use, of sovereign land located in the Mokelumne River, near the city of Woodbridge, San Joaquin County; for an existing pedestrian bridge. CEQA Consideration: not a project. (PRC 5028.1) (A 9; S 5) (Staff: D. Tutov)

CENTRAL/SOUTHERN REGION

C56 AT&T CORP. (LESSEE): Consider revision of rent to Lease No. PRC 8154.1, a General Lease - Non Exclusive Right-of-Way Use, of sovereign land in the Pacific Ocean, offshore of Montaña de Oro State Park, San Luis Obispo County; for an existing steel conduit and fiber optic cable. CEQA Consideration: not a project. (PRC 8154.1) (A 35; S 17) (Staff: R. Collins)

C57 AT&T CORP. (LESSEE): Consider revision of rent to Lease No. PRC 8204.1, a General Lease - Non Exclusive Right-of-Way Use, of sovereign land in the Pacific Ocean, offshore of Montaña de Oro State Park, San Luis Obispo County; for an existing fiber optic cable. CEQA Consideration: not a project. (PRC 8204.1) (A 35; S 17) (Staff: R. Collins)

C58 AT&T CORP. (LESSEE): Consider revision of rent to Lease No. PRC 8278.1, a General Lease - Non Exclusive Right-of-Way Use, of sovereign land in the Pacific Ocean, offshore of Montaña de Oro State Park, San Luis Obispo County; for an existing steel conduit and fiber optic cable. CEQA Consideration: not a project. (PRC 8278.1) (A 35; S 17) (Staff: R. Collins)

C59 JOHN D. CUMMING, TRUSTEE OF THE JOHN D. CUMMING REVOCABLE TRUST (APPLICANT): Consider application for a General Lease - Protective Structure Use, of sovereign land located in the Pacific Ocean, adjacent to 371 Pacific Avenue, City of Solana Beach, San Diego County; for an existing seawall. CEQA Consideration: categorical exemption. (PRC 8661.1; RA# 12315) (A 78; S 39) (Staff: R. Collins)

C60 KAMI M. ERICKSON AND MICHAEL R. CARTER (ASSIGNOR); ERIK J. GAMM AND VALERIE S. GAMM (ASSIGNEE): Consider application for an assignment of Lease No. PRC 9209.1, a General Lease - Recreational and Protective Structure Use, of sovereign land located in the Colorado River, adjacent to 1206 Beach Drive, City of

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Needles, San Bernardino County; for an existing \ concrete patio, landing, stairway, and riprap bankline. CEQA Consideration: not a project. (PRC 9209.1; RA# 32415) (A 33; S 16) (Staff: R. Collins)

C61 LAS BRISAS CONDOMINIUM ASSOCIATION, INC. (APPLICANT): Consider application for a General Lease - Protective Structure Use, of sovereign land located in the Pacific Ocean, adjacent to 135 South Sierra Avenue, City of Solana Beach, San Diego County; for an existing seawall, concrete backfill, and fill of seacave/notches with a return wall. CEQA Consideration: categorical exemption. (PRC 8716.1; RA# 26415) (A 78; S 39) (Staff: R. Collins)

C62 UNITED STATES BUREAU OF RECLAMATION (LESSEE): Consider application for an amendment to Lease No. PRC 9280.9, a General Lease - Public Agency Use in the San Joaquin River, Fresno and Madera Counties; to add a parcel of sovereign land for the temporary placement of fish collection structures. CEQA Consideration: Environmental Assessment/Finding of No Significant Impact as a CEQA-equivalent document. (PRC 9280.9; RA# 10015) (A 5, 23, 31; S 12, 14) (Staff: R. Collins)

C63 SAN ELIJO JOINT POWERS AUTHORITY AND THE CITY OF ESCONDIDO (APPLICANT): Consider application for a General Lease - Public Agency Use, of sovereign land located in the San Elijo Lagoon and the Pacific Ocean, in the city of Encinitas, San Diego County; for an existing outfall previously authorized by the Commission; for an existing pipeline not previously authorized by the Commission; for the construction of a new pipeline; and for the decommissioning in place of the existing pipeline. CEQA Consideration: categorical exemption and Mitigated Negative Declaration, adopted by the San Elijo Joint Powers Authority, State Clearinghouse No. 2016011018, and adoption of a Mitigation Monitoring Program. (PRC 3228.9; RA# 09114) (A 76; S 36) (Staff: K. Foster)

C64 THE OWNER PARTIES TO THE LAS TUNAS BEACH SETTLEMENT AGREEMENT NO. 2 (PERMITTEE): Consider termination of Permit No. PRC 7412.1, a General Permit - Protective Structure Use, of tide and submerged land at Santa Monica Bay, Las Tunas Beach, Malibu, Los

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Angeles County; for groin construction and maintenance for beach erosion control. CEQA Consideration: not a project. (PRC 7412.1) (A 50; S 27) (Staff: G. Kato)

C65 BOLSA CHICA CONSERVANCY (LESSEE): Consider application for a General Lease - Other, of sovereign land located in the Bolsa Chica lowlands, adjacent to 3842 Warner Avenue, Huntington Beach, Orange County; for an existing interpretive center. CEQA Consideration: categorical exemption. (PRC 8685.9; RA# 30015) (A 72; S 34) (Staff: S. Kreutzburg)

C66 DENNIS BRUCE NEEDLEMAN, TRUSTEE OF THE DENNIS BRUCE NEEDLEMAN LIVING TRUST U/D/T 12/7/1999 (APPLICANT): Consider application for a General Lease - Other, of sovereign land located in Huntington Harbour, adjacent to 16631 Carousel Lane, Huntington Beach, Orange County; for the removal and replacement of an existing boat dock and two access ramps; and for the use and maintenance of an existing cantilevered deck with an existing enclosure not previously authorized by the Commission. CEQA Consideration: categorical exemptions. (PRC 4101.1; RA# 19015) (A 72; S 34) (Staff: S. Kreutzburg)

ITEM REVISED 06/21/16

C67 IDA ZABY (ASSIGNOR); IDA AGNIFILI ZABY, TRUSTEE OF THE I. AGNIFILI TRUST, DATED APRIL 29, 2008 (ASSIGNEE): Consider application for an assignment of Lease No. PRC 7986.1, a General Lease - Recreational Use, of sovereign land located in Huntington Harbour, adjacent to 3632 Venture Drive, near the city of Huntington Beach, Orange County; for an existing boat dock, access ramp, and cantilevered deck. CEQA Consideration: not a project. (PRC 7986.1; RA# 27515) (A 72; S 34) (Staff: S. Kreutzburg)

C68 JANE P. KING, TRUSTEE OF THE JANE P. KING TRUST DATED SEPTEMBER 3, 1986 (APPLICANT): Consider correction to prior authorization of Lease No. PRC 3243.1, a General Lease - Recreational Use of sovereign land located in Huntington Harbour, adjacent to 16662 Somerset Lane, Huntington Beach, Orange County; for an existing boat dock and access ramp. CEQA Consideration: not a project. (PRC 3243.1; RA#

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00814) (A 72; S 34) (Staff: S. Kreutzburg)

C69 JEROME F. LINDSAY SR., AND AMBER J. LINDSAY, AS TRUSTEES OF THE JEROME LINDSAY SR., AND AMBER LINDSAY 2010 TRUST, DATED NOVEMBER 10, 2010 (APPLICANT): Consider an application for a General Lease - Recreational Use, of sovereign land located in Huntington Harbour, adjacent to 3502 Gilbert Drive, Huntington Beach, Orange County; for an existing boat dock, access ramp, and cantilevered deck. CEQA Consideration: categorical exemption. (PRC 3248.1; RA# 28215) (A 72; S 34) (Staff: S. Kreutzburg)

C70 ROBERT G. SEBRING AND GAIL SEBRING (ASSIGNOR); ROBERT G. SEBRING AND GAIL SEBRING, TRUSTEES OF THE SEBRING FAMILY TRUST, DATED JANUARY 10, 2002 (ASSIGNEE): Consider application for an assignment of lease, and revision of rent for Lease No. PRC 8881.1, a General Lease - Recreational Use, of sovereign land located in Huntington Harbour, adjacent to 16402 Grimaud Lane, Huntington Beach, Orange County; for a cantilevered deck. CEQA Consideration: not a project. (PRC 8881.1; RA# 30415) (A 72; S 34) (Staff: S. Kreutzburg)

C71 ROBERT O. BURGGRAF AND MASAKO BURGGRAF, TRUSTEES OF THE BURGGRAF FAMILY TRUST DATED JULY 29, 1991 (LESSEE); TERRY DEDEAUX AND CHRISTINE M. DEDEAUX, TRUSTEES OF THE TERENCE DEDEAUX FAMILY TRUST DATED DECEMBER 27, 1994, AND ANY AMENDMENTS HERETO (APPLICANT): Consider termination of Lease No. PRC 7610.1, a General Lease - Recreational Use, and an application for a General Lease - Recreational Use, of sovereign land located in Huntington Harbour, adjacent to 3522 Venture Drive, Huntington Beach, Orange County; for an existing boat dock, access ramp, and cantilevered deck. CEQA Consideration: categorical exemption. (PRC 7610.1; RA# 32615) (A 72; S 34) (Staff: S. Kreutzburg)

ITEM REVISED 06/23/16

C72 TERRY DEDEAUX AND CHRISTINE M. DEDEAUX, TRUSTEES OF THE TERENCE DEDEAUX FAMILY TRUST DATED DECEMBER 27, 1994 (RESCINDING APPLICANT); KEITH ALLEN SENN (APPLICANT): Consider rescission of approval of Lease No. PRC 5245.1, a General Lease - Recreational Use,

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and an application for a General Lease - Recreational Use, of sovereign land located in Huntington Harbour, adjacent to 3542 Venture Drive, Huntington Beach, Orange County; for an existing boat dock, access ramp, and cantilevered deck. CEQA Consideration: categorical exemption. (PRC 5245.1; RA# 29915) (A 72; S 34) (Staff: S. Kreutzburg)

ITEM REVISED 06/21/16

C73 ACTION ZIPLINE, INC. DBA ACTION FLYBOARDING (APPLICANT): Consider application for a General Lease - Commercial Use, of sovereign land located in the Pacific Ocean, near Frog Rock, Santa Catalina Island, Los Angeles County; for the construction, use, and maintenance of a floating boat dock. CEQA Consideration: categorical exemption. (W 26976; RA# 33215) (A 70; S 26) (Staff: D. Simpkin)

C74 CITY OF CORONADO (APPLICANT): Consider application for a General Lease - Public Agency Use, of sovereign land located in Glorietta Bay, city of Coronado, San Diego County; to deposit approximately 200 cubic yards of dredged material at an existing eelgrass mitigation site. CEQA Consideration: Mitigated Negative Declaration, adopted by the City of Coronado, State Clearinghouse No. 2015041025, and adoption of a Mitigation Monitoring Program. (PRC 8706.9; RA# 26715) (A 78; S 39) (Staff: D. Simpkin)

C75 MICHAEL FERRONE, SUCCESSOR TRUSTEE OF THE FERRONE TRUST DATED SEPTEMBER 29, 1988 (APPLICANT): Consider application for a General Lease - Protective Structure and Residential Use, of sovereign land, adjacent to 19830 Pacific Coast Highway, city of Malibu, Los Angeles County; for a portion of an existing residence and deck, not previously authorized by the Commission; and the construction, use, and maintenance of a concrete bag wall. CEQA Consideration: categorical exemptions. (W 26863; RA# 15015) (A 50; S 27) (Staff: D. Simpkin)

C76 SAN DIEGO UNIFIED PORT DISTRICT (LESSEE): Consider application for an amendment to Lease No. PRC 7987.1, a General Lease - Public Agency Use, of sovereign land located adjacent to Shelter Island in San Diego Bay, San Diego County; to remove and replace the Shelter

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Island Boat Launch Facility. CEQA Consideration: Mitigated Negative Declaration, adopted by the San Diego Unified Port District, State Clearinghouse No. 2015061029, and adoption of a Mitigation Monitoring Program. (PRC 7987.1; RA# 26915) (A 78; S 39) (Staff: D. Simpkin)

C77 SOUTHERN CALIFORNIA EDISON COMPANY, SAN DIEGO GAS AND ELECTRIC COMPANY, CITY OF RIVERSIDE (LESSEE): Consider rescission of approval of an amendment of a General Lease - Industrial Use and application for amendment of Lease No. PRC 6785.1, a General Lease - Industrial Use, of sovereign land located in the Pacific Ocean, near San Onofre, San Diego County; for the installation, use, and maintenance of four Large Organism Exclusion Devices. CEQA Consideration: Mitigated Negative Declaration, adopted by the California State Lands Commission, State Clearinghouse No. 2012081072. (PRC 6785.1; RA# 24715) (A 76; S 36) (Staff: D. Simpkin)

SCHOOL LANDS

C78 CITY OF NEEDLES (APPLICANT): Consider application for a General Lease - Right-of-Way Use, of State-owned school land located within a portion of Section 36, Township 9 North, Range 22 East, SBM, near the city of Needles, San Bernardino County; for an existing underground water transportation line. CEQA Consideration: categorical exemption. (PRC 4078.2; RA# 29715) (A 33; S 16) (Staff: C. Hudson)

C79 IMPERIAL IRRIGATION DISTRICT (LESSEE): Consider revision of rent to Lease No. PRC 3510.2, a General Lease - Right-of-Way Use, of State-owned school land within a portion of Section 36, Township 9 South, Range 13 East, SBM, near Niland, Imperial County; for an existing overhead transmission line, 10 two-pole wood support structures, and an unimproved access road. CEQA Consideration: not a project. (PRC 3510.2) (A 56; S 40) (Staff: C. Hudson)

C80 PACIFIC BELL (LESSEE): Consider revision of rent to Lease No. PRC 4829.2, a General Lease - Right of Way Use, of State-owned school land located within a portion of Section 16, Township 34 North, Range 4 West, MDM, near O'Brien Mountain in the Shasta

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National Forest, Shasta County; for an existing aerial communication cable and wood poles. CEQA Consideration: not a project. (PRC 4829.2) (A 1; S 1) (Staff: C. Hudson)

C81 PACIFIC BELL TELEPHONE COMPANY, A CALIFORNIA CORPORATION, DBA AT&T CALIFORNIA, A CALIFORNIA CORPORATION (APPLICANT): Consider application for a General Lease - Right-of-Way Use, of State-owned school land located within a portion of Section 36, Township 15 North, Range 8 East, SBM, near the unincorporated community of Baker, San Bernardino County; for the installation of a fiber optic cable encased in one of three buried conduits, ancillary facilities, and an existing access road. CEQA Consideration: Mitigated Negative Declaration, adopted by San Bernardino County, State Clearinghouse No. 2015041015, and adoption of a Mitigation Monitoring Program. (W 26857; RA# 28714) (A 33; S 16) (Staff: C. Hudson)

C82 PACIFIC GAS AND ELECTRIC COMPANY (LESSEE): Consider revision of rent to Lease No. PRC 5391.2, a General Lease - Right-of-Way Use, of State-owned school land located within a portion of Section 16, Township 35 North, Range 5 East, MDM, near Fall River Mills, Shasta County; for an existing transmission line. CEQA Consideration: not a project. (PRC 5391.2) (A 1; S 1) (Staff: C. Hudson)

C83 SIERRA PACIFIC POWER COMPANY (LESSEE): Consider revision of rent to Lease No. PRC 7903.2, a General Lease - Right-of-Way Use, of State-owned school and lieu lands within portions of Section 16, T40N, R12E, MDM, Modoc County; Section 34, T31N, R15E, MDM; Section 9, T28N, R16E, MDM; Section 9, T27N, R17E, MDM; Section 21, T27N, R17E, MDM; Section 28, T27N, R17E, MDM; Section 33, T27N, R17E, MDM; and Section 34, T31N, R15E, MDM, Lassen County; for an existing overhead transmission line. CEQA Consideration: not a project. (PRC 7903.2) (A 1; S 1) (Staff: C. Hudson)

MINERAL RESOURCES MANAGEMENT

C84 BUREAU OF OCEAN ENERGY MANAGEMENT (APPLICANT): Consider approval of a three-year Non-Exclusive Geological Survey Permit on tide and submerged lands

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under the jurisdiction of the California State Lands Commission. CEQA Consideration: categorical exemption. (W 6005.166; RA# 26615) (A & S: Statewide) (Staff: R. B. Greenwood)

C85 TERRASOND, LIMITED (APPLICANT): Consider an application for a three-year Non-Exclusive Geophysical Survey Permit to conduct low-energy geophysical surveys on tide and submerged lands under the jurisdiction of the California State Lands Commission. CEQA Consideration: Mitigated Negative Declaration and addendum, adopted by the California State Lands Commission, State Clearinghouse No. 2013072021. (WP 9007; RA# 33115) (A & S: Statewide) (Staff: R. B. Greenwood)

C86 CITY OF LONG BEACH (GRANTEE): Consider acceptance of the First Modification and Supplement of the Long Beach Unit Annual Plan (July 1, 2015 through June 30, 2016), Long Beach Unit, Wilmington Oil Field, Los Angeles County. CEQA Consideration: not a project. (W 17166) (A 70; S 33, 34) (Staff: E. Tajer)

MARINE ENVIRONMENTAL PROTECTION - NO ITEMS

ADMINISTRATION

C87 CALIFORNIA STATE LANDS COMMISSION: Consider granting authority to the Executive Officer to enter into an agreement with a local government or to solicit bids and award and execute an agreement to conduct a detailed inventory of the number and location of mooring buoys on the California side of Lake Tahoe, Placer and El Dorado Counties. CEQA Consideration: not a project. (A 1, 5; S 1) (Staff: C. Connor, P. Schlatter, A. Abeleda)

ITEM REVISED 06/21/16

LEGAL

C88 CALIFORNIA STATE LANDS COMMISSION: Consider proposed adoption of regulations implementing statutory provisions that authorize administrative hearings to address unauthorized structures on State lands. CEQA Consideration: not a project. (W 26934) (A & S: Statewide) (Staff: W. Crunk)

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KAPILOFF LAND BANK TRUST ACQUISITIONS - NO ITEMS

EXTERNAL AFFAIRS

GRANTED LANDS

C89 CALIFORNIA DEPARTMENT OF PARKS AND RECREATION, THE OFFICE OF COMMUNITY INVESTMENT AND INFRASTRUCTURE (SUCCESSOR AGENCY TO THE SAN FRANCISCO REDEVELOPMENT AGENCY), AND THE CALIFORNIA STATE LANDS COMMISSION (PARTIES): Consider approval of the Record of Survey for the second closing phase of the Candlestick Point State Recreation Area Reconfiguration, Improvement and Transfer Agreement concerning land within Candlestick Point State Recreation Area, City and County of San Francisco. CEQA Consideration: not a project. (AD 557; W 26279; G11-00.7, G11-01) (A 17; S 11) (Staff: R. Boggiano, J. Porter, K. Colson)

C90 SAN DIEGO UNIFIED PORT DISTRICT (GRANTEE): Consider approval of a proposed expenditure of public trust funds by the San Diego Unified Port District to acquire a 4-acre parcel located adjacent to existing public trust land in the City of Chula Vista, San Diego County. CEQA Consideration: Environmental Impact Report, certified by the San Diego Unified Port District, State Clearinghouse No. 2005081077. (G10-08) (A 80; S 40) (Staff: R. Boggiano)

LEGISLATION AND RESOLUTIONS - SEE INFORMATIONAL AND REGULAR

V INFORMATIONAL

91 CALIFORNIA STATE LANDS COMMISSION: Staff Report on the monitoring of possible subsidence, Long Beach Unit, Wilmington Oil Field, Los Angeles County. CEQA Consideration: not a project. (W 16001, W 10442) (A 70; S 33, 34) (Staff: R. B. Greenwood)

92 CALIFORNIA STATE LANDS COMMISSION: Legislative report providing information and a status update concerning state legislation relevant to the California State Lands Commission. CEQA Consideration: not applicable. (A & S: Statewide) (Staff: S. Pemberton, M. Moser)

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VI REGULAR CALENDAR 93-96

93 CALIFORNIA STATE LANDS COMMISSION AND POSEIDON RESOURCES (SURFSIDE) LLC (PARTIES): Consider authorization of a Memorandum of Understanding for use of the Bolsa Chica Lowlands Restoration Project area to fulfill mitigation obligations for a proposed desalination facility, in the city of Huntington Beach, Orange County. CEQA Consideration: not a project. (W 025306A; RA# X9702) (A 74; S 37) (Staff: W. Hall) 9

REMOVED FROM AGENDA

94 CALIFORNIA STATE LANDS COMMISSION: Consider supporting AB 1716 (McCarty and Cooley) that would create the Lower American River Conservancy in the California Natural Resources Agency to receive and expend bond proceeds and other state funds to protect and improve the American River Parkway. CEQA Consideration: not applicable. (A & S: Statewide) (Staff: S. Pemberton) 9

REMOVED FROM AGENDA

95 CITY OF LOS ANGELES DEPARTMENT OF WATER AND POWER (LADWP) (APPLICANT/LESSEE): Consider amendment to Lease No. PRC 8079.9, a General Lease - Public Agency Use, of sovereign land located in the dry lake bed, Owens Lake, Inyo County; to transition 1.82 square miles of existing dust control. CEQA Consideration: Environmental Impact Report, certified by the Los Angeles Department of Water and Power, State Clearinghouse No. 2014071057, and re-adoption of a Mitigation Monitoring Program and Statement of Findings. (PRC 8079.9; RA# 34315) (A 26; S 8) (Staff: D. Simpkin) 31

96 PACIFIC GAS AND ELECTRIC COMPANY (APPLICANT): Consider termination of Lease Nos. PRC 4307.1 and 4449.1, a General Lease - Right-of-Way Use and a General

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Lease - Industrial Use, and an application for a new General Lease - Industrial Use, for a cooling water discharge channel, water intake structure, breakwaters, and associated infrastructure at the Diablo Canyon Power Plant, near Avila Beach, San Luis Obispo County. CEQA Consideration: not a project. (PRC 4307.1, PRC 4449.1, W 26721) (A 17; S 35) (Staff: P. Huber, C. Oggins, D. Simpkin)	43
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VII PUBLIC COMMENT	253
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IX CLOSED SESSION: AT ANY TIME DURING THE MEETING THE COMMISSION MAY MEET IN A SESSION CLOSED TO THE PUBLIC TO CONSIDER THE FOLLOWING PURSUANT TO GOVERNMENT CODE SECTION 11126:	269
A. LITIGATION.	
THE COMMISSION MAY CONSIDER PENDING AND POSSIBLE LITIGATION PURSUANT TO THE CONFIDENTIALITY OF ATTORNEY-CLIENT COMMUNICATIONS AND PRIVILEGES PROVIDED FOR IN GOVERNMENT CODE SECTION 11126(e).	
1. THE COMMISSION MAY CONSIDER MATTERS THAT FALL UNDER GOVERNMENT CODE SECTION 11126(e)(2)(A):	
California State Lands Commission v. City and County of San Francisco	
Seacliff Beach Colony Homeowners Association v. State of California, et al.	
SLPR, LLC, et al. v. San Diego Unified Port District, California State Lands Commission	
San Francisco Baykeeper v. California State Lands Commission	

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Center for Biological Diversity v. California  
State Lands Commission

City of Santa Monica, et al. v. Nugent

City of Santa Monica, et al. v. Ornstein

City of Santa Monica, et al. v. Bader

City of Santa Monica, et al. v. Levy

City of Santa Monica, et al. v. Philbin

City of Santa Monica, et al. v. Greene

City of Santa Monica, et al. v. Prager

Sierra Club et al. v. City of Los Angeles,  
et al.

United States v. Walker River Irrigation  
District, et al.

United States v. 1.647 Acres

Nowel Investment Company v. State of California;  
California State Lands Commission

Little Beaver Land Company, Inc. v. State of  
California

City of Goleta v. California State Lands  
Commission

2. The commission may consider matters THAT fall  
under government code section 11126(e)(2)(B) or  
(2)(C).

B. CONFERENCE WITH REAL PROPERTY NEGOTIATORS.  
THE COMMISSION MAY CONSIDER MATTERS THAT FALL UNDER  
GOVERNMENT CODE SECTION 11126(c)(7) - TO PROVIDE  
DIRECTIONS TO ITS NEGOTIATORS REGARDING PRICE AND  
TERMS FOR LEASING OF REAL PROPERTY.

1. Provide instructions to negotiators regarding entering into a new lease of state land for the Broad Beach Restoration Project, City of Malibu, Los Angeles County. Negotiating parties: Broad Beach Geologic Hazard Abatement District, State Lands Commission; Under negotiation: price and terms.

2. Provide instructions to negotiators regarding acquisition of a public access easement to and along Martins Beach in San Mateo County. Negotiating Parties: Martins Beach 1, LLC., Martins Beach 2, LLC, State Lands Commission; Under negotiation: price and terms.

C. OTHER MATTERS.

THE COMMISSION MAY CONSIDER MATTERS THAT FALL UNDER GOVERNMENT CODE SECTION 11126(e)(2)(B) or (2)(C). THE COMMISSION MAY ALSO CONSIDER PERSONNEL ACTIONS TO APPOINT, EMPLOY, OR DISMISS A PUBLIC EMPLOYEE AS PROVIDED IN GOVERNMENT CODE SECTION 11126(a)(1).

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Reporter's Certificate	271

## P R O C E E D I N G S

1  
2 CHAIRPERSON YEE: Good morning. I call this  
3 meeting of the State Lands Commission to order. All the  
4 representatives of the Commission will be present. I'd  
5 like to welcome -- I'm State Controller Betty Yee. I'm  
6 joined today by Eraina Ortega representing the Department  
7 of Finance, and we will be joined by Lieutenant Governor  
8 Gavin Newsom shortly.

9 For the benefit of those in the audience -- and  
10 by the way, let me just welcome those who are joining us  
11 today from the Morro Bay Community Center Auditorium, who  
12 will be following this meeting today from our remote  
13 location.

14 For the benefit of those in the audience, the  
15 State Lands Commission manages State property interests in  
16 over five million acres of land, including mineral  
17 interests. The Commission also has responsibility for the  
18 prevention of oil spills at marine oil terminals and  
19 offshore oil platforms and for preventing the introduction  
20 of marine invasive species into California's marine  
21 waters. Today, we will hear requests and presentations  
22 involving the lands and resources within the Commission's  
23 jurisdiction.

24 The first item of business will be the adoption  
25 of the minutes from the Commission's meeting of April 5th,

1 2016. May I have a motion to approve the minutes?

2 ACTING COMMISSIONER ORTEGA: I'll move adoption  
3 of the minutes.

4 CHAIRPERSON YEE: Motion by Ms. Ortega to approve  
5 the minutes.

6 I will second that motion.

7 With -- and so that will be a 2-0 vote for now.

8 Thank you.

9 The next order of business is the Executive  
10 Officer's report. And good morning, Ms. Lucchesi. May we  
11 have that report?

12 EXECUTIVE OFFICER LUCCHESI: Yes, I have about  
13 seven items to get through, so I'll do my best to make it  
14 as efficient as possible.

15 In May, the National Oceanic and Atmospheric  
16 Administration declared that El Niño was officially over.  
17 Near or below average temperatures existed three out of  
18 four monitoring regions of the tropical Pacific. And for  
19 the first time in 2016, wind and air pressure patterns  
20 were consistent with neutral conditions.

21 Commission staff, back in November of 2015, sent  
22 preparedness assessment letters to all of our lessees,  
23 including our offshore oil and gas lessees, to ensure that  
24 associated facilities are inspected, and that emergency  
25 response plans were reviewed and updated prior to the

1 onset of storms. Those lessees involved in the  
2 production, transportation -- and transportation of  
3 petroleum or natural gas product, those letters addressed  
4 the need for lessee to evaluate the completeness of their  
5 plans, the impact of large waves and violent weather on  
6 the facilities and pipelines, employee safety and  
7 preparedness, and platform shutdown and evacuation  
8 procedures.

9 All of our oil gas and lessees acknowledged  
10 receipt of this letter and provided their plans to -- in  
11 preparation for the severe weather storms. Our lessees  
12 had initiated review of their operations and taken steps  
13 to address many of the outlines outlined in our letter  
14 prior to its delivery.

15 We also sent letters to all of our surface  
16 lessees, approximately 2,500 for those lessees that have  
17 leases for piers and pipelines onshore, marinas, that sort  
18 of thing. And we received a number of responses from them  
19 as well.

20 We also received -- we also provided three  
21 non-objection letters to different entities for them to  
22 install emergency revetments or protective structures or  
23 repair their existing ones in order to prepare for El  
24 Niño.

25 The second item I want to update the Commission

1 on is that in 2015 the Tahoe Regional Planning Agency,  
2 along with critical stakeholder partners, launched a  
3 shoreline plan initiative to develop guidelines for the  
4 appropriate uses along the shore of Lake Tahoe.

5 The overarching goal of the shoreline plan is to  
6 enhance the recreational experience along Lake Tahoe's  
7 shores, while protecting the environment and responsibly  
8 planning for the future. This shoreline planning  
9 initiative will update TRPA's shore zone element goals and  
10 policies in their regional plan, and in the shore zone  
11 chapters in TRPA's Code of Ordinances.

12 The Commission is participating in this effort in  
13 a number of ways. We are a member of the Steering  
14 Committee and the Joint Fact Finding Committee. We are  
15 also conducting a buoy count on the California side of  
16 Lake Tahoe this summer. The purpose of this buoy count is  
17 to determine the number of buoys on Lake Tahoe and their  
18 location. And that will assist in the planning effort  
19 that the Tahoe Regional Planning Agency has embarked on.

20 Just yesterday, the Governor signed the State's  
21 2016-17 State budget. This budget includes 1,240,000  
22 additional general fund dollars for the Commission. This  
23 funding will enable the Commission to begin transitioning  
24 to a spatially indexed record system, complete  
25 environmental review of the Becker onshore oil well, a

1 precursor to remediating the leaking well, and fund the  
2 State's portion of the technical studies to remediate  
3 Yosemite Slough in San Francisco Bay.

4           It will also fund the State's obligation to pay a  
5 proportional share of the hazardous waste remediation cost  
6 at Selby in the Carquinez Strait, and also to remove  
7 Dennett Dam, which is an old dilapidated dam remnant that  
8 no longer serves a purpose, and is an ongoing threat to  
9 public health and safety.

10           The budget also included \$610,000 from the Marine  
11 Invasive Species Control Fund to implement an automated  
12 public facing web-based data entry portal for the Marine  
13 Invasive Species Program, and funding for an additional  
14 environmental science position in this program. We are  
15 very excited with our success in this upcoming budget.

16           On June 3rd and 8th of this year, Commission  
17 staff approved two Chevron vessels to discharge ballast  
18 water to the Chevron El Segundo Refinery. These approvals  
19 were granted pursuant to Public Resources Code Section  
20 71204.3, subsection (c)(5), and Title 2 of the California  
21 regulations, which allow vessels to discharge ballast  
22 water at reception facilities approved by the Commission.

23           The water was used to flush the subsea hoses at  
24 the El Segundo marine oil terminal. As the ballast water  
25 was mixed with residual oil in the hoses, the water was

1 transferred to the refinery for processing. No ballast  
2 water was discharged into the environment. And I'm  
3 reporting that to the Commission, because this was all  
4 done at a staff level.

5 I want to provide a quick update to the  
6 Commission on the Commission staff's effort with the Port  
7 of San Diego staff on the San -- offshore San Diego  
8 planning effort. As you remember, the Commission directed  
9 staff to develop a marine planning framework in  
10 partnership with the San Diego Unified Port District at  
11 its December 2015 meeting. The purpose is to engage in a  
12 comprehensive ecosystem-based stakeholder driven planning  
13 process for State waters offshore San Diego County.

14 Commission and Port staffs have met several times  
15 to continue to discuss the process and develop and share  
16 components of a draft memorandum of agreement, which we  
17 believe is on target for your consideration at the October  
18 meeting in San Diego. Staff has also been conducting  
19 interviews with a number of State agency partners to  
20 obtain baseline information on interest, needs, concerns,  
21 and jurisdictional responsibilities.

22 Port staff has been conducting similar initial  
23 outreach with regional staff from various agencies. And  
24 we're continuing to make progress, and I will update the  
25 Commission again on this in August.

1 I only have two more items to update you on. I'm  
2 moving fast. Earlier this year, Commissioner Newsom  
3 expressed a desire that the acquisition of a public access  
4 easement at Martin's Beach, including whether to pursue  
5 eminent domain, be agendized on the Commission's June  
6 meeting agenda at the latest.

7 Today's agenda obviously does not include  
8 Martin's Beach as an agenda item. There have been some  
9 recent developments, including a new acquisition concept  
10 proposed by some of the residents renting homes at  
11 Martin's Beach that warrant additional research, including  
12 discussions with Coastal Commission staff, San Mateo  
13 County, and representatives of Martin's Beach, LLC. This  
14 is why I did not agendize Martin's Beach for this meeting.

15 Discussions with Martin's Beach, LLC  
16 representatives continue. My last meeting with them  
17 occurred on the afternoon of June 8th in Menlo Park. I  
18 will continue to update the Commission on the developments  
19 involving this effort. We're still pushing hard.

20 COMMISSIONER NEWSOM: Amen.

21 EXECUTIVE OFFICER LUCCHESI: And finally, I'd  
22 like to take just a brief moment to introduce Colin Connor  
23 as the Commission's new Assistant Executive Officer.  
24 Colin, can you please just stand up for a bit.

25 (Applause.)

1 EXECUTIVE OFFICER LUCCHESI: Colin has been with  
2 the Commission since 2001. His background is in  
3 commercial residential real estate and appraisals. He  
4 came to the Commission as an appraiser in the Land  
5 Management Division and quickly moved up to various  
6 managerial positions, including Assistant Chief of the  
7 Land Management Division. For the past year, Colin has  
8 been the Chief of the Commission's Administrative and  
9 Information Services Division, where he has been  
10 overseeing all agency fiscal and informational services,  
11 including budget development, and contracting.

12 Colin possesses the perfect balance of technical  
13 expertise, superior management skills, sound policy  
14 experience, and excellent judgment. And Colin will be a  
15 great number two serving the Commission, the people of  
16 California, and our staff in helping the Commission  
17 successfully implement its strategic goals.

18 That concludes my report.

19 Thank you.

20 CHAIRPERSON YEE: Thank you, Ms. Lucchesi.

21 Questions or comments, Commissioners?

22 Let me welcome Commissioner Newsom to the meeting  
23 today.

24 Very well.

25 Next order of business will be the adoption of

1 the consent calendar. Commissioners have any items you  
2 wish to be removed from the consent calendar?

3 Seeing none.

4 Ms. Lucchesi, are there any items that you want  
5 to indicate to us that need to be removed?

6 EXECUTIVE OFFICER LUCCHESI: Yes. C9, C14, and  
7 regular items 93 and 94 are removed from the agenda and  
8 will be considered at a later items.

9 Item C33 will be moved from the consent agenda to  
10 the regular agenda.

11 CHAIRPERSON YEE: Very well.

12 ACTING COMMISSIONER ORTEGA: I'll move the  
13 remainder of the consent items.

14 CHAIRPERSON YEE: Okay. We have a motion by  
15 Commissioner Ortega to move the remainder of the consent  
16 agenda.

17 COMMISSIONER NEWSOM: Second.

18 CHAIRPERSON YEE: Second by Commissioner Newsom.  
19 Without objection, such will be the order.

20 Why don't we proceed to Item C33 that was just  
21 removed.

22 EXECUTIVE OFFICER LUCCHESI: Great.

23 CHAIRPERSON YEE: Okay. I know we have a number  
24 of public speakers, but why don't hear the staff  
25 presentation on that, and we will call up the speakers

1 after.

2 EXECUTIVE OFFICER LUCCHESI: Excellent. Cy  
3 Oggins, our Chief of our Environmental Planning and  
4 Management Division will be giving staff's presentation on  
5 this item.

6 CHAIRPERSON YEE: Great.

7 Good morning.

8 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION  
9 CHIEF OGGINS: Good morning, Madam Chair, Commissioners.

10 I'm just waiting for the slide show. Thank you.  
11 (Thereupon an overhead presentation was  
12 presented as follows.)

13 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION  
14 CHIEF OGGINS: Calendar Item 33 addresses four leases  
15 issued to Hanson Marine operations for the mining of sand  
16 in central San Francisco Bay that are proposed for  
17 reauthorization.

18 As quick background, the four leases contain  
19 identical provisions as leases that were authorized by the  
20 Commission at its October 19, 2012 Commission meeting.  
21 The purpose of this calendar item is to comply with an  
22 order by the First District Court of Appeal that was  
23 upheld by the Superior Court of California, County of San  
24 Francisco to set aside the 2012 lease approvals, to  
25 conduct a Public Trust analysis, and to reconsider those

1 leases in light of the Public Trust Doctrine.

2 --o0o--

3 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

4 CHIEF OGGINS: Sorry. It's not working.

5 Thank you.

6 At its October 29th, 2012 meeting, the Commission  
7 also certified an Environmental Impact Report for the  
8 project. That was upheld by the appellate court. It  
9 was -- the court determined that it was a valid EIR that  
10 it contained a Mitigation Monitoring Program, and the  
11 Commission also made findings and a Statement of  
12 Overriding Considerations.

13 --o0o--

14 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

15 CHIEF OGGINS: Since 2012, a number of other agencies have  
16 also approved the sand mining project, including the  
17 California Department of Fish and Game, which issued an  
18 incidental take permit in 2014, the Regional Board, BCDC,  
19 and federal Corps of Engineers.

20 --o0o--

21 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

22 CHIEF OGGINS: Very quickly. At the October 19th meeting,  
23 the Commission actually approved three lease areas -- or  
24 the project covered three lease areas, the central Bay  
25 Area in the red square, and also up at the top right-hand

1 corner, a private lease, and another lease in the Delta.  
2 The red square is the subject of today's meeting.

3 --o0o--

4 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

5 CHIEF OGGINS: Here's another slide showing you a  
6 satellite view. You can see the City of San Francisco,  
7 which you both know very -- which you know very well to  
8 the south, Sausalito to the west, Belvedere, Tiburon and  
9 Angel Island to the east, and Alcatraz on the -- I'm  
10 sorry, Belvedere, Tiburon to the north, and Alcatraz on  
11 the eastern border.

12 --o0o--

13 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

14 CHIEF OGGINS: The leases approved by the Commission are  
15 on the left-hand column. They contain both reduced  
16 volumes and increased volumes. To obtain the increase in  
17 mining volumes Hanson had to satisfy two conditions  
18 approved by the Commission, then apply for the increase.

19 The first condition was to obtain an incidental  
20 take permit from Fish and Wildlife, which, as I mentioned  
21 earlier, was obtained in 2014. And the second condition  
22 was for Hanson to provide documentation that would use  
23 cleaner burning engines. Those are scheduled for 2017.  
24 So Hanson has not applied for any increase in the volumes.  
25 The second column to the left are the volumes that were

1 approved by the BCDC and the Corps. Pursuant to different  
2 purposes, the BCDC approved it pursuant to the  
3 McAteer-Petris Act.

4 And then on the right, you'll see what -- you  
5 know, kind of what the actual volumes mined by Hanson were  
6 in 2015. You'll see there are less than both the  
7 version -- the volumes approved by the Commission and by  
8 BCDC and the Corps, approximately 507,000 cubic yards.  
9 The other thing to note is on the far right-hand column,  
10 the rent and royalties to the State totaled over \$1.2  
11 million.

12 --o0o--

13 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

14 CHIEF OGGINS: The Public Trust analysis prepared by staff  
15 that's in your staff report covered multiple issues. I  
16 won't go into those in depth, unless you have any  
17 questions, but they include waterborne commerce,  
18 navigation, fisheries in Central Bay.

19 --o0o--

20 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

21 CHIEF OGGINS: And just quickly, it covered not only  
22 interference with recreational or commercial fishing, but  
23 also the fisheries themselves.

24 --o0o--

25 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

1 CHIEF OGGINS: Open space, and water-related recreation  
2 and public access.

3 --o0o--

4 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

5 CHIEF OGGINS: The Commission staff report also addresses  
6 the availability of the sand resource. And that was an  
7 extensive analysis in the Environmental Impact Report  
8 certified in 2012.

9 --o0o--

10 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

11 CHIEF OGGINS: One of the more controversial issues raised  
12 at the meeting was the potential impact on San Francisco  
13 bar offshore the Golden Gate, and Ocean Beach. As you may  
14 recall, the Commission found that there were negligible  
15 impacts to San Francisco Bar, and the analysis conducted  
16 by the Commission was upheld by the superior court.

17 --o0o--

18 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

19 CHIEF OGGINS: As mentioned before, the court directed the  
20 Commission to find -- look at the reauthorization in light  
21 of the Public Trust Doctrine. And this just reviews what  
22 the Commission's trustee role is, to retain -- it will  
23 retain supervisory control over the leases. There is no  
24 alienation of fee title. Mineral resources are reserved  
25 to the State. As mentioned earlier, rent and royalty is

1 being collected. The Mitigation Monitoring Program  
2 approved by the Commission is still in effect, and there  
3 is both quarterly and annual monitoring. And finally,  
4 there's a limited term a 10-year term for these leases.

5 --o0o--

6 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

7 CHIEF OGGINS: The EIR also addressed the benefits of Bay  
8 Area sand, including -- which is something of note to  
9 the -- importance to the Commission is reduction to  
10 greenhouse gases.

11 --o0o--

12 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

13 CHIEF OGGINS: Which gets us to the recommended action.

14 And that's just that we recommend that staff --  
15 that the Commission find that sand mining is a Public  
16 Trust use, or in the alternative, that if the Commission  
17 doesn't find that, that it approves the leases, because it  
18 is consistent with the Common Law Public Trust Doctrine.

19 --o0o--

20 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

21 CHIEF OGGINS: Also recommend that you set aside the 2012  
22 leases, and approve the reissuance of the leases for a  
23 10-year term. And that would be the same approval as in  
24 2012.

25 --o0o--

## 1 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

2 CHIEF OGGINS: If you have any questions, I'm here or  
3 staff is here. And that concludes my staff presentation.

4 CHAIRPERSON YEE: All right. Thank you very  
5 much. There are a number of public speakers on this item.  
6 Let me call them up.

7 First if we could have Erica Maharg and Ian Wren  
8 from San Francisco Baykeeper come forward, please.

9 And you'll each have three minutes to address the  
10 Commission Board.

11 MS. MAHARG: Great. Thank you.

12 Good morning. My name is Erica Maharg. I'm a  
13 staff attorney with San Francisco Baykeeper. As was  
14 stated, the Public Trust analysis just explained to you  
15 was required by the First Circuit Court of Appeal in  
16 response to a legal challenge by Baykeeper.

17 And after reviewing the staff report, we are  
18 disappointed in the Public Trust analysis. The staff  
19 report applies a definition of Public Trust use that  
20 directly contradicts the judgment that was rendered in  
21 this case by the court of appeal and prior case law.

22 Moreover, the staff report mischaracterizes the  
23 scientific analysis showing that sand mining impairs the  
24 Public Trust.

25 A Public Trust analysis has two steps. The first

1 step asks the question whether the activity is a public  
2 Trust use? The second step asks, if not, does the  
3 activity impair Trust uses? I will speak to the first  
4 question, and my colleague Ian Wren will speak to the  
5 second.

6 First, courts have uniformly found that natural  
7 resource extraction, like sand mining, is not a Public  
8 Trust use. Yet, the staff report asserts that sand mining  
9 is a Trust use, because it is waterborne commerce and  
10 navigation. The court of appeals specifically criticized  
11 the Commission's broad conception of a Public Trust use as  
12 encompassing any private activity that benefits commerce  
13 and happens on the water.

14 Yet, the staff report continues to apply a  
15 similarly broad definition. It defines waterborne  
16 commerce as essentially any activity that is commerce, and  
17 that involves transportation on water. In fact, commerce  
18 and the Public Trust Doctrine is limited. It includes, as  
19 defined by the First Circuit Court of Appeal, wharfs and  
20 docks and other structures in aid of commerce. Sand  
21 mining clearly does not fit within this definition.

22 Regarding navigation, the staff report also  
23 asserts that sand mining is a Public Trust use, because  
24 the operations include the use of barges and tugs. The  
25 First Circuit Court of Appeal -- I mean, this is quite

1 surprising when I was reading the staff report --  
2 specifically addresses this argument and dismisses it as  
3 being an incorrect definition of navigation, according to  
4 the Public Trust Doctrine.

5           Regarding the public benefits that sand mining  
6 does have, the staff report argues that sand mining is a  
7 Public Trust use, because the State receives rent and  
8 royalties, and the sand is used for public projects.  
9 Baykeeper doesn't deny that sand mining may provide  
10 benefits, but the Supreme Court has specifically stated  
11 that it is not enough that the activity confers a public  
12 benefit for it to fall within a Public Trust use.

13           Significant time and energy has been spent on  
14 both sides litigating this issue, and it's a shame to see  
15 that the staff report continues to make these faulty legal  
16 arguments that the court of appeal has expressly denied,  
17 and is -- and doesn't follow applicable case law.

18           And for this reason, we ask that the Commission  
19 respectfully not approve the Public Trust analysis,  
20 because it defines sand mining as a Public Trust use.

21           Thank you.

22           CHAIRPERSON YEE: Thank you, Ms. Maharg.

23           Mr. Wren.

24           Good morning.

25           MR. WREN: Good morning. My name is Ian Wren,

1 staff scientist with San Francisco Baykeeper. As stated  
2 by my colleague, we request that staff reanalyze the  
3 Public Trust analysis, and also ask that staff reanalyze  
4 their technical conclusions, particularly in regard to  
5 stand transport, and the consequences of removing tens of  
6 millions of cubic meters of sand from San Francisco Bay.

7 Over the last five years or so, dozens of  
8 peer-reviewed papers led by Dr. Patrick Barnard of USGS,  
9 but including researchers from Cal, Stanford, and all  
10 other major marine research institutes in Northern  
11 California, have greatly expanded our understanding of San  
12 Francisco Bay geology and the way sand is transported to  
13 the outer coast.

14 The weight of evidence from this work strongly  
15 indicates sand removed from the bay is a major driver of  
16 erosion along the shoreline of San Francisco, and the  
17 underwater bar that protects the Golden Gate from major  
18 storm surges.

19 However, Commission staff relied largely on the  
20 conclusions of a single report by a consultant for the  
21 product component, which according to personal  
22 communications with Dr. Patrick Barnard mischaracterized  
23 his work, and incorrectly concluded that sand mining had  
24 negligible impacts on coastal erosion.

25 Several lines of evidence proves sand mining is

1 reducing sand resources available to replenish ocean  
2 beach, and is contributing to the fastest rates of erosion  
3 along the west coast. In short, science of the highest  
4 caliber indicates sand mining is compromising Public Trust  
5 resources. To permit unprecedented levels of sand mining  
6 from the bay, would leave San Francisco more vulnerable to  
7 storm surges and sea level rise, erosion will continue to  
8 eat away at some of the most expensive real estate on  
9 earth. And the city of San Francisco and other coastal  
10 communities will be stuck with the bill.

11 We are not requesting for a wholesale ban on sand  
12 mining in the bay, but a significant decrease is  
13 warranted, consistent with baseline levels of extraction.  
14 And this -- which is a -- have had no way hampered  
15 development or economic conditions in the Bay Area.

16 Thank you for your time.

17 CHAIRPERSON YEE: Thank you, Mr. Wren.

18 Let me ask staff to respond to some of these  
19 concerns just expressed, while we queue up Christian Marsh  
20 and Marcelo Barajas to come forward.

21 EXECUTIVE OFFICER LUCCHESI: All right. Well, I  
22 can certainly respond to particularly the first speaker  
23 from Baykeeper. We respectfully disagree with Baykeeper's  
24 assessment of the appellate court decision. We believe  
25 the appellate court decision said that -- rejected the

1 State's argument that sand mining was per se a Public  
2 Trust use.

3           What is shown in the staff report, and in public  
4 trust analysis, is based on the facts and circumstances,  
5 including the benefits of navigation, commerce, and the  
6 other benefits associated with it that clearly fall in to  
7 the 100-plus years of common law that has shaped the  
8 Public Trust. We believe that it is a Public Trust use in  
9 this particular circumstance, the proposed lease for 10  
10 years, of which six and a half is remaining.

11           The most recent decision in the appellate court  
12 is certainly an important decision. It requires the  
13 Commission to expressly do a Public Trust analysis in its  
14 decision making. But that's not the first or the end of  
15 the law on the Public Trust Doctrine.

16           The Public Trust Doctrine is a common law  
17 doctrine that has been shaped over 100 years of case law.  
18 And so when looking at all of those cases as a whole, and  
19 using those principles and applying it to the application  
20 before us, staff's analysis is comprehensive and on point  
21 in its recommendation that sand mining is, in this  
22 particular situation, a Public Trust use. And even if  
23 it's not a Public Trust use in these circumstances, it  
24 does not substantially interfere with Public Trust uses or  
25 needs at this location, and for the period of time

1 remaining in the lease.

2 CHAIRPERSON YEE: Okay. Very well. Thank you.  
3 Thank you, Ms. Lucchesi.

4 Mr. Marsh come forward.

5 MR. MARSH: He'll go first.

6 CHAIRPERSON YEE: That's fine. You'll each have  
7 three minutes.

8 MR. BARAJAS: Good morning, Commissioners. My  
9 name is Marcelo Barajas. I'm vice president and general  
10 manager for Lehigh Hanson. I'm going to leave the Public  
11 Trust issue to Christian.

12 I want to spend a couple minutes just explaining  
13 what we do, what is sand mining, and the importance of --  
14 excuse me -- local sand mining here in the Bay Area.

15 It's sand -- it's an essential component of  
16 construction. It's construction mainly in two forms. One  
17 is concrete. It's probably 80 percent of our sand goes to  
18 concrete. All concrete uses sand. The other 20 percent  
19 is for restoration purposes. As a good example for  
20 current projects and past projects that our sand has been  
21 used. I can mention Crown Beach Restoration by the East  
22 Bay Regional Park District. Over 100,000 cubic yards of  
23 sand from these lease was used.

24 Pier 94 wetlands restoration of the Port of San  
25 Francisco. The Bay Bridge interchange by Caltrans, City

1 of San Francisco Street and Sewer Department. It's our  
2 customer. They use our sand through concrete again. And  
3 the current projects is the Sales Force Tower, and the 181  
4 Fremont tower. Both of them are being built with concrete  
5 using sand from these leases.

6 Now, when it comes to benefits of local sand,  
7 it's our business. If you buy construction materials,  
8 usually in average, half of the cost of the building  
9 materials is freight. It needs transportation.

10 So if you pay, say, \$15 for a ton of material,  
11 you usually pay \$30 for that material to be landed at your  
12 site. So for that matter, it's -- in this case, it's the  
13 benefits of having a local source of sand. It's hugely  
14 important. It's -- all of our sand, we currently have two  
15 depots, one in San Francisco, one in Oakland. Eighty-five  
16 percent of the sand deposited in those is two depots is  
17 used within five miles of the depots. It's in the City of  
18 San Francisco and Oakland. And just to give you an idea  
19 -- my wife and I we have a golden rule at home, where if  
20 we are going to say that something is not good or we going  
21 to reject something, we better have a better idea. It's  
22 we better have a better alternative to what we're saying.  
23 It's not good.

24 And just to give you an idea what's the  
25 alternative of using marine sand, local sand from the

1 central bay, it's -- the other sand sources are usually  
2 coming from further east, Pleasanton, Sunol, Clayton, or  
3 even South Santa Cruz to -- for every 100,000 yards of  
4 sand that we bring in from the leases, we -- in question  
5 today, we are -- there is 5,600 fewer truck trips.

6           Just to give you an idea, every truck can only  
7 transport 15 yards of sand. So for every 100,000 yards  
8 that we dredge and deposit and use for construction, we're  
9 avoiding 5,600 truck trips. That equals 92,000 gallons of  
10 diesel fuel. And in CO2 amounts, it's a million -- a  
11 hundred tons of CO2.

12           And to give you an idea, last year, we mined  
13 almost half a million yards of sand. It's -- so that you  
14 multiply by 5. That's the real benefit of locals. And  
15 it's -- not every community have the luxury of having a  
16 local source that -- and barging is really efficient.  
17 Barging versus trucking. And you add traffic to that, it  
18 gets even worse.

19           So having said that, part of our permits with  
20 BCDC, we agreed to sponsor, as a company, a few projects.  
21 And I'm particularly excited about two of them. I'm a  
22 mechanical engineer. So it's -- I like finding out stuff.  
23 One of them, it's -- we're sponsoring up to a million  
24 dollars to, it's called a sediment transport study to kind  
25 of -- we want to model how the sand really moves, the

1 dynamics of the sand, all the way from the Delta, and all  
2 the way out to the ocean.

3           That is going to be managed by a group. It's not  
4 only us. I know that would look kind of dubious. It's  
5 been managed. We're putting a team together, that's  
6 including BCDC, and us, we're going to manage that mowing.  
7 It's going to take about four to five years to complete.  
8 The other one, the one that we're ready to go to start  
9 this year actually is called the benthic study, is to find  
10 out exactly what marine life is down there especially in  
11 the lease areas.

12           And we're doing that with cameras and sonars and  
13 divers. And that we'll spend about \$250,000 to complete  
14 that. And that is ongoing. So with that said, I  
15 appreciate your time and look forward to keep working with  
16 you.

17           CHAIRPERSON YEE: Thank You, Mr. Barajas.

18           Mr. Marsh.

19           MR. MARSH: Good morning, commissions, and thank  
20 you. Christian Marsh; I'm both permitting and litigation  
21 counsel for Hanson Marine. I wanted to just put the  
22 Baykeeper lawsuit and the appellate court decision in a  
23 little bit of context.

24           First, as your Executive Officer already  
25 reported, the CEQA lawsuit was denied in its entirety, and

1 all of the environmental impacts were -- in the impacts  
2 analysis were upheld.

3           On the Public Trust side there were two important  
4 holdings. One is that sand mining is not a per se Public  
5 Trust use; that there has to be an analysis, there has to  
6 be evidence to support that.

7           Second was that the agency had to consider the  
8 Public Trust. Now, in considering the Public Trust, it  
9 appeared that the court was looking for an on-the-record  
10 analysis of findings. That is precisely what your staff  
11 has brought to you here today.

12           I would note, however, that the court in its  
13 analysis never found that there was harm to Public Trust  
14 uses; and so that was an element that was not present in  
15 the ruling. And I don't think is -- it would be supported  
16 by the evidence in any event.

17           And in fact, the staff analysis and the EIR  
18 together conclude that there is no significant unmitigated  
19 impact to any Public Trust resource or use including  
20 navigation, recreation, fisheries, habitat, and the  
21 sediment system itself.

22           Now to specifically respond to a couple of points  
23 from Baykeeper:

24           First, they've raised in their letter ecosystem  
25 impacts. The EIR did a substantial and detailed analysis

1 of the ecosystem including fisheries. It did a benthic  
2 study - that's the habitat of the bay floor - and found  
3 that there was no discernible impact from sand mining.

4           They also looked at sensitive species including  
5 Delta smelt. Now, I would note that Delta smelt is one of  
6 those species that does not use the primary bay for most  
7 of its life. It uses mostly the Delta. And so it's not  
8 even a species that would be directly impacted by sand  
9 mining in central bay.

10           On sediment transport: This is precisely the  
11 issue that was put to the court of appeal, and the court  
12 of appeal held that there was substantial evidence to  
13 support your conclusion that there was no significant  
14 impact on sediment transport and sediment supplies to the  
15 outer coast. The only -- there were a number of studies  
16 that have come out since 2012. None of those studies  
17 actually analyzed the specific sand mining that occurs  
18 within the bay and tried to attribute the contribution of  
19 that sand mining. Instead, there were two areas that they  
20 made substantial advancements.

21           One was in providence; that's the -- where's the  
22 source of the sand coming from. And the other is in  
23 pathways. Both of those conclusions in those studies were  
24 actually consistent with the modeling that was already  
25 conducted by the State's expert, CHE.

1           So with that, your honors -- or, I'm sorry. I'm  
2 used to being in court.

3           (Laughter.)

4           MR. MARSH: Commissioners, I would just -- one  
5 last point; and, that is, a Public Trust use is not so  
6 limited to just environmental uses. They're much broader  
7 than that. In fact, Boone v Kingsbury, a California  
8 Supreme Court case, said that oil exploration was a Public  
9 Trust use. But I would also say that the important  
10 analysis here is the public benefit to -- and benefits,  
11 and the very direct and specific benefits to bay  
12 resources - whether it's the environment and climate  
13 change; whether it's public infrastructure, like bay  
14 bridges or roadways; whether it's beach restoration -  
15 those are all direct benefits to the trust - and that  
16 should be prominent in that Public Trust consistency  
17 analysis.

18           So thank you very much. We of course ask that  
19 you affirm your staff's recommendation.

20           CHAIRPERSON YEE: Thank you, Mr. Marsh.

21           Comments, Commissioners?

22           COMMISSIONER NEWSOM: Just out of curiosity, if I  
23 may.

24           CHAIRPERSON YEE: Commissioner Newsom, please.

25           COMMISSIONER NEWSOM: How much above baseline is

1 this lease? And I know we're -- we're a few years into  
2 the lease, but above a historic baseline in terms of  
3 extraction? Is it significant or --

4 EXECUTIVE OFFICER LUCCHESI: I'm going to have --  
5 ask staff to help.

6 Chris.

7 Chris is our environmental scientist that's  
8 assigned to this application.

9 STAFF ENVIRONMENTAL SCIENTIST HUITT: Good  
10 morning, commissioners. My name is Christopher Huitt. I  
11 am the program manager that brought this in front of the  
12 commissioners back in October of 2012; I presented to you,  
13 Mr. Newsom.

14 And at that time the baseline originally was  
15 proposed for over 2 million. Over time due to the air  
16 quality issues that were addressed with the Bay Area Air  
17 Quality District, it was reduced and, after discussions  
18 with the sand miners, it was brought down to about 1  
19 thousand -- or 1 million 5 hundred thousand, roughly. And  
20 during that time, it was established with the other  
21 agencies that they would like to bring it down even  
22 further.

23 We had approved the permit -- or, excuse me -- we  
24 had approved the lease for the 1 million 5 hundred  
25 thousand, which was significantly less than what was

1 originally proposed by the sand miners.

2 COMMISSIONER NEWSOM: Okay. I appreciate that.  
3 Thank you.

4 STAFF ENVIRONMENTAL SCIENTIST HUITT: Thank you.

5 CHAIRPERSON YEE: Thank you.

6 Okay. Other comments by Commissioners?

7 COMMISSIONER NEWSOM: And if I may.

8 CHAIRPERSON YEE: Please.

9 COMMISSIONER NEWSOM: I listened to both sides,  
10 you know, following up a few years back on this process.  
11 It's been a long process. I'm a huge fan of SF Baykeeper  
12 and their work, and I appreciate their concerns and  
13 arguments. And I think as a consequence of their  
14 concerns, I think we've strengthened this lease and -- as  
15 a consequence of that. And the compelling counterweight  
16 of argument that, Jennifer, you and your team have  
17 advanced, I'm certainly supportive of moving forward. But  
18 again with respect to the legitimate concerns always  
19 expressed by the stewards of our bay, SF Baykeeper.

20 CHAIRPERSON YEE: Okay. Thank you, Commissioner  
21 Newsom. I'll take that as a motion --

22 COMMISSIONER NEWSOM: Yes.

23 CHAIRPERSON YEE: -- to adopt the staff  
24 recommendation.

25 ACTING COMMISSIONER ORTEGA: Second.

1           CHAIRPERSON YEE:   Seconded by Commissioner  
2 Ortega.

3           Without objection, such will be the order.  Thank  
4 you.

5           All right.  Ms. Lucchesi, our next item.

6           EXECUTIVE OFFICER LUCCHESI:  Our next item will  
7 be Item 95, a proposed lease amendment to Los Angeles  
8 Department of Water and Power for the use and management  
9 of Owens Lake.

10           Drew Simpkin, our public land management  
11 specialist, will be giving staff's report.

12           CHAIRPERSON YEE:  Good morning.

13           PUBLIC LAND MANAGEMENT SPECIALIST SIMPKIN:  Good  
14 morning, commissioners.  My name is Drew Simpkin.  I'm a  
15 public land management specialist with the Commission's  
16 Land Management Division; and I'm here to present  
17 information on Counter-item C 95.

18           (Thereupon an overhead presentation was  
19 Presented as follows.)

20           PUBLIC LAND MANAGEMENT SPECIALIST SIMPKIN:  This  
21 item asks the Commission to authorize an amendment to  
22 Lease Number PRC 8079.9 issued to the City of Los Angeles  
23 Department of Water and Power for the installation of 1.82  
24 square miles of transitional dust control on the dry lake  
25 bed of Owens Lake.

1                   --o0o--

2                   PUBLIC LAND MANAGEMENT SPECIALIST SIMPKIN: Owens  
3 Lake is located at the terminus of the Owens River in Inyo  
4 County, and is approximately 110 square miles in size.  
5 Today the lake is mostly dry, but as recently as the early  
6 1900s the lake was up to 50 feet deep in places.

7                   The city currently maintains approximately 35  
8 square miles of shallow flood dust control on the lake,  
9 which accounts for most of the water currently on the  
10 lake.

11                   --o0o--

12                   PUBLIC LAND MANAGEMENT SPECIALIST SIMPKIN: The  
13 United States Environmental Protection Agency has  
14 designated the southern part of Owens Valley as a serious  
15 nonattainment area for particulate matter or dust less  
16 than equal to 10 microns in diameter. That's  
17 approximately one-tenth the diameter of a human hair. In  
18 1999 the Commission authorized a 20-year lease to the city  
19 for implementation of the Owens Lake dust mitigation  
20 program. Since 1999, the Commission has authorized 16  
21 amendments to the lease. The lease is set to expire in  
22 April 2019.

23                   --o0o--

24                   PUBLIC LAND MANAGEMENT SPECIALIST SIMPKIN: On  
25 August 19th, 2015, the Commission authorized an amendment

1 to Lease Number PRC 8079.9 to construct the Owens Lake  
2 Dust Control Project Phase 9-10. Phase 9 and 10 includes  
3 3.6 square miles of new dust control, including 0.24  
4 square miles of managed vegetation, 0.54 square miles of  
5 shallow flooding, and 2.85 square miles of gravel cover.

6 --o0o--

7 PUBLIC LAND MANAGEMENT SPECIALIST SIMPKIN: As  
8 part of the Phase 9-10 project, the city proposed the  
9 Transition Dust Control Area T18 South from pond shallow  
10 flooding to pond shallow flooding with gravel cover. The  
11 proposed transition of T18 South was intended to offset  
12 the approximately 1,778 acre-feet per year of water that  
13 would be required to implement new dust control as part of  
14 Phase 9 and 10, thereby meeting the city's stated  
15 objective of a water-neutral project.

16 At the August 19th, 2015, Commission meeting,  
17 staff raised concerns that the conversion of T18 South  
18 would negatively impact existing bird habitat. T18 South  
19 has significant biological value, primarily for diving  
20 water birds, but also provides habitat value for water  
21 fowl and shore birds.

22 At the time of the requested approval last year,  
23 the city had not yet completed a scientific review of the  
24 Habitat Suitability Model used to guide the design of T18  
25 South, nor provided adequate assurances to Commission

1 staff that the cell would continue to support the  
2 abundance and diversity of wildlife that the current  
3 flooding supports. As a result, staff believe that the  
4 potential loss of these Public Trust resources should  
5 habitat value maintenance not be achieved outweigh the  
6 potential water savings from the project.

7 Staff recommended that the Commission authorize  
8 the Phase 9-10 project excluding the transition of T18  
9 South.

10 Staff also provided the Commission an alternative  
11 authorization which allowed the transition of T18 South  
12 that required the city to submit an adaptive management  
13 plan, conduct a habitat value acre review, and fund an  
14 independent third-party organization that would monitor  
15 the effects of bird habitat in T18 South upon transition.

16 The city supported staff's initial recommendation  
17 and the Commission approved Phase 9 and 10 excluding T18  
18 South.

19 --o0o--

20 PUBLIC LAND MANAGEMENT SPECIALIST SIMPKIN:

21 Before the Commission today is the request by the  
22 city to transition T18 South. Staff continues to have the  
23 same concerns regarding the transition of the cell as it  
24 did in August. However, staff has worked with the city to  
25 develop lease provisions designed to protect the potential

1 loss of Public Trust resources by maintaining habitat  
2 values and measuring performance over time by  
3 incorporating survey data and wild use assessments.

4           It should be noted that staff has received  
5 comments from the California Department of Fish and  
6 Wildlife related to the transitioning of T18 South. While  
7 they are still in the process of reviewing the information  
8 provided by the city, they are concerned that T18 South,  
9 which was initially identified as one of the last areas to  
10 be transitioned via a completed master planning effort,  
11 has been presented for early transition. More  
12 specifically, the department has concern that the  
13 consensus has not been reached that a Habitat Suitability  
14 Model will meet all targeted goals or has accurately  
15 estimated habitat value acres for all targeted guilds, the  
16 lack of adaptive management plan to outline how  
17 deficiencies in habitat value acres will be remedied  
18 should the projected calculations fail to meet  
19 on-the-ground performance. There remains no indication or  
20 agreement from the city that conditions for cell T18 South  
21 could be returned to pre-project levels should  
22 transitioning result in the potential significant decline  
23 in use by diving water birds.

24           The potential cumulative effects of Phase 7A,  
25 tillage with BACM backup, and Phase 9 and 10 are unknown

1 at this time, and less dynamic bird use cells should be  
2 considered for transition to reduce water usage on Owens  
3 Lake. And that water savings from the city and other  
4 project-by-project agreements due to the current drought  
5 seem to indicate that Phase 9 and 10 project is consistent  
6 with being a water neutral without transitioning T18  
7 South. In addition, staff has received comments from the  
8 California Audubon that has expressed concerns regarding  
9 the transition of T18 South.

10 --o0o--

11 PUBLIC LAND MANAGEMENT SPECIALIST SIMPKIN: Per  
12 the lease amendment, the city has agreed to develop and  
13 submit to Commission staff for approval an adaptive  
14 management plan. The adaptive management plan includes  
15 four key components:

16 The first is a habitat monitoring protocol to  
17 evaluate post-construction performance of T18 South;

18 A description of thresholds of expected habitat  
19 use by each guild for the entire project area;

20 A remediation protocol that includes a  
21 description of management options and corrective actions  
22 that would be implemented; and

23 A description of habitat value placements --  
24 replacements options that could feasibly be implemented in  
25 the event operational adjustments fail to result in

1 maintenance of use by the wildlife after 10 years.

2 --o0o--

3 PUBLIC LAND MANAGEMENT SPECIALIST SIMPKIN: As  
4 part of the Commission's September 2nd, 2014,  
5 authorization for the city's tillage with best available  
6 control method backup project, the city was required to  
7 validate and update the Habitat Suitability Model that was  
8 developed in 2010 for the master project effort. On April  
9 8th, 2016, the independent reviewer, Point Blue  
10 Conservation Science, completed the Owens Lake Habitat  
11 Suitability Model Validation and Refinements Report.  
12 While most of the recommendations are fairly minor  
13 refinements, a few of the recommendations significantly  
14 affect habitat value calculations. Since a fair amount of  
15 the model is based on research from other areas or on  
16 expert opinion, rather than from data collected on the  
17 lake itself, there is a level of uncertainty about which  
18 version of the model would do a better job of predicting  
19 bird use. Reducing this uncertainty is important because  
20 the model is such an important part of the master project  
21 and long-term management of the lake over time including  
22 determining the effect dust control projects have on  
23 habitat and guiding the design of future transitions.  
24 Commission staff believes the information obtained through  
25 the transition of T18 South, the post-construction

1 monitoring, and the lease provisions for adaptive  
2 management will help improve our understanding of wildlife  
3 preferences on the lake and refining the habitat  
4 suitability model.

5 --o0o--

6 PUBLIC LAND MANAGEMENT SPECIALIST SIMPKIN: Staff  
7 is recommending that the Commission authorize the  
8 amendment to Lease Number PRC 8079.9, a general lease,  
9 public agency use, to amend the land use or purpose, the  
10 authorized improvements, and the special provisions to  
11 authorize the construction, use, and maintenance of 1.8  
12 square miles of transitional dust control including  
13 provisions related to the Adaptive Management Plan as  
14 described in the lease amendment and as discussed earlier  
15 in the staff presentation. All the terms and conditions  
16 of the lease will remain in effect without amendment.

17 Staff is available to answer any questions you  
18 may have. And the city is also available.

19 CHAIRPERSON YEE: Thank you very much.

20 PUBLIC LAND MANAGEMENT SPECIALIST SIMPKIN: Thank  
21 you.

22 CHAIRPERSON YEE: We do have a speaker on this  
23 item.

24 Ms. Lucchesi.

25 EXECUTIVE OFFICER LUCCHESI: Yes. I was just

1 going to add that we do have a representative from DWP  
2 here to speak. But I've also been informed that we have a  
3 speaker in Morro Bay that would like to speak on this item  
4 as well.

5 CHAIRPERSON YEE: Okay. Very well.

6 Let me -- why don't we call up Richard Harasick,  
7 who's here with LAWP here, and then we'll switch over to  
8 Morro Bay and hear from the member of the public there.

9 Good morning.

10 MR. HARASICK: Good morning. I'm Richard  
11 Harasick. I'm the Director of Water Operations with the  
12 City of Los Angeles Department of Water and Power.

13 And, first of all, I'd like to thank staff and  
14 Jennifer's great efforts to help us get to this point from  
15 where we were a year ago today. We have worked out really  
16 all of our issues. And T18 South is beneficial for us  
17 because it creates a water neutral project on Owens Lake  
18 as we move forward, which is part of our Commission's  
19 strategic goals as well on Owens Lake.

20 The adaptive management plan is the best path and  
21 the right path forward as we strive to maintain habitat  
22 values throughout -- or through the Habitat Suitability  
23 Model, and it really bridges the gap of the uncertainty  
24 where we're really both at and to the certain future that  
25 we want to be.

1           This development though of the Adaptive  
2 Management Plan is a significant undertaking for us and  
3 will take significant resources. In addition, there's a  
4 requirement for, as Drew said, a third-party review, and  
5 participation also within our habitat working group. And  
6 we also have about six other items that we're working on  
7 over the same time period for this commission.

8           So in this case, more time I believe would yield  
9 a better product and would ensure a timely completion of  
10 the submittal of the Adaptive Management Plan. So  
11 therefore we're asking to extend the Adaptive Management  
12 Plan submittal date from its current date of December 31st  
13 of this year to April 31st of next year.

14           CHAIRPERSON YEE: Okay. Very well. Thank you.

15           Why don't we hear from the member of the public  
16 in Morro Bay.

17           Hello. Can you hear us here in Sacramento?

18           STAFF COUNSEL SCHEIBER: Yes, we can hear you.

19 There was a change here -- actually, he wished to speak on  
20 Item Number 96.

21           CHAIRPERSON YEE: All right. Very well. If  
22 you'll introduce your name for the record, you'll have  
23 three minutes to speak.

24           EXECUTIVE OFFICER LUCCHESI: Chair, the public  
25 speaker actually wishes to speak on 96.

1 CHAIRPERSON YEE: Oh, on 96.

2 STAFF COUNSEL SCHEIBER: Yeah, so you don't have  
3 a speaker for number 95 in Morro Bay?

4 Can you hear me?

5 CHAIRPERSON YEE: We can hear you.

6 STAFF COUNSEL SCHEIBER: Okay. We no longer have  
7 a speaker for Item Number 95 here in Morro Bay.

8 CHAIRPERSON YEE: All right. Very well. We will  
9 be back to you shortly. Thank you.

10 Comments by the commissioners?

11 COMMISSIONER NEWSOM: Just some clarification.

12 Did I -- Jennifer, was there some discrepancy on some  
13 dates there that I heard, or did I misinterpret that?

14 EXECUTIVE OFFICER LUCCHESI: In our negotiations  
15 leading up to today's meeting, our staff's strong  
16 recommendation is that the Adaptive Management Plan that's  
17 required be completed and submitted to the Commission by  
18 December of this year. So another -- leaving about six  
19 months. I think what Mr. Harasick was stating was that he  
20 thought that was not enough time given other workload  
21 priorities. And so he would like an extension on that as  
22 part of the Commission's approval of this lease amendment.

23 I think that's what he was asking for.

24 COMMISSIONER NEWSOM: And your thoughts on that?

25 EXECUTIVE OFFICER LUCCHESI: I stick by our staff

1 recommendation. I think six months is plenty of time,  
2 given what I believe is a significant compromise and a  
3 significant amount of negotiation that went into getting  
4 to this point.

5 CHAIRPERSON YEE: Although I think, Commission  
6 Newsom, nothing would prevent LADWP from coming back  
7 before us and backing that request. But we should --

8 COMMISSIONER NEWSOM: We thought about that.

9 CHAIRPERSON YEE: We sure would like to see some  
10 planning effort underway --

11 COMMISSIONER NEWSOM: Yeah.

12 CHAIRPERSON YEE: -- in return.

13 Yes.

14 COMMISSIONER NEWSOM: And, just having been here  
15 for five years and dealing with this for five years --

16 (Laughter.)

17 COMMISSIONER NEWSOM: -- only five years, I --

18 EXECUTIVE OFFICER LUCCHESI: You're a  
19 short-timer.

20 (Laughter.)

21 COMMISSIONER NEWSOM: I'm a short-timer.

22 I'm with you.

23 And, look, when you need to come back, come back.

24 But, yeah, let's try to -- we've got to call this  
25 proverbial question; and so I think December's

1 appropriate.

2 CHAIRPERSON YEE: Okay. Any other comments?

3 Ms. Ortega?

4 ACTING COMMISSIONER ORTEGA: No.

5 CHAIRPERSON YEE: Okay.

6 COMMISSIONER NEWSOM: Move it.

7 CHAIRPERSON YEE: Okay. We have a motion by  
8 Commissioner Newsom to adopt the staff recommendation.

9 ACTING COMMISSIONER ORTEGA: Second.

10 CHAIRPERSON YEE: Seconded by Commissioner  
11 Ortega.

12 Without objection, so such will be the order.

13 Thank you.

14 Okay. Our next item.

15 EXECUTIVE OFFICER LUCCHESI: All right. Our next  
16 item, that I believe everybody here and -- most everybody  
17 here and in Morro Bay have been waiting so patiently for  
18 is Item Number 96, which is to consider termination of two  
19 existing leases and issuance of a new lease to PG&E for a  
20 limited term to coincide with the existing Nuclear  
21 Regulatory Commission licenses for the Diablo Canyon Power  
22 Plant.

23 CHAIRPERSON YEE: Okay.

24 EXECUTIVE OFFICER LUCCHESI: I will be giving --  
25 oh, I'm sorry.

1           CHAIRPERSON YEE: Before you start the staff  
2 presentation, Ms. Lucchesi, let me perhaps outline how the  
3 proceedings will take place for this particular item.  
4 There's a lot of interest. And I want to thank the  
5 members of the public who are participating from Morro  
6 Bay.

7           We will begin with the staff presentation by our  
8 Executive Director, Ms. Lucchesi, followed by a  
9 presentation by Geisha Williams, the president of PG&E  
10 Electric, who will have 20 minutes of time to present to  
11 us.

12           We then will hear from the signing parties of the  
13 agreement who are here. We then will switch down to Morro  
14 Bay and hear from -- I believe we have some elected  
15 officials present in Morro Bay. We will hear from them.  
16 And then we will hear the rest of public testimony. Okay?

17           So if you'll begin with the staff presentation.

18           EXECUTIVE OFFICER LUCCHESI: Great. Thank you.

19           (Thereupon an overhead presentation was

20           Presented as follows.)

21           EXECUTIVE OFFICER LUCCHESI: I just have a couple  
22 of pictures up here. I'll be speaking, most of my  
23 presentation. I think we all know where Diablo Canyon is  
24 located by now.

25           --o0o--

1 EXECUTIVE OFFICER LUCCHESI: PG&E has submitted  
2 an application requesting the termination of two existing  
3 leases and the issuance of a new limited-term lease for  
4 the continued use and maintenance of water intake  
5 structures, breakwaters, cooling water discharge channels,  
6 and other structures associated with the Diablo Canyon  
7 Power Plant located near Avila Beach in San Luis Obispo  
8 County.

9 In August 1969 the Commission authorized a  
10 49-year lease to PG&E for the water intake structures and  
11 breakwaters associated with the plant. This lease expires  
12 in August 2018.

13 And in May 1970 the Commission authorized another  
14 49-year lease to PG&E for a cooling water discharge  
15 channel associated with the plant. This lease expires on  
16 May 2019.

17 PG&E has requested that these two leases be  
18 replaced by a new lease to run coterminously with the  
19 current operating licenses and expire at the same time as  
20 the expiration of its Nuclear Regulatory Commission  
21 licenses for the operation of the facility located  
22 onshore.

23 At its December 18th, 2015, public meeting, the  
24 Commission deferred action on PG&E's lease application,  
25 directing staff to analyze the level of review required

1 under CEQA, and as trustee pursuant the Public Trust  
2 Doctrine. At both its February 9th meeting and April 5th  
3 meeting of this year the Commission heard informational  
4 reports concerning various elements of the status of  
5 PG&E's lease application and federal relicensing  
6 application.

7 I will first quickly address the CEQA issue and  
8 then I will move into the Public Trust and best interests  
9 of the State analysis. And then conclude with just  
10 touching briefly on the potential of decommissioning.

11 CEQA requires public agencies to consider project  
12 impacts to the existing conditions of the environment.  
13 When a public agency determines that a proposed project  
14 will have a potentially significant effect on the  
15 environment, the agency generally must prepare an EIR.

16 Lease approvals for existing facilities however are  
17 generally categorically exempt from review. An exception  
18 to apply in this categorical exemption however applies  
19 when there is a reasonable possibility that the activity  
20 will have a significant effect on the environment due to  
21 unusual circumstances. This -- the activity in this  
22 particular situation is the authorization of a  
23 limited-term lease for the continued use and maintenance  
24 of existing facilities located on State land and used to  
25 support the plant that's located onshore.

1           The infrastructure that is the subject of the  
2 proposed lease has existed for over 40 years, and are  
3 considered part of the existing environmental baseline.  
4 There are no operational or physical changes to the plant,  
5 an existing facility, in connection with the subject lease  
6 application.

7           The issuance of the proposed limited-term lease  
8 fits squarely into categorical exemption for existing  
9 facilities under CEQA. The question is whether the  
10 exception to this exemption applies. It is within the  
11 Commission's authority to use its independent judgment,  
12 based on the facts and substantial evidence, to determine  
13 whether there is a reasonable possibility that the  
14 issuance of the proposed limited-term interim lease will  
15 have a significant effect on the environment due to  
16 unusual circumstances.

17           If the Commission determines there is not a  
18 reasonable possibility that the issuance of a limited-term  
19 lease for these existing facilities will have a  
20 significant effect on the environment due to unusual  
21 circumstances, then the consideration of this proposed  
22 lease is exempt from CEQA.

23           Based on the information in the staff report, and  
24 submitted as part of the record, staff recommends that the  
25 proposed limited-term lease is exempt from CEQA as a

1 categorical exemption and that the unusual circumstance  
2 exception does not apply in this particular case.

3 I will next talk briefly about the Public Trust  
4 analysis and best interests of the State analysis and  
5 recommendation.

6 Of particular importance to this analysis is the  
7 most recent announcement, on June 21st, by PG&E, Friends  
8 of the Earth, Natural Resources Defense Council,  
9 Environment California, the International Brotherhood of  
10 Electrical Workers Local 1245, the Coalition of California  
11 utility employees, and the Alliance for Nuclear  
12 Responsibility, who all announced a joint proposal  
13 governing the closure of the power plant at the expiration  
14 of its existing NRC operating licenses and the orderly  
15 replacement of the power plant with a portfolio of  
16 greenhouse-gas-free energy resources, including a  
17 commitment by PG&E to provide 55 percent of its total  
18 retail sales from eligible renewable energy resources.

19 Pursuant to the common law Public Trust Doctrine,  
20 the State manages its tidelands and submerged lands for  
21 the benefit of all people of the State for statewide  
22 Public Trust purposes and needs. In administering its  
23 responsibilities and exercising its discretionary  
24 authority, the Commission applies the principles of the  
25 Public Trust Doctrine in harmony with other legal

1 requirements and policy objectives of the State, including  
2 in this case SB 350 and the Water Board's once-through  
3 cooling policy; with consideration given to the specific  
4 factual context of the proposal, and the needs and values  
5 of a healthy California society.

6           While there are documented impacts due to marine  
7 life due to the impingement and entrainment associated  
8 with once-through cooling, the State's once-through  
9 cooling policy enforced by the Water Board appropriately  
10 regulates these impacts. Weighing these existing baseline  
11 impacts in the context of the once-through cooling policy,  
12 the State's broader renewable energy policies and laws,  
13 and the terms of the joint proposal, including the  
14 commitment that PG&E will not seek to operate the plant  
15 beyond 2025, staff believes that approval of the proposed  
16 limited-term lease for the existing facilities will not  
17 significantly interfere with the Public Trust upon such  
18 lands are held, or substantially impair the public rights  
19 to navigation, fisheries, or other Public Trust needs and  
20 values at this time, at this location, and for the limited  
21 term of the lease beginning June 28th, 2016, and ending  
22 August 26th, 2025.

23           It's important to also note that the proposed  
24 lease contains numerous provisions that allow for the  
25 Commission's continuing exercise of supervisory control

1 over these Public Trust lands. The proposed lease does  
2 not alienate the State's fee simple interest or  
3 permanently impair public rights. The proposed lease is  
4 limited to an approximate nine-year term and ensures that  
5 the operations would not be any longer than what the  
6 original licensing of the plant contemplated.

7 I'm going to leave the details of the joint  
8 proposal to the speakers from PG&E and others on this.  
9 But it's of particular importance to highlight that the  
10 joint proposal when implemented in its entirety under the  
11 oversight of the CPUC and others will address significant  
12 statewide policy concerns associated with the shutdown of  
13 the plant in 2025, including replacement energy with  
14 non-GHG sources. It will include a workforce transition  
15 program and address impacts to the community.

16 All of those speak to both the balancing the  
17 Public Trust values and needs of this proposed lease as  
18 well as what's in the best interests of the State.

19 Importantly, the lease provides that in the event  
20 PG&E does not withdraw its application to renew its  
21 operating licenses for the plant pending with the NRC and  
22 if the Commission has not received an application for new  
23 a lease by August 27, 2018, this proposed lease that's  
24 before you today will terminate.

25 For all these stated reasons, and the reasons

1 stated in the staff report and contained in the record,  
2 staff recommends finding that authorizing the proposed  
3 limited-term lease does not substantially interfere with  
4 Public Trust needs and values, is in the best interests of  
5 the State, and is otherwise consistent with the common law  
6 Public Trust Doctrine.

7 I want to just briefly touch on decommissioning,  
8 because I understand that there are a lot of concerns  
9 revolve -- and questions revolving around that. And the  
10 decommissioning process is a very complex and long process  
11 that involves a lot more local, state and federal agencies  
12 than just us. But we do have a role in that, the State  
13 Lands Commission.

14 PG&E will be required to submit a new and  
15 separate lease application to the Commission for the use  
16 of state land for all the infrastructure that's associated  
17 with this lease for the period of time necessary to  
18 accommodate decommissioning activities and restore the  
19 lease premises consistent with the Commission's  
20 requirements. Specifically in the proposed lease, PG&E is  
21 required to submit that plan by August 26th, 2020.

22 The Commission's review of the decommissioning  
23 project will be subject to environmental review under  
24 CEQA. There are many other potential federal, state, and  
25 local review and authorizations that will be required

1 before PG&E undertakes any decommissioning activities,  
2 including the NRC, the Army Corps, U.S. Fish and Wildlife,  
3 National Marine Fishery Service, U.S. EPA, California  
4 Coastal Commission, the Department of Fish & Wildlife, the  
5 Department of Toxic Substances Control, the Regional  
6 Quality Control Board, and the County of San Luis Obispo.

7 That concludes my report. And I'm happy to  
8 answer any questions.

9 CHAIRPERSON YEE: Thank you, Ms. Lucchesi.

10 Why don't we call up Geisha Williams right now  
11 from PG&E Electric.

12 CHAIRPERSON YEE: Good morning.

13 PG&E ELECTRIC PRESIDENT WILLIAMS: Good morning.

14 Good morning, Chairwoman Yee, Lieutenant Governor  
15 Newsom, and Commissioner Ortega. I'm Geisha Williams and  
16 I'm President of PG&E Electric and I'm delighted to be  
17 here today to speak before you on the issue of Diablo  
18 Canyon.

19 (Thereupon an overhead presentation was

20 Presented as follows.)

21 PG&E ELECTRIC PRESIDENT WILLIAMS: I'd like to  
22 begin by thanking the Commission staff for their  
23 incredible and very hard work and detailed analysis for  
24 many, many months now. Thank you for that comprehensive  
25 report. And I'd also like to thank the commissioners, all

1 of you, for really challenging us to think about a  
2 different type of clean energy future for California. And  
3 I believe that what we're proposing today really delivers  
4 on that challenge.

5           As you know, PG&E has joined with labor and with  
6 leading environmental organizations to imagine a really  
7 different clean energy future for this great state.  
8 Together, we developed a proposal that would increase  
9 investments in energy efficiency, renewables and storage,  
10 while phasing out PG&E's production of nuclear power at  
11 Diablo Canyon in 2024 and 2025, at the same time that the  
12 original operating licenses come to an end.

13           The proposal includes a PG&E commitment to a 55  
14 percent renewable energy target by 2031, an unprecedented  
15 voluntary commitment by a major U.S. energy company, and  
16 frankly a commitment that as I stand before you I am proud  
17 to make.

18           The parties to proposal are varied. And they  
19 include the IBEW Local 1245, the Coalition of California  
20 Utility Employees, Friends of the Earth, the Natural  
21 Resources Defense Council, Environment California, and the  
22 Alliance for Nuclear Responsibility.

23           This is a coalition of labor and environmental  
24 partners with diverse points of view. And that's why it's  
25 such a powerful statement that we collectively came to a

1 shared vision for what we believe is the best and most  
2 responsible path forward when -- in respect to Diablo  
3 Canyon.

4           A key element of this vision is that it  
5 recognizes the value of carbon-free nuclear power as an  
6 important bridge strategy over the next eight to nine  
7 years. This transition period will help to ensure that  
8 power remains affordable and, importantly, that we don't  
9 increase the use of fossil fuels while we move to support  
10 California's energy vision for the future.

11           Equally important, the transition will provide  
12 essential time needed for our valued employees and for the  
13 community to effectively plan for the future, a future  
14 without Diablo Canyon.

15           The day we announced our joint proposal, PG&E CEO  
16 Tony Earley, local -- IBEW Local 1245 Business Manager Tom  
17 Dalzell, and I were all on site at Diablo Canyon to  
18 explain our decision to our employees.

19           We began a series of employee meetings at 5:15 in  
20 the morning and the meetings went on till past 9:15 at  
21 night. We were able to touch about a thousand of our 1400  
22 employees over the course of the day. As you can imagine,  
23 it was a very difficult day for our Diablo team, as they  
24 hoped that we would be seeking relicensing.

25           We talked about our rationale for the decision.

1 And we also talked about the need to finish safe and  
2 finish strong. We are immensely proud of Diablo Canyon's  
3 track record of industry-leading safety and reliability  
4 performance. These results frankly would not be possible  
5 without the dedication of the skilled team of  
6 professionals that run the plant day in and day out.

7 To continue to deliver these positive results,  
8 the parties agreed that it's important for us to retain  
9 this team at Diablo. And that's why we've included in the  
10 joint proposal a package of retention benefits and  
11 retraining opportunities for our team that runs the plant  
12 every day.

13 The feedback we've been getting and continue to  
14 get from the employees during our meetings and after our  
15 meetings have been that they felt valued as a result of  
16 the proposed benefits. And they frankly, in turn, value  
17 the certainty for themselves and for their families that  
18 the proposal represents.

19 For the community, we're proposing a 50 million  
20 dollar transition package. In essence, this keeps tax  
21 payments at current levels until 2025 and again allows for  
22 essential planning for the future.

23 Again, certainty being so very beneficial.

24 Now, these employee and community benefits all  
25 would have to be approved by the CPUC, so there's much

1 more work to be done. But that can't happen without your  
2 support first here today.

3 We need the lease extensions for our intake and  
4 outflow structures. To that end, we respectfully stand  
5 before you and ask that this extension be granted today  
6 without a requirement for Environmental Impact Report.

7 Again, all we're requesting is a short-term,  
8 six-year lease extension to accommodate existing  
9 operations.

10 License renewal is off the table.

11 The categorical exemption in CEQA for existing  
12 facilities clearly applies under these circumstances.  
13 Your staff agrees with the outcome, and so do our partners  
14 to the joint proposal. Put simply, we believe that an EIR  
15 is not legally required, necessary, or desirable.

16 With your help we can move forward, move forward  
17 to a future where clean, affordable, renewable energy  
18 dominates our energy supply and helps us build a better  
19 California while doing more than any other state in the  
20 nation to protect our environment.

21 I want to thank you for your leadership and for  
22 your commitment to moving our state forward. And, last, I  
23 want to thank you for giving me an opportunity to speak  
24 with you today.

25 CHAIRPERSON YEE: Thank you, Ms. Williams.

1           Let me now turn to the signers of the agreement  
2 with PG&E. And first let me call up Erich Pica with  
3 Friends of the Earth, followed with Tom Dalzell with IBEW  
4 1245.

5           And you'll have three minutes to address us.

6           MR. PICA: Good morning. My name is Erich Pica  
7 and I'm president of Friends of the Earth, United States.  
8 I'd like to say a few words about the proposed lease.

9           First, I'd like to thank you, Chair Yee, Lieutenant  
10 Governor Newsom, and Commissioner Cohen for the time and  
11 consideration that you and your staff have put in to this  
12 lease.

13           Friends of the Earth was started in 1969, in part  
14 in opposition to Diablo Canyon and nuclear power here in  
15 the State of California. Our hundred thousand member plus  
16 activists care deeply and passionately about this issue  
17 and about your work here today.

18           Seven days ago, Friends of the Earth, the Natural  
19 Resources Defense Council, Environment California, the  
20 Alliance for Nuclear responsibility, with the IBEW Local  
21 1245 and the Coalition of California Utility Employees,  
22 joined with PG&E in this landmark agreement which will  
23 result in the closure of Diablo Canyon at the end of its  
24 license in 2025, and with its replacement of  
25 greenhouse-gas-free portfolio of renewable energy, energy

1 efficiency, and energy storage.

2           This is an historic agreement, for California,  
3 for the country, and for the world, and for everyone who's  
4 concerned about reducing nuclear power and reducing fossil  
5 fuel emissions and replacing renewable energy, and doing  
6 it in a way that is just to the workers of the facility as  
7 well as the community.

8           This agreement has a broad array of support, with  
9 Environmental Defense Fund, Environment America, and the  
10 Union of Concerned Scientists supporting.

11           In regard to the issue before you, we want to  
12 emphasize that the early closure of Diablo, the last  
13 nuclear power plant in California, will have profoundly  
14 beneficial environmental impacts in terms of both the  
15 Public Trust resources and public safety.

16           No license renewal means that we close the door  
17 on at least 20 more years of reactor operation, and quite  
18 possibly 40 more years given NRC's irresponsible  
19 consideration of 40-year -- additional 40-year leases.

20           In light of this major change in circumstances,  
21 occasioned by the agreement, Friends of the Earth has  
22 withdrawn its prior objections, and supports the PG&E  
23 lease application.

24           The specter the Diablo plant continued to operate  
25 over the long term was profoundly concerning the Friends

1 of the Earth.

2 But the PG&E agreement to withdraw its license  
3 renewal application is the game changer. The agreement  
4 effectively eliminates at least two decades of  
5 catastrophic risk from seismic events, and by bringing to  
6 an end the source of nearly 80 percent of California's  
7 once-through cooling ocean withdrawals, the agreement will  
8 reduce the OTC problems in the State to a fraction of what  
9 it is today.

10 The benefit of this outcome to the environment  
11 and to the Public Trust resources, in particular, cannot  
12 be overstated.

13 In 2025 it has been reported PG&E will be  
14 required a new title lease to accommodate the Diablo  
15 Canyon decommissioning activities over the 20 years  
16 following the closure. However, PG&E has expressly  
17 acknowledged in the agreement that the approval of such  
18 new leases will require CEQA review. Or accordingly the  
19 Commission will have the opportunity to fully review and  
20 require mitigation for any impacts associated with the  
21 future lease once PG&E decommissioning plans have been  
22 developed.

23 This historic agreement reached by -- reached on  
24 Diablo Canyon achieves in one fell swoop nearly all the  
25 benefits to Public Trust resources that the Commission

1 sought when it approved its 2006 resolution calling for  
2 the phaseout of the OTC facilities in California.

3 In light of these benefits and the benefits that the  
4 agreement will have in charting a sustainable future for  
5 California, Friends of the Earth supports again PG&E's  
6 lease requests and requests that the Commission approve  
7 the new lease as expeditiously as possible.

8 As time is short, I'll refer you to the letters  
9 that we submitted with our partners as well as Friends of  
10 the Earth separate letter on the matter. And I'd be happy  
11 to answer questions if you have any.

12 Thank you.

13 CHAIRPERSON YEE: Thank you, Mr. Pica.

14 Mr. Dalzell.

15 And while you're coming up, commissioners, after  
16 we hear from the parties that have signed on to the  
17 agreement, we'll open it up for some comments before we  
18 hear from further testimony.

19 Good morning.

20 MR. DALZELL: Good morning.

21 My name is Tom Dalzell. I am the business  
22 manager of IBEW Local 1245. We are here to speak in  
23 support of the staff recommendation and lease extension.

24 Local 1245 represents approximately 20,000  
25 utility employees in California and Nevada, 11,000 of whom

1 work for PG&E, 600 of whom work for Diablo Canyon.

2 With me today are all the members of our  
3 executive board and officers, and a number of members from  
4 Diablo Canyon standing now, and a number of other PG&E  
5 Local 1245 members to support.

6 And I thank Commissioners Newsom and Yee for --  
7 and the Governor's office for the great respect shown our  
8 members throughout, beginning in April 5th and continuing  
9 to the present.

10 The nature of compromise is we don't all get what  
11 we want. Nobody gets what they want in a big compromise,  
12 everything that they want. And while we would have  
13 preferred what Friends of the Earth saw as a specter of  
14 continued operation, we accept the fact that we do not  
15 make state energy policy, we do not make the decision PG&E  
16 does about whether to continue operating in light of state  
17 energy policy.

18 And once that decision was made, and as PG&E  
19 began shaping the alliance for this agreement, our  
20 primarily focus became protecting our members. And in  
21 that effort, I cannot thank Commissioners Yee and Newsom  
22 enough for the attention that they paid to that very issue  
23 with us and making sure that we were satisfied that our  
24 members were protected. We were able to negotiate a  
25 retention agreement with PG&E that will provide for an

1 orderly transition away from employment at Diablo Canyon  
2 that will help California without having a precipitous  
3 change.

4           So we played the hand we were dealt and -- I  
5 mean, it is historic that Friends of the Earth and PG&E  
6 and Local 1245 are all here agreeing to something.

7           And as a little bit of human interest - I'm about  
8 to alienate our photographer - John Story was working for  
9 the Chronicle at the time of the construction of Diablo  
10 Canyon, and was down there photographing the  
11 demonstrations against Diablo Canyon and got caught up in  
12 a police sweep. So he's been -- he was there in the dawn  
13 of Diablo Canyon and is chronicling this next chapter.

14           So thank you for all that you did for our  
15 members. Thank you.

16           CHAIRPERSON YEE: Thank you, Mr. Dalzell.

17           (Applause.)

18           CHAIRPERSON YEE: Just briefly before we move to  
19 the next speakers, I want to thank the members who are  
20 here with you today. And I just have to say, having set  
21 foot at Diablo Canyon, I don't know that I can recall ever  
22 meeting a more dedicated group of professionals that we --  
23 to whom we rely on providing our energy needs. So thank  
24 you for the great diligence in operating the plant.

25           Next we have John Geesman with the Alliance for

1 Nuclear Responsibility, along with Rochelle Becker, also  
2 with the Alliance, David Weisman with the Alliance.

3 Please come forward.

4 Good morning.

5 MR. GEESMAN: Thank you, Madam Chair.

6 There is no particular joy in being the skunk at  
7 the picnic. Everybody agrees that PG&E would have a more  
8 legally defensible new lease at Diablo Canyon if it were  
9 preceded by an EIR. PG&E doesn't want you to do that.

10 If PG&E wants to exempt a new lease from CEQA,  
11 they ought to sponsor legislation to accomplish that.  
12 PG&E doesn't want to do that.

13 I continue to be mystified by PG&E's approach to  
14 risk and their desire to have you indemnify those risk  
15 calculations. I doubt that any one of you would purchase  
16 a new property with a waiver of your right to inspection  
17 or a waiver of your right to receive specified disclosures  
18 from the seller. Yet that is exactly what PG&E is asking  
19 you to do in this case.

20 One has to wonder what information it is that  
21 would come out from a full CEQA review process that PG&E  
22 is so afraid of. They're asking you to indemnify their  
23 decisions. If anything goes wrong at that plant during  
24 the remainder of this new lease, you will own that outcome  
25 for the remainder of your lives. And the company asking

1 you to do that is the only utility licensee in the entire  
2 history of the commercial nuclear power industry ever to  
3 face prosecution from the federal government for 12  
4 safety-related felonies and one obstruction of  
5 investigation felony.

6 Common sense says you should perform an EIR.

7 (Applause.)

8 MS. BECKER: Rochelle Becker, Executive Director  
9 of the Alliance for Nuclear Responsibility.

10 We thank the joint parties for allowing us to  
11 make this presentation today. We are grateful that the  
12 joint parties came together, and we are looking forward to  
13 working with them. We know that you can never get  
14 anything accomplished by only speaking to each other. And  
15 you, commissioners, and the other joint parties and the  
16 public in general have done that.

17 We have worked with the legislature. We have  
18 worked with every oversight agency. And what we are  
19 asking is the information that we have given to you be  
20 included in your record so when you make that decision --  
21 we have dotted all of our i's and crossed all our t's, and  
22 you have the information before you that we have so long  
23 worked for to make sure it was before every agency. We've  
24 litigated them. We've worked on legislation on them.  
25 These are issues that are very important to San Luis

1 Obispo. We stand to lose a lot in San Luis Obispo. And  
2 we are very grateful to PG&E for considering our community  
3 and the workers in our community, for considering the  
4 environmental effects and going towards a renewable  
5 future.

6 But this record needs to be complete. And so we  
7 ask that the information that we gave to you yesterday be  
8 included in the record.

9 Thank you.

10 CHAIRPERSON YEE: Thank you.

11 Mr. Weisman.

12 MR. WEISMAN: Cede my time to Ms. Becker.

13 CHAIRPERSON YEE: Okay. Very well. Thank you.

14 Next let me have Peter Miller with the Natural  
15 Resources Defense Council come forward, followed by Marc  
16 Joseph with the Coalition of California Utility Employees.

17 MR. MILLER: Thank you, commissioners, for the  
18 opportunity to speak to you today. My name is Peter  
19 Miller. I'm a senior scientist with the Natural Resources  
20 Defense Council.

21 NRDC advocated last December that the State Lands  
22 Commission defer its decision on PG&E's request to extend  
23 its subtitle leases until the Commission could determine  
24 the appropriate level of review required under the  
25 California Environmental Quality Act.

1           But the joint proposal is a game changer. The  
2 jointed proposal is designed to help California meet our  
3 environmental and economic goals. It provides for an  
4 orderly and expeditious transition to replacing 100  
5 percent of the power currently provided by Diablo Canyon  
6 with greenhouse gas free, energy efficiency, and  
7 renewables. It addresses the needs of the workers and the  
8 local community; it will help to keep energy affordable  
9 for California utility customers; and it provides a model  
10 for collaborative resolution of a complex energy issue  
11 that is fully consistent with California's ambitious  
12 environmental and economic goals.

13           Critically, by committing to close the Diablo  
14 Canyon facility completely on a fixed time frame, PG&E  
15 will ultimately end the plant's harm to the ocean  
16 environment and remove other environmental impacts  
17 associated with the plant as well.

18           Given the particular circumstances of this  
19 matter, NRDC agrees that the lease request is consistent  
20 with the Public Trust Doctrine and is in the best  
21 interests of the State.

22           PG&E will need to submit a new and separate  
23 subtitle lease application to the Commission to allow use  
24 of the ocean water intake and discharge structures for the  
25 period of time necessary to accommodate decommissioning

1 activities. PG&E has explicitly acknowledged as part of  
2 the joint proposal that it expects the entire  
3 decommissioning process to be subject to full review under  
4 CEQA, which will allow for additional mitigation to  
5 address environmental impacts associated with shutting  
6 down and dismantling the plant.

7 In addition, under the joint proposal, once PG&E  
8 begins decommissioning the Diablo Canyon facility, it will  
9 reduce its water intake rates and thus its impacts on  
10 marine life, even more than it would be required to do so  
11 under the OTC policy. Ultimately, upon complete shutdown  
12 it will cease its ocean water intakes and the associated  
13 impacts altogether.

14 California's coastline and productive ocean  
15 habitats support marine life that is immense ecological,  
16 economic, and cultural value. For these -- for three  
17 decades, the Diablo Canyon Nuclear Power Plant has had a  
18 significant impact on the marine life in the region of the  
19 plant and the once pristine bay where it is located.  
20 Removing this impact to California's treasured marine  
21 wildlife and coastal habitats and replacing it with clean  
22 energy is something all Californians can celebrate.

23 Thank you for the opportunity to speak.

24 CHAIRPERSON YEE: Thank you very much.

25 Good morning.

1           MR. JOSEPH: Good morning, commissioners. My  
2 name is Marc Joseph. I'm the attorney for the Coalition  
3 of California Utility Employees. We are party to the  
4 agreement. And we also signed a letter to you asking you  
5 for the lease extension, and we support the staff  
6 recommendation.

7           The Coalition of California Utility Employees,  
8 its member unions, represent employees at essentially all  
9 of the electric and gas utilities in California, both  
10 publicly owned and privately owned. And that gives us a  
11 sort of unique perspective, because one of our member  
12 unions represented the employees who used to work at  
13 San Onofre Nuclear Plant.

14           As you know, the San Onofre plant was closed  
15 precipitously, with hundreds of employees fired with  
16 little warning and with no time to plan. And what filled  
17 the gap -- what filled the energy gap was lots more  
18 generation from gas-fired power plants. So we had both an  
19 adverse impact to the employees, an adverse impact on the  
20 environment both with criteria air pollutants and  
21 greenhouse gases.

22           In contrast, with this agreement we have a very  
23 different opportunity with Diablo Canyon. We'll have a  
24 planned, orderly transition which will allow the employees  
25 to stay, keep the plant operating safely, to plan for

1 their future, and to have a smooth transition. And we'll  
2 also have a smooth transition for the State's energy  
3 supply. We'll have time to develop replacement resources,  
4 both energy efficiency and additional renewable  
5 generation, and large scale storage.

6 That outcome is not automatic. It will require  
7 the CPUC to do its part and require all the parties  
8 involved, both utili -- including utilities, community  
9 choice aggregators, and electric service providers, all to  
10 do their part to develop the replacement.

11 But it gives us time to do it in a orderly,  
12 thoughtful way and not in the -- dealing with the  
13 precipitous way that San Onofre closed.

14 Therefore we urge you to accept the staff  
15 recommendation.

16 I also want to point out, you all should have  
17 received a letter from Robbie Hunter, president of the  
18 State Building Trades, supporting the agreement and the  
19 lease renewal. As he pointed out in the letter, this will  
20 continue to provide work for the building trades for the  
21 next nine years and will provide work in constructing the  
22 replacement resources which will be used to replace Diablo  
23 Canyon.

24 Thank you.

25 CHAIRPERSON YEE: Thank you very much.

1           I think what I'd like to do is stop here and open  
2 it up to comments by the commissioners. But before I do,  
3 let me just assure that anyone who has submitted anything  
4 in writing to us, those documents will be a matter of  
5 public record on this particular matter.

6           EXECUTIVE OFFICER LUCCHESI: That's correct.  
7 Everything that has been submitted to us as of 8:30 this  
8 morning, around that time, has been provided to the  
9 commissioners. And a significant amount is located in  
10 your public comment package in front of you, and will be  
11 made part of the official record.

12           CHAIRPERSON YEE: That's right.

13           Thank you very much, Ms. Lucchesi.

14           What I'd like to do is ask Ms. Williams and Mr.  
15 Dalzell and Mr. Pica to come forward just to be available  
16 for questions by the commissioners.

17           And let me just kind of first start out by saying  
18 thank you for being here and really taking the time to  
19 address the Commission today on this important matter.

20           And if I could, maybe just start out with a  
21 couple questions for PG&E. So I applaud the ambitious  
22 proposal to really look at moving us into the energy  
23 future for California. And my first question relates  
24 to -- obviously we have the example of San Onofre -- and  
25 just your sense of whether you perceive that natural gas

1 is going to kind of rear its head at any point during this  
2 transition as a bridge to get to where we want to be with  
3 respect to renewables.

4 PG&E ELECTRIC PRESIDENT WILLIAMS: Thank you for  
5 that question, Madam Chair.

6 Absolutely not. We believe very firmly that we  
7 have the ability to replace the required output from  
8 Diablo Canyon with 100 percent GHG-free resources.

9 You know, we find ourselves in Northern  
10 California in a really fortunate spot. We have an  
11 abundant and diverse amount of non-GHG resources. Not  
12 every state, not every region can claim that. But we have  
13 wind; we have solar; we have biomass; we have geothermal;  
14 and we have here at PG&E the largest privately-owned  
15 hydrosystem in the country, which includes 1200 megawatts  
16 of pump storage at homes.

17 When you take all of that plus the work we're  
18 doing on really building a demand response program, a  
19 really robust demand response program, higher levels of  
20 energy efficiency, and storage - right, we're also looking  
21 at storage, battery storage and other types of storage  
22 that will -- going to continue to be an important part of  
23 our State's energy landscape. You put all that together,  
24 and as I stand before you, I'm confident in our ability to  
25 be able to replace the required power from Diablo with

1 non-GHG-emitting resources. It's our North Star. It's  
2 what we believe in and why we committed to a higher RPS  
3 level.

4 CHAIRPERSON YEE: Very well.

5 And then we've been getting a lot of  
6 correspondence with respect to what will happen over the  
7 next nine years with respect to -- I'm not sure it's  
8 increased seismic risk, but certainly there is always  
9 seismic risk given the proximity to multiple faults, as  
10 well as ongoing damage to marine life. And I wanted to  
11 just hear your comments about those two particular issues.

12 PG&E ELECTRIC PRESIDENT WILLIAMS: Well, let me  
13 address the seismic risk first. Let me just say,  
14 unequivocally we believe that Diablo Canyon is seismically  
15 safe. It's probably the most studied facility from a  
16 seismic point of view in the country; some people would  
17 even argue maybe in the world. And all the analysis, all  
18 the data that's been collected, all of the work, a lot of  
19 it after Fukushima, directed to us by the NRC, all of it  
20 points to Diablo Canyon being safe, being seismically safe  
21 and being able to handle the seismic conditions in and  
22 around the plant.

23 This is an issue that will never end. We'll  
24 continue to learn, we'll continue to review, we'll  
25 continue to apply best lessons learned. But we've had an

1 independent safety council, an independent peer review  
2 look at all the results, and they have also again  
3 confirmed what we've always also found, that the plant is  
4 safe, it continues to be safe. And of course with the  
5 license extension not being called for, having the plant  
6 end at 2024-2025, a big part of the seismic risk will end  
7 at that point.

8 But we feel really good about where we stand that  
9 the way the plant was designed and the way it was built to  
10 withstand the seismic issues around it.

11 CHAIRPERSON YEE: Okay. And what about sea level  
12 rise?

13 PG&E ELECTRIC PRESIDENT WILLIAMS: On the sea  
14 level -- you know, the State Water Board has been  
15 obviously very focused on once-through cooling and they've  
16 put together requirements for all of the facilities in  
17 California including Diablo Canyon. We are compliant with  
18 the State requirements for once-through cooling.

19 And of course the ultimate requirement in terms  
20 of being consistent where the objective is the actual  
21 decision not to relicense. So we feel that we're in  
22 compliance, and not relicensing will end once-through  
23 cooling altogether at Diablo Canyon in 2025.

24 CHAIRPERSON YEE: Okay. I appreciate also the  
25 attention to the community of San Luis Obispo. Obviously

1 there will be impacts. Are there provisions on top of the  
2 property tax commitment that will be under discussion  
3 going forward?

4 PG&E ELECTRIC PRESIDENT WILLIAMS: Absolutely.  
5 We look at the tax sort of protection, if you will, over  
6 the next nine years as a beginning. We think it's the  
7 right thing. It gives the San Luis Obispo community an  
8 opportunity to plan for again a future without Diablo.

9 We also have made a commitment to continue our  
10 emergency planning, our emergency preparedness activities  
11 with San Luis Obispo. We're also going to continue our  
12 charitable contributions, our corporate citizenship in and  
13 around.

14 But I also want to say that by having the  
15 employees have certainty, having them be still living and  
16 working in San Luis Obispo, it continues to drive the  
17 economic engine of that community.

18 And let's not forget the decommissioning work.  
19 The decommissioning work will be a massive construction  
20 project and it will last anywhere between 10 and 20 years.  
21 That also will provide some certainty to the community in  
22 terms of knowing that it has a strong partner in PG&E.

23 One last thing that I'd like to mention is the  
24 decommissioning process. It will take two to three years  
25 to come up with a comprehensive decommissioning plan. As

1 part of that plan, one of the things that we'll have to do  
2 is figure out what to do with this amazing site, this  
3 beautiful majestic site. And we will be inviting San Luis  
4 Obispo and other community stakeholders for their  
5 thoughts. They'll ultimately come up with a best path  
6 forward for this amazing property.

7 CHAIRPERSON YEE: And on that point, any thoughts  
8 right now about what will happen to the fuel rods that are  
9 currently stored on site?

10 PG&E ELECTRIC PRESIDENT WILLIAMS: Well, the fuel  
11 rods, once that they're spent and that they'd been used by  
12 the nuclear reactor, they're stored in a cooling pool for  
13 a period of time, normally around seven years. That  
14 allows the temperature to be reduced. And then they're  
15 transferred to a dry storage -- dry cast storage facility  
16 that's on site. Our dry cast storage facility on site is  
17 ample enough, has sufficient capacity to be able to take  
18 on all of the spent fuel rods that have been used so far  
19 and that will be used between now and the end of '25.  
20 They'll be safely stored on site until the federal  
21 government ultimately delivers on its promise to have a  
22 long-term repository for spent fuel for all nuclear  
23 reactors across the country.

24 CHAIRPERSON YEE: All right. Thank you.

25 And then one last question, if I may.

1           We appreciate the tremendous amount of public  
2 input just in our Commission proceeding today. What  
3 happens next with the agreement with respect to really  
4 articulating timelines but, more importantly, continued  
5 opportunities for public input?

6           PG&E ELECTRIC PRESIDENT WILLIAMS: Yes, thank you  
7 for that.

8           So once we have the very important extension of  
9 the leases, which we hope we'll get today, the next step  
10 is really the regulatory front. And our plan is to file  
11 with the CPUC by the end of July. Of course the CPUC has  
12 a very thorough and robust public input process, we'll  
13 have public workshops. And our hope will be that we'll  
14 get input and perspective from many different parties and  
15 that hopefully they'll support the proposal.

16           Our expectation, we anticipate that the CPUC  
17 would make a decision on our proposal by the end of 2017;  
18 and shortly thereafter, in 2018, we would issue our  
19 requests for offer for energy efficiencies, which is 2,000  
20 gigawatt hours. Our plan is to start the energy  
21 efficiency work while we still have Diablo Canyon  
22 operating to kind of get a bit of a running start, if you  
23 will, and reduce energy consumption.

24           And then shortly after that, we would do a second  
25 request for offer for an all-resource non-GHG energy

1 procurement offering.

2 But, again, it's very important that we get  
3 started on that. It takes between five and seven years  
4 from the requests for offer, through CPUC approval, to  
5 design, build, construction for all of this, to get steel  
6 in the ground to actually have renewable resources  
7 available to us. So time matters, and so we are on a  
8 forced march here. Today we're with you. Next step's  
9 CPUC. And then after that the important RFOs to replace  
10 the power from Diablo Canyon.

11 CHAIRPERSON YEE: Okay. I thought I had  
12 understood that there was going to be a 30-day I guess  
13 public engagement for public input between the time of our  
14 action and the CPUC process.

15 PG&E ELECTRIC PRESIDENT WILLIAMS: Yes. Forgive  
16 me for that. Absolutely.

17 In between now and the end of July, which is when  
18 we're actually going to file with the CPUC, there'll be a  
19 time for public input. We will have workshops and we will  
20 gather input from interested stakeholders. And we will do  
21 that before we file with the CPUC. Thank you for that.

22 CHAIRPERSON YEE: Okay. All right.

23 And then probably the \$64,000,000 question - and  
24 this is obviously with some thoughts about what happened  
25 in San Onofre - to the best of your knowledge, do you

1 think the new replacement energy sources will be at higher  
2 cost to ratepayers?

3 PG&E ELECTRIC PRESIDENT WILLIAMS: You know,  
4 that's a really great question. We don't think so, and  
5 I'll tell you why. There's multiple reasons why we don't  
6 think so.

7 First of all, the total power output of Diablo  
8 Canyon is not needed in the future. We're seeing, you  
9 know, Californians take advantage of energy efficiency.  
10 We're seeing more and more adoption of private solar  
11 rooftop units. We're seeing more communities choosing  
12 community choice aggregation as a way of receiving their  
13 power. And what all this means is that customers are --  
14 our customers are consuming less energy.

15 So, first of all, we don't have to replace all of  
16 it. Our estimates are that we'll only need to replace  
17 between 40 and 50 percent of the power output from Diablo  
18 Canyon.

19 And the second, we are very focused on  
20 renewables. And the great news about renewables and  
21 storage is that the price curves - right - the cost of  
22 renewables is steadily decreasing year over year over  
23 year.

24 So between again continued focus on energy  
25 efficiency and helping our customers use less, renewables

1 and storage prices that are going down - we take a step  
2 back - we believe that impact to our customers' bills as  
3 far as replacement power for Diablo, that it will not be  
4 an increase in cost; and as a matter fact, our best  
5 estimate is it will be less costly than relicensing Diablo  
6 past -- into -- past 2030.

7 CHAIRPERSON YEE: Mr. Pica, you have a view about  
8 that?

9 MR. PICA: I think part of the reason why this  
10 agreement is possible is that California over the last 40  
11 years has done a great job in investing in energy  
12 efficiency and renewable energy. And this is possible --  
13 the shutdown of Diablo on a scheduled time frame is  
14 possible because of what the State has done. And we  
15 looked at the modeling with PG&E, with our own outside  
16 consultants. We actually commissioned the Plan B report  
17 that looked at: How do you replace Diablo's power? And  
18 we came to the same conclusions. And that's actually the  
19 basis of this agreement. The basis is we did independent  
20 assessment. PG&E did their own. We said we can do this  
21 in a way that gives an orderly phaseout of Diablo Canyon  
22 and brings on energy efficiency, renewable energy, and  
23 energy storage at a cost-competitive, if not cheaper, way  
24 than what California is currently paying.

25 CHAIRPERSON YEE: Okay. Very well. Thank you.

1 Commissioner Newsom.

2 COMMISSIONER NEWSOM: Yeah. And I'll save my  
3 broader comments for later. But in anticipation of those  
4 that are here in support of moving forward with an  
5 environmental review, I imagine the argument is, if we do  
6 that, somehow information will come to light that will  
7 enforce your hand to shut down sooner; and that somehow we  
8 are equipped and capable in that interim to provide the  
9 kind of alternative energy resources to mitigate the  
10 impacts of the closure of Diablo.

11 Speak to that concern. Speak to the hundreds of  
12 letters and emails that suggest that point.

13 And give us a sense. You said five to seven  
14 years to get approval on the large scale, energy  
15 efficiency, storage, whatever it may be, before you can  
16 actually get that replacement. Give me a sense of, you  
17 know, what's the counter, what's the argument against that  
18 point of view?

19 PG&E ELECTRIC PRESIDENT WILLIAMS: I would say --  
20 thank you for that, by the way. That's a great question.  
21 And we've talked about that within PG&E as well.

22 The most impressive, I think, and part of the  
23 historic nature of the this agreement that we've reached  
24 with the joint parties is the fact that we have time,  
25 eight to nine years, to plan, to be thoughtful, to be

1 comprehensive in our approach on the best path forward for  
2 a replacement scenario, if you will, for Diablo Canyon.

3 An EIR takes time. There is -- it's not a simple  
4 12-month or 18-month EIR. As you all know, there is lots  
5 of opportunity for appeal, lots of opportunity for  
6 reconsideration. I think I've -- earlier today we were  
7 listening to a presentation, and that particular EIR took  
8 four years, and it certainly wasn't Diablo Canyon on a  
9 cliff.

10 It just takes long. And so from our point of  
11 view, the biggest negative impact associated with an EIR  
12 is the time delay and what it represents to our ability to  
13 have a thoughtful transition. It erodes the certainty.  
14 It erodes the certainty of our ability to replace Diablo  
15 Canyon with non-GHG-related resources. It erodes the  
16 certainty - and this is not to be taken lightly - that our  
17 employees need in order to make decisions about what to do  
18 with their careers, whether to stay with Diablo or go work  
19 for another nuclear reactor somewhere, some other part of  
20 the country. And it erodes the certainty of our  
21 communities to know what's going to happen. Are we really  
22 going to have nine years or is this EIR going to put us in  
23 a position to potentially have an earlier shutdown and  
24 potentially be left with no other option but to replace  
25 these resources with fossil fuels. None of us want to do

1 that.

2           These eight to nine years are a gift. They're an  
3 amazing transition period. And an EIR does nothing to  
4 help us begin to move forward. It's -- there is no need  
5 for it. The plant continues to operate as it has. There  
6 is a -- the facility will continue to run as it has run.  
7 There's an opportunity for CEQA review, an EIR review, and  
8 everything else for that matter, in a post-nuclear age  
9 when we're decommissioning, and there'll be plenty of  
10 opportunity for that.

11           But the EIR doesn't help. It pulls us back,  
12 reduces certainty, and doesn't give us the opportunity to  
13 take full advantage of the time that we have today.

14           COMMISSIONER NEWSOM: And from Friends of the  
15 Earth's perspective, I imagine you're getting calls from  
16 some of your colleagues, friends, saying, you know, hey,  
17 we could do this tomorrow. We've got the capacity to  
18 take -- to replace this energy. Why are you signing up  
19 for something that takes nine years when some of your  
20 colleagues I imagine think this could be done in 19  
21 months?

22           MR. PICA: And the Commission should realize that  
23 Friends of the Earth was heavily engaged in the shutdown  
24 of the San Onofre nuclear power generation station in  
25 Southern California. And one of the lessons we learned

1 there is that shutting down nuclear reactors is hard.  
2 Right? You have to worry about the communities, you have  
3 to worry about the workers, and you have to worry about  
4 the replacement energy.

5           And what we -- with this agreement, what we have  
6 done -- and in my testimony when I said that this is a  
7 landmark agreement not only for the State of California  
8 but for the country and for the world -- we're getting our  
9 allies and colleagues around the world saying, this is the  
10 way you do it. You have time, you can bring in the right  
11 resources, and you can treat people right.

12           You know, we would love to have this reactor  
13 shut down tomorrow. But the practicalities are - and to  
14 do it responsibly - we have to let the energy efficiency  
15 come on line, we have to let the renewable energies come  
16 on line, and we have to make sure we keep these  
17 communities and these workers -- we take care of them.  
18 And this is the best way forward.

19           COMMISSIONER NEWSOM: Thank you.

20           And, you know, I ask questions that, candidly, I  
21 already heard the answers for. But in -- since we're  
22 having an interim conversation in anticipation of, I  
23 imagine, the public comment forthcoming, I hope that -- I  
24 hope we have a dialogue with that public comment that's  
25 informed by what we just heard as well, because it would

1 be interesting to me to get the feedback based upon what  
2 we've just heard so we can have a fuller discussion.

3 CHAIRPERSON YEE: Thank you, commissioners.

4 All right. Why don't we turn our attention to our  
5 audience in Morro Bay at this point.

6 We have I think a number of elected officials  
7 down there. Yes?

8 EXECUTIVE OFFICER LUCCHESI: I believe there's  
9 three.

10 CHAIRPERSON YEE: Yes. They are from the San  
11 Luis Coastal Unified School District.

12 STAFF COUNSEL SCHEIBER: First we have  
13 Councilmember Erik Howell.

14 CHAIRPERSON YEE: Oh, okay.

15 STAFF COUNSEL SCHEIBER: The next will be  
16 Supervisor Adam Hill.

17 CHAIRPERSON YEE: Great.

18 MR. HOWELL: Well, good morning, commissioners,  
19 and good morning, Executive Director Lucchesi.

20 My name's Erik Howell, Pismo Beach City Council  
21 Member, and a member of the California Coastal Commission.

22 I'd like to say that this agreement is a huge  
23 step forward for the California coast. I support the  
24 joint proposal and hope you will do so as well.

25 Thank you.

1           CHAIRPERSON YEE: Thank you, Mr. Howell.

2           STAFF COUNSEL SCHEIBER: Up next is Supervisor  
3 Adam Hill, followed by Ron Alsop.

4           MR. HILL: Honorable commissioners, Adam Hill  
5 from the Board of Supervisors in San Luis Obispo, and I  
6 represent the district in which the plant resides.

7           I'm here to support the staff's recommendation on  
8 the leases. I believe that the agreement made by all  
9 parties is a very thoughtful and responsible way forward.

10           And I did want to take advantage of what  
11 Lieutenant Governor Newsom recommended in terms of  
12 addressing some of these issues that were brought up in  
13 dialogue. A year before the tragedy in Fukushima, I led  
14 my board in supporting a letter that I wrote to the NRC to  
15 pause on the relicensing process until advanced seismic  
16 studies had been completed.

17           And so this has been on our watchlist from the  
18 beginning. We're confident that this -- that not only  
19 have we done a fair amount on seismic studies, but this is  
20 an ongoing situation that will ensure the safety of the  
21 plant. And of course, as you know, at any time the NRC is  
22 able to shut the plant down.

23           On Madam Controller's questions as well, and also  
24 Lieutenant Governor's questions, on the EIR process and  
25 some other things, as somebody who is often on land use

1 for a living, I can say that there is something to what  
2 PG&E has said about the uncertainty and difficulty of any  
3 EIR process, that could be much more than helpful on an  
4 information level, but basically become another football.  
5 And so we would hope that you would go with your staff's  
6 recommendation. We think this gives us enough time. I  
7 know -- I have actually had the pleasure of meeting both  
8 Controller Yee and Lieutenant Governor Newsom here in our  
9 community on several occasions. I think you know it's a  
10 great place. I think you know it's a place that has many  
11 resources for which we can move forward with and I know  
12 that you care about our community.

13           This agreement, eight to nine years gives us an  
14 opportunity to go with the State on this transition we're  
15 making. This -- if in fact the plant were to close in two  
16 years, I do not think that the State would be able to  
17 replace this energy with greenhouse-gas-emission-free  
18 energy. And I know that it would be utterly devastating  
19 to our community's economic welfare.

20           This opportunity gives us a chance to do what  
21 we're already doing, which is advance the interests of  
22 economic development, to further our renewables ourselves,  
23 to help our tech sector to continue to work with our  
24 university and our community college. All of these are  
25 the kinds of things that we can do in this period.

1           And so I do sincerely thank you for the attention  
2 that you've given to this matter. I think that your staff  
3 has made a wise recommendation, and I believe our  
4 community and our State will be better off for it in the  
5 end.

6           So thank you very much.

7           CHAIRPERSON YEE: Thank you, Supervisor Hill.

8           STAFF COUNSEL SCHEIBER: Our final elected  
9 official will be Ron Alsop.

10           MR. ALSOP: Well, for clarification, I'm not an  
11 elected official. My name is Ron Alsop. I'm the  
12 emergency services manager for the San Luis Obispo County  
13 Office of Emergency Services. We're the emergency  
14 management agency that is the lead for off-site emergency  
15 planning for Diablo Canyon. We coordinate with the local  
16 cities, the locally-based state agencies, the Governor's  
17 Office of Emergency Services, a number of other agencies  
18 to do emergency planning for Diablo Canyon.

19           We support the agreement as well. And as noted  
20 earlier, part of that agreement includes continued funding  
21 for emergency preparedness and emergency management.

22           We've heard reference to San Onofre. When San  
23 Onofre closed, they did have a challenge with their  
24 emergency preparedness funding.

25           Currently in California state law we off-site

1 agencies are reimbursed by the utility through the State  
2 of California for emergency planning costs. That state  
3 law states it's for operating plants. So San Onofre had a  
4 challenge when the plant stopped operating. Then legally,  
5 the way the state law is written, there was no more  
6 funding. If we have a sudden shutdown within a couple of  
7 years, we're foreseeing the same problem here locally,  
8 versus with the agreement, we have nine years to  
9 transition down. And even after the plant closure there's  
10 wording within the agreement that we'll be working on that  
11 continues the funding for some time to come. And we  
12 certainly appreciate that.

13           There's another aspect of this too, is we get  
14 reimbursed for our emergency preparedness costs. But  
15 there are other costs that benefit the public safety that  
16 PG&E pays for directly. For example, the early warning  
17 siren systems, that the sirens that were put in for Diablo  
18 Canyon but we can use for any type of emergency  
19 notification. Those are paid directly by PG&E, upkept by  
20 PG&E. Although we at the county level would be the ones  
21 that, for lack of a better term, would push the button if  
22 needed.

23           So a lot of other resources. Our Emergency  
24 Operation Center's funded directly by Dogwood Canyon. So  
25 there are a lot of other resources too.

1           So the agreement we give it says nine years and  
2 beyond to transition our emergency planning.

3           In another somewhat related aspect is the Nuclear  
4 Regulatory Commission is currently evaluating emergency  
5 planning and preparedness for after-plant closures.  
6 They're looking at their regulations on should-they-change  
7 requirements for after-plant closures and what should  
8 those be. This will give the -- have an agreement, and  
9 over the coming years will also give us a chance to  
10 continue to provide input to the Nuclear Regulatory  
11 Commission on that process, which we already have. Our  
12 office provided input to NRC in March. So that's going  
13 along well as well.

14           So we certainly support the agreement and then,  
15 thus, the extension of the leases.

16           Thank you.

17           CHAIRPERSON YEE: Thank you, Mr. Alsop.

18           I believe we have the San Luis County -- San Luis  
19 Obispo County Sheriff in the audience. Is he -- Ian  
20 Parkinson?

21           MR. PARKINSON: Well, good morning.

22           Are we -- there we go. We're on.

23           Well, good morning, and thank you for your time  
24 and efforts and attention to this.

25           And just for record, John back there, I was not

1 part of that dragnet that he got picked up in back in the  
2 day.

3 (Laughter.)

4 MR. PARKINSON: So my name is Ian Parkinson. I'm  
5 the Sheriff/Coroner of San Luis Obispo, and also I sit on  
6 the -- as a commissioner on the California Seismic Safety  
7 Commission.

8 This matter is extremely important to me. I know  
9 that Ron Alsop, our OES director, just spoke to some of  
10 the issues, so I'm going to try to shorten what I have to  
11 say. It is my hope that the land-use permit be granted.  
12 With PG&E without any special conditions that would  
13 facilitate a premature closure of the plant before the  
14 operate license expires.

15 The abrupt closure, as you well know, will have a  
16 profound effect on public safety for us, because of the  
17 lack of funding, the lack of coordination that we enjoy  
18 with PG&E now.

19 As the regional coordinator -- sheriff regional  
20 coordinator for our area, and a real partner with PG&E,  
21 it's extremely important that we have this plan that  
22 allows us to decommission Diablo Canyon and provide safety  
23 at the same time. As you know, as a sheriff that I'm  
24 responsible for providing safety for the citizens.

25 As a matter of fact, I have a great relationship

1 with PG&E. A couple years ago we started a task force,  
2 the Sheriff's Task Force in Public Safety, which involves  
3 a number of stakeholders in the community; but most  
4 important it is our volunteer organizations bring in under  
5 one umbrella. That effort was funded by PG&E in  
6 recognition of our efforts to provide safety to our  
7 citizens.

8           Some of the items that were mentioned by Ron  
9 Alsop, I don't want to belabor; but there's a couple  
10 important things that I just want to point out to you.

11           That our maintenance of 131 early warning sirens is a  
12 direct result of PG&E's contribution. My dispatch center  
13 sits in the PG&E building on my site, and is staffed 24/7  
14 with a watch commander, with very specific protocols on  
15 the activation of these sirens to notify the community.

16           An immediate closure of Diablo would not really  
17 immediately alleviate the dangers that the community is  
18 going to have. But yet it would take away probably a  
19 significant amount of funding and make my job much more  
20 difficult; and ultimately what's more important than my  
21 job of course is the community as less safe.

22           Our reverse 911 system which notifies our  
23 citizens of a variety of emergencies -- emergency alerting  
24 messaging, tone alert radios is all part of what Diablo  
25 Canyon has put in place. And it's used not only for our

1 service to Diablo or the concern with any issue at Diablo,  
2 but also for wildland fires; tsunami warnings, which we  
3 tend to get on the coast; things such as that. And so I  
4 think it's extremely important.

5 I'll just wrap this up and say this, that the  
6 closure of the plant will not make the danger disappear,  
7 as I stated. Our county still has an obligation. We have  
8 a partnership with Diablo. Having this period of time to  
9 decommission it right is going to enable us to recover  
10 economically over this process. As you know as well as I  
11 do, we just came out of a very poor time for our finances.  
12 We've worked our way out of it. Our county does a  
13 fantastic job of managing it. But we have a partner in  
14 there in PG&E, and I think -- with the closure being able  
15 to transition out, I think will give us the opportunity to  
16 do it smart as I think has been indicated by many people  
17 already. So I appreciate again your time and effort, and  
18 I really hope you consider what's most important right  
19 here, is our community.

20 So thank you.

21 CHAIRPERSON YEE: Thank you, Sheriff Parkinson.

22 Ms. Lucchesi.

23 EXECUTIVE OFFICER LUCCHESI: I believe we have an  
24 additional three elected officials at our Morro Bay  
25 location.

1 CHAIRPERSON YEE: Yes. I think they're with the  
2 school district; is that correct?

3 EXECUTIVE OFFICER LUCCHESI: I think so.

4 CHAIRPERSON YEE: Okay. Very well.

5 We will switch back to Morro Bay then and call up  
6 Derik Lennox, Ellen Sheffer -- Oh, I'm sorry.

7 Oh, you're here.

8 EXECUTIVE OFFICER LUCCHESI: They're here, but I  
9 think we have three additional in Morro Bay that you  
10 actually don't have slips for.

11 CHAIRPERSON YEE: Okay. Very well.

12 Okay. Why don't we continue with the elected  
13 official here.

14 MR. LENNOX: Good morning, commissioners. My  
15 name is Derik Lennox. I'm here on behalf of the San Luis  
16 Coastal Unified School District, and I'll be introducing  
17 two other folks down in Morro Bay.

18 San Luis Coastal Unified has a really unique  
19 experience because of the proximity that it has to Diablo  
20 Canyon. It represents and serves the community that's  
21 immediately surrounding the power plant.

22 Part of that symbiotic relationship with the  
23 power plant is that it's been able to provide really  
24 exemplary services to the educational community down  
25 there. And that's really its first priority.

1           But in light of the joint proposal and decision  
2 to decommission, inherent in that is extreme budget  
3 uncertainty. And it's really tremendous uncertainty for  
4 that school district because they rely disproportionately  
5 on the local tax revenues that come from the power plant.

6           So while San Luis Coastal does support the staff  
7 recommendations today, we are particularly concerned about  
8 how robust exactly the community mitigation program is  
9 going to be.

10           And to elaborate more on that I'll introduce  
11 first Ellen Sheffer, a trustee of the school board, as  
12 well as Dr. Eric Prater, the district superintendent.

13           Thank you.

14           CHAIRPERSON YEE: Thank you very much.

15           Ellen Sheffer.

16           STAFF COUNSEL SCHEIBER: Ellen Sheffer, and then  
17 next Eric Prater.

18           MS. SHEFFER: Good morning. My name is Ellen  
19 Sheffer and I serve as a trustee of the San Luis Coastal  
20 Unified School District. As a trustee I take pride in our  
21 district's ability to excel even though there are very  
22 real challenges facing our State's educational system.

23           San Luis Coastal Unified School Districts includes 10  
24 elementary schools, two middle schools, two comprehensive  
25 high schools, and one continuation high school. Of these

1 schools, we have earned the honors of including three blue  
2 ribbon schools and seven distinguished schools within our  
3 district. We have a dual immersion elementary school and  
4 we offer preschool for our low income families. We have a  
5 STEAM-based middle school and a high school that offers  
6 project-based learning. We also serve 6,000 adults in our  
7 adult education programs, and those include GED classes,  
8 parenting classes, as well as activities for seniors.

9 We're very proud of our 98 percent graduation  
10 rate and the fact that more than 70 percent of our  
11 graduates attend college.

12 Many members of the PG&E community also belong to  
13 our school district community. Their families are  
14 involved in our schools. Their children are in our  
15 classrooms. Their spouses may be employees of our  
16 district. Their neighbors participate in the success of  
17 our district.

18 Our schools have benefited from their  
19 contributions of time, talent, and treasure. We're  
20 appreciative and gratified for those contributions.

21 Removing the Diablo Canyon Power Plant creates  
22 significant financial uncertainty for our students and  
23 their families. While many groups here today have strong  
24 and informed positions on whether the power plant should  
25 close, we are here for one reason: Our school district,

1 which has served Diablo for its entire history, has a duty  
2 to plan for the drastic revenue losses we are now facing.  
3 That duty extends to PG&E as well. The uncertainty and  
4 disruption created by Diablo Canyon's closure can only be  
5 mitigated by providing the community enough time and  
6 resources to successfully make this important transition.

7 We therefore support the staff recommendation to  
8 authorize a new lease through 2025, but also note that the  
9 modest community impacts mitigation program is very  
10 unlikely, insufficient to ensure that our schools are held  
11 harmless.

12 To speak more about why the mitigation program is  
13 not nearly robust enough you will now hear from Eric  
14 Prater, our superintendent of San Luis Coastal Unified  
15 School District.

16 Thank you.

17 DR. PRATER: Good afternoon. My name is Eric  
18 Prater, and I'm the superintendent of the San Luis Coastal  
19 Unified School District.

20 It should be noted that we have 7500 students  
21 that we educate, with over a thousand employees. We are  
22 grateful that 40 years of enhanced revenues from PG&E have  
23 enabled our school district to build and sustain  
24 educational programs and services that improve the lives  
25 of our students. It is not an exaggeration to say that

1 San Luis Coastal Unified School District is one of the  
2 finest in the State of California.

3 Last year, we received over \$10 million in tax  
4 revenue directly from PG&E. This represents 12 percent of  
5 our funding. Virtually all of that revenue will be lost  
6 to our district and our students when Diablo Canyon  
7 closes. Our legacy will therefore be defined by whether  
8 ten years from now, we can offer our students, parents,  
9 and employees with the same level of high quality  
10 education that we do today.

11 It is a difficult challenge and a unique one for  
12 San Luis Coastal, but one we believe is attainable.

13 This brings me to today's agenda item. While we  
14 support the staff recommendation to offer authorize a new  
15 lease through 2025, we question whether the joint  
16 proposal's community impacts and mitigation program is in  
17 fact robust, as suggested in the staff report. The  
18 mitigation program proposes to commit 49.5 million over  
19 the next nine years to the county for the loss of property  
20 taxes associated with the declining rate base in Diablo  
21 Canyon.

22 49.5 million is significant for our county. But  
23 our one school district alone receives over \$10 million  
24 each year directly from PG&E. In addition to these  
25 revenues, our county assists 15 other schools and

1 community college districts.

2 In sum, the 2025 transition timeline provides  
3 notice and time to plan. That's a good thing, certainly  
4 something we appreciate and are sincerely grateful for.

5 So we ask the Commission to adopt the staff  
6 recommendations and to also understand that the resources  
7 proposed in the mitigation program are not nearly enough  
8 to adequately transition the community that PG&E has  
9 called home for over 40 years.

10 Thank you for your consideration.

11 CHAIRPERSON YEE: Thank you very much, Dr.  
12 Prater.

13 Now at this point -- Jennifer.

14 EXECUTIVE OFFICER LUCCHESI: Oh, I was just going  
15 to suggest maybe a five-minute break at this point if the  
16 Commission is amenable to that.

17 CHAIRPERSON YEE: Sure. Let us take a  
18 five-minute break. And then when we do return from the  
19 break, I'd like to call those who want to provide  
20 testimony in opposition to the proposal.

21 (Off record: 12:09 p.m.)

22 (Thereupon a recess was taken.

23 (On record: 12:24 p.m.)

24 CHAIRPERSON YEE: Let's call the meeting back to  
25 order.

1           We will now hear from those speakers who had  
2 signed up to speak in opposition to this item. And we  
3 will start with the parties who are here in Sacramento,  
4 and then focus our attention to those who are in Morro  
5 Bay.

6           EXECUTIVE OFFICER LUCCHESI: Excuse me, Chair.

7           CHAIRPERSON YEE: Yes.

8           EXECUTIVE OFFICER LUCCHESI: We do have one  
9 elected official still remaining in Morro Bay. So maybe  
10 before we get to the folks in Sacramento, we can call upon  
11 that person.

12          CHAIRPERSON YEE: Very well. Yes, why don't we  
13 do that.

14          Back to Morro Bay.

15          STAFF COUNSEL SCHEIBER: We have Brian  
16 Sturtevant, council member.

17          CHAIRPERSON YEE: Good afternoon.

18          MR. STURTEVANT: Commission, my name is Brian  
19 Sturtevant. I am an elected official, the city of  
20 Atascadero. I'm also a quality verification assessor  
21 supervisor at Diablo Canyon. So I have a very interesting  
22 perspective on both working for the company and also  
23 having a community with which I'm deeply invested in  
24 trying to take care of the financial issues and the  
25 problems that are going to come down from this

1 decommissioning in 2025.

2           So I'm here in the capacity as a council member.  
3 And I just want to share with you that the council members  
4 of the city of Atascadero unanimously support this limited  
5 term lease extension for Diablo Canyon. There are several  
6 letters that are going to be coming from each one -- or  
7 actually each one of us is sending you a letter, but it's  
8 not going to make it by today's meeting. So I would like  
9 to read my letter of support into the public record since  
10 you're not going to have them in front of you for this --  
11 for this time.

12           CHAIRPERSON YEE: We will accept that for the  
13 public record, but we're going to limit you to two  
14 minutes.

15           MR. STURTEVANT: Thank you.

16           Dear Commission Members. Pacific Gas and  
17 Electric's current water lease license for the use of  
18 ocean water for the cooling operations at Diablo Canyon  
19 Power Plant is currently set to expire in the year of  
20 2018. For the sake of the local community I am writing to  
21 express my strong support and to urge your vote for  
22 extending PG&E's water use license to the year 2025.  
23 Without approval of your requested of lease extension, the  
24 plant will shut down hard and fast in 2018, which could  
25 have severe economic consequences for our community.

1           A joint proposal, which has been entered into  
2 between PG&E together with labor and environmental  
3 organizations, will increase investment in energy  
4 efficiency, renewables, and storage beyond current State  
5 mandates while phasing out PG&E's production of nuclear  
6 power in California by 2025.

7           Under the terms of the proposal PG&E will retire  
8 Diablo Canyon at the expiration of its current Nuclear  
9 Regulatory Commission operating licenses. The parties  
10 will jointed support the transition period and orderly  
11 replacement of Diablo Canyon with greenhouse-gas-free  
12 resources by 2025.

13           PG&E has reached agreement on severance and other  
14 benefits with IBEW Local 1245 and will immediately engage  
15 in bargaining with other labor unions to ensure  
16 appropriate benefits for represented employees.

17           Furthermore, the joint proposal includes payments by  
18 PG&E to San Luis Obispo County totaling nearly 50 million  
19 designed to offset the climbing property taxes through  
20 2025 in support of a transition plan for the county.

21           In light of these considerations, which are of  
22 significant importance to our community, I strongly urge  
23 you to approve PG&E's request to extend their water lease  
24 at Diablo Canyon to 2025.

25           And it is of utmost importance that we work

1 together in this time frame and we get these renewables  
2 and we get our employees trained and give them  
3 opportunities to be able -- there's a lot of hard work  
4 that's gone on in these last 40 years, so I mean just --  
5 even in the last decade in the State of California. And  
6 we as a city work very hard for our -- on our climate  
7 action plans, and Diablo Canyon and the  
8 greenhouse-gas-free electricity that we produce is a big  
9 part of that. And I do not want to see that hard work  
10 from all the cities in this county go away, nor all the  
11 cities across the State of California when it comes to  
12 climate action plans. So, please, I do urge you to accept  
13 staff's recommendation.

14 Thank you.

15 CHAIRPERSON YEE: Thank you, Councilmember  
16 Sturtevant.

17 All right. We will now focus our attention on  
18 those who've been waiting patiently to testify, those who  
19 will be speaking in opposition. Let me just call you up  
20 and queue you up. And you'll have two minutes each to  
21 speak. There is a timer on the podium to track your time.

22 First, Marcy Israel with Mothers for Peace,  
23 followed by Peter Galbraith and then Jennifer Savage.

24 MS. ISRAEL: Hello, commissioners. I'm Marcy  
25 Israel, a member of Mothers for Peace, and a homeowner in

1 San Luis Obispo. Thank you for holding this public  
2 hearing today.

3 Thank you for your deep concern and  
4 thoughtfulness regarding the land leases for Diablo. I  
5 urge you to require full California Environmental Quality  
6 Act review for the land leases before considering a  
7 renewal.

8 It is a positive step that PG&E made the decision  
9 to close Diablo by the year 2025. However, PG&E made an  
10 economic decision, not an environmental decision. Your  
11 board is trusted with making an environmental decision.

12 Your board is also trusted with making an ethical  
13 decision. Your stated goal is providing the people of  
14 California with effective stewardship of the lands. I  
15 didn't have to search far to find Section 1-1, strategies  
16 to achieve one of your stated goals: Deliver the highest  
17 level of public health and safety.

18 Nine years is too long to continue risking the  
19 health and safety of the citizens of California. Nine  
20 years is too long to continue warming the ocean. Nine  
21 years is too long to risk a devastating catastrophe. We  
22 have no -- we can't see into the future and know that  
23 there will not be an earthquake.

24 This plant should never have been built. It is  
25 built near active earthquake faults. Nine years is too

1 long to continue producing radioactive waste. It should  
2 be closed as soon as possible. It is up to you to make a  
3 wise and brave environmental decision to protect  
4 California's resources and citizens. It is in your power  
5 and scope to do so.

6 Please require a California Environmental Quality  
7 Act review for the land leases of Diablo before  
8 considering a renewal.

9 Thank you.

10 CHAIRPERSON YEE: Thank you very much.

11 Mr. Galbraith.

12 MR. GALBRAITH: Good afternoon.

13 We must learn the lessons of the ongoing disaster  
14 that's occurring in Fukushima, Japan. We cannot wait  
15 for -- that plant was destroyed by an earthquake that was  
16 beyond studies, beyond expectation. We cannot wait for an  
17 earthquake to destroy Diablo Canyon, with the loss of  
18 life, and the destruction of the California's agricultural  
19 lands. We must close it now. I'm not willing to -- we  
20 shouldn't be willing to trade a warming climate for a  
21 radioactive climate.

22 Thank you.

23 CHAIRPERSON YEE: Thank you very much.

24 Next we have Jennifer Savage.

25 MS. SAVAGE: Thank you, Chair Yee, commissioners.

1 Jennifer Savage, California Policy Manager for the  
2 Surfrider Foundation.

3 And as far as which box to check, support or  
4 oppose, I kind of needed in-between option --

5 (Laughter.)

6 MS. SAVAGE: -- because there's definitely a lot  
7 to appreciate in this joint proposal, given the historic  
8 agreement of the parties that are involved.

9 However, the lack of a DEIR does trouble us. We  
10 do see that the decommissioning and transitioning is an  
11 unusual project. And in the Plan B study that was  
12 referenced a number of existing deteriorating  
13 infrastructure components are identified: seismic  
14 retrofitting, metal fatigue, fire hazard repair are just a  
15 few of those.

16 As Diablo's once-through cooling system has  
17 impacted San Luis Obispo County's environment for decades  
18 and will continue to do so under this project, we believe  
19 that the process of requiring a DEIR should begin now.

20 We do note that the proposal to replace nuclear  
21 power with cost-effective greenhouse-gas-free renewable  
22 power does improve the safety of the community and the  
23 marine life.

24 And we appreciate the efforts by PG&E and the  
25 partners to find a path forward.

1           But business-as-usual is not a baseline. And we  
2 really believe that a DEIR would be the most transparent  
3 and safe way to move forward for all parties concerned.

4           Thank you.

5           CHAIRPERSON YEE: Thank you very much.

6           Okay. Next let me call up Ace Hoffman, Paul  
7 Kangas, and David Grace.

8           MR. HOFFMAN: Thank you, commissioners. I want  
9 to cover the exemptions to the exemptions.

10          CHAIRPERSON YEE: Will you introduce yourself for  
11 the record.

12          MR. HOFFMAN: Ace Hoffman.

13          CHAIRPERSON YEE: Okay. Thank you.

14          MR. HOFFMAN: I drove up from Carlsbad. I've  
15 been around the San Onofre plant. Things didn't change  
16 very significantly.

17          But one of the exemptions that the CEQA has is if  
18 there are mitigating events that have occurred. One of  
19 the mitigating events was when a plant just started to  
20 operate, they killed all the abalone. That ought to be  
21 considered.

22          Another one is that the EPA, who was going to  
23 charge them for lying and they eventually settled out of  
24 court for \$14 million, they wanted the DOJ to cover that.  
25 That ought to be considered as a mitigating event.

1           And another one is the stress corrosion cracking  
2 of the dry casts. There are conditions now already that  
3 would allow for salts to appear to form in cracks. And  
4 those dry casts, if they start to leak, its eventually  
5 going to go into the bay. So that's another mitigating  
6 factor.

7           Regarding the greenhouse gas emissions, the plant  
8 requires about 30 megawatts of power just to operate. So  
9 that power has to come from -- at the moment, from a  
10 greenhouse-gas-emitting energy source. To start up the  
11 plant takes a hundred megawatts of power, and that's all  
12 from greenhouse gases.

13           I spoke to solar installers down at the San Diego  
14 fair a couple days ago, and again up here, and they told  
15 me they can put up a house -- solar house in a day. Which  
16 means that if you take the 1500 employees here, they can  
17 do 2500 houses a week. So it's easily 150,000 people in  
18 the State of California that need jobs. So you could  
19 replace their power just with solar rooftop within about a  
20 year. So there's no reason to wait.

21           I guess I'm out of time, but thank you very much  
22 for your attention.

23           CHAIRPERSON YEE: Thank you very much, Mr.  
24 Hoffman.

25           Mr. Kangas.

1 MR. KANGAS: Thank you to the commissioners for  
2 this hearing. And, importantly, Commission Gavin Newsom  
3 raised a timeline question of, is there a way to shorten  
4 the timeline from nine years?

5 Nine years is too long. We need to be able to  
6 figure out a way to do it. We have good examples around  
7 the world.

8 The nation of Germany after Chernobyl disaster  
9 was able to build hundred-panel solar-powered houses  
10 rapidly. As the previous speaker just mentioned how quick  
11 it is the union workers can build them. They built  
12 massive numbers of them. They started out with 1,000.  
13 And it was so effective they increased it to 50,000  
14 solar-powered houses. Each house would have a hundred  
15 solar panels. This generates enough energy right now  
16 within two years to shut down Diablo Canyon.

17 Germany has been shutting down -- they shut down  
18 17 reactors now using solar power and wind. This is what  
19 we have to do. The environmental impact report should be  
20 filed, because that will put a fire under PG&E to find  
21 better alternatives. And the community knows that we can  
22 do this, as a previous speaker just mentioned. They're  
23 being -- California has ten times more solar energy than  
24 Germany does. Germany has a lot of wind. But Germany  
25 right now today is at 90 percent of their energy comes

1 from wind, solar, and hydro. We can do it. California  
2 has more resources that way.

3 So I urge you to oppose the lease and giving PG&E  
4 more time. It's going to create a -- we don't know when  
5 the earthquake is coming. That's one thing we do know.  
6 It's coming, we know that. And the San Andreas fault is  
7 active. And the 13 fault lines around Diablo Canyon are  
8 active.

9 Germany's been shutting down atomic energy plants  
10 every year since they started building hundred-panel solar  
11 houses. The unions need the work. It's important that we  
12 do this.

13 Thank you for this hearing.

14 CHAIRPERSON YEE: Thank you very much, Mr.  
15 Kangas.

16 Mr. Grace.

17 Please introduce yourself for the record.

18 MR. GRACE: Yeah, I'm David Grace, San Francisco.

19 I was concerned -- we the people of California  
20 own this property. And if we were to look at government  
21 as a business, the standard rhetoric that comes from  
22 politics, that we the people as landlords for an entity  
23 that is about to abandon one of our properties, we need an  
24 EIS to make sure they're not leaving us with wreckage.  
25 And I can't even imagine businesslike politicians thinking

1 that they can offer an idea that we don't need an  
2 inspection of our own property before they abandon it?

3           So that just -- it flies in the face of common  
4 logic.

5           But the other aspect -- and I'm from San  
6 Francisco, where a million dollars is nothing. You can't  
7 even get a postage stamp house for a million dollars. So  
8 to hear San Luis Obispo thinking that they're going to get  
9 \$10 million a year, that's ten pennies. And so when you  
10 start looking at the value of our property, they -- PG&E  
11 just said it's beautiful coastline land. Well if this  
12 beautiful coastline land is being given back to us in a  
13 damaged state, we need to have an actual financial real  
14 estate study of how much it was depreciated and how much  
15 we need to get back from them.

16           So from San Francisco, we're very familiar with  
17 headline after headline after headline of PG&E fraud and  
18 murder, organized crime, in the destruction of San Bruno  
19 with that pipeline. That for 60 years they were  
20 embezzling the safety money. Not 49 years, as was earlier  
21 claimed that we don't need to look at things that are  
22 older -- as old as 49 years. We can look at pattern and  
23 practice of PG&E stealing the safety money, stealing the  
24 safety money, and using fraud to cover it up.

25           So we need to make sure that our property is

1 returned in safe and clean condition, and we don't need to  
2 have people claiming that we don't need the right to  
3 inspect our own property. That's just -- I can't  
4 even -- since I've got a matter of seconds left, I  
5 questioned three different PG&E --

6 CHAIRPERSON YEE: Your time is up. Please make  
7 it brief.

8 MR. GRACE: Three different PUC figures claimed  
9 that they are organized crime. They said they are  
10 organized crime. PG&E is organized crime.

11 CHAIRPERSON YEE: Okay. Thank you, Mr. Grace.

12 Next we'll call up Gretchen Dumas, as well as Ben  
13 Davis, Jr.

14 Please come forward.

15 MS. DUMAS: Good morning. My name is Gretchen  
16 Dumas, and I am here representing the Immaculate Heart  
17 Community, a nonprofit organization that operates a  
18 spiritual retreat center in Santa Barbara County, less  
19 than a hundred miles from the Diablo Canyon Nuclear Power  
20 plant. I also am a cancer survivor, having suffered from  
21 both melanoma thyroid cancer, both of which can be caused  
22 by radioactive emissions.

23 I also used to practice law and once had a CEQA  
24 case before the California Supreme Court. So I know  
25 something about CEQA and categorical exemptions.

1           Given that, when I heard about what you were  
2 considering today, I was shocked. The leases that PG&E  
3 has asked you to grant are precisely the kind of project  
4 that CEQA was intended to address. I had no idea the  
5 State's approval for a facility as dangerous and poisonous  
6 as Diablo Canyon -- has never - I repeat, never - gone  
7 through a formal environmental review process. And yet,  
8 here is a request for a further lease that should trigger  
9 a thorough environmental review.

10           I have learned from the health studies provided  
11 to you by the World Business Academy that the continuing  
12 emissions of radioactive isotopes that will result from  
13 the continued operation of this plant will cause an  
14 increase in infant mortality in San Luis Obispo County.  
15 This is appalling and unacceptable.

16           PG&E must take all necessary steps to shut this  
17 plant down permanently as soon as reasonably possible  
18 without at the same time increasing the admissions of  
19 green gases associated with its electric power business.

20           On the issue that you have before you today, you  
21 must recognize that your decision will unquestionably  
22 address, quote, unusual circumstances.

23           I guess my time is up.

24           CHAIRPERSON YEE: Thank you very much.

25           Mr. Davis.

1           Following Mr. Davis we'll have Matt Renner as  
2 well as Lawrence Chaset with the World Business Academy.

3           MR. DAVIS: Thank you very much. I'm Ben Davis,  
4 Jr. At your last hearing I brought you a copy of a case  
5 that I was involved in in the eighties which was very,  
6 very similar to this case. It is the only case that has a  
7 similarity of this one, in that it involves a nuclear  
8 power plant and the application of the California  
9 Environmental Quality Act.

10           It's also very similar because the County of  
11 Sacramento, like yourself, did not own the nuclear power  
12 plant which was under consideration but had to approve a  
13 project to allow the continued operation of that power  
14 plant. Like yourself, like you're considering, Sacramento  
15 County took an exemption to that and I took them to court,  
16 and the court of appeals agreed with me that the exemption  
17 was not appropriate for that action, and sent it back to  
18 Sacramento County, who started doing an Environmental  
19 Impact Report.

20           Now unlike this case but very similarly, the  
21 County of Sacramento took a statutory exemption, on  
22 21080(b)(4), I believe. They were taking a categorical  
23 exemption. The difference between these two exemptions is  
24 that a categorical exemption is a class of project that  
25 the legislature's determined will not as a category have

1 an impact on the environment.

2           Statutory exemptions are classes of projects  
3 which may have an effect on the environment, but the  
4 legislature in its wisdom has determined should be exempt  
5 either way.

6           The particular categorical exemption that you  
7 chose is very interesting because it's kind of a hybrid of  
8 both of these. It does require this unusual findings  
9 requirement, which suggests that this project might have  
10 an environmental impact but allows you to take this  
11 categorical exemption anyway. It's a very unusual  
12 requirement in CEQA. And it puts quite a burden on your  
13 staff to provide you with an excellent record to show that  
14 you've really considered that issue.

15           It also puts a very stiff burden on myself or any  
16 person who's considering litigating this because we have  
17 to exhaust our administrative remedies and provide a  
18 record to show that your staff has not given you the  
19 appropriate foundation for making the decision you're  
20 considering.

21           You have not given me enough time to provide you  
22 with that record. This document that came out late Friday  
23 gave me only the weekend and Monday to determine what I  
24 needed to provide you to exhaust my administrative  
25 remedies and provide you with a record showing that you

1 don't have a basis for your decision.

2 In that time, I tried to access -- last meeting  
3 that I came to where I provided you with this decision,  
4 your computers were down. I could not get that  
5 information.

6 So I'm asking you to put off this decision to  
7 give me a chance to show you why the information your  
8 staff has given you is completely incorrect. I can give  
9 you two or three very quick examples.

10 CHAIRPERSON YEE: Your time has expired, Mr.  
11 Davis, but please wrap up.

12 MR. DAVIS: Well, I'll stop with that, but to say  
13 my due process rights have not been granted here, open  
14 meeting laws have been trampled on, and I cannot provide  
15 you a record with CEQA. I can give you three quick  
16 examples in your record of places your staff simply made  
17 mistakes. But I will only do so if there are questions  
18 from you asking about that.

19 CHAIRPERSON YEE: Okay. And there may well be  
20 later.

21 Thank you.

22 MR. DAVIS: Thank you very much.

23 MR. RENNER: Hello, friends and respected  
24 commissioners. My name is Matt Renner. I'm the executive  
25 director of the World Business Academy. And I'm a product

1 of the California public education system. I'm also a  
2 graduate of UC Berkeley.

3           Every day we work at the World Business Academy  
4 to address climate change by pushing for real  
5 breakthroughs in renewable safe energy.

6           All of here who are trying to make the world a  
7 better place are very busy. We often lack the time to  
8 connect on a personal level and share our humanity. So I  
9 want to tell you a little bit about me and what brings me  
10 here today.

11           I'm 33 years old, and I have an amazing wife and  
12 a fluffy 12-pound Chihuahua mix named Samson. Every  
13 morning at 6 a.m. he crawls into bed with me and lays his  
14 whole body on top of my chest. And every time he does  
15 this, it makes me think about becoming a father. Every  
16 morning I consider the unbelievable opportunity my wife  
17 and I have to create another human being. And I'm blown  
18 away at the beautiful children here in this room, of the  
19 workers who have done an amazing job keeping this atomic  
20 bomb from going off in the Central Coast.

21           But today we find ourselves in unusual  
22 circumstances, as do many people in my generation. Like  
23 my fellow millennials, we desperately want progressive  
24 change in this country. But we're not sure we can trust  
25 our government.

1           You may have noticed that people my age are  
2 enraged by politics as usual. We are not volunteering or  
3 donating to politicians who give away their power. We are  
4 not standing with the old guard who have continuously  
5 handed pieces of our natural world to polluters in the  
6 name of shareholder profit. And we are not willing to sit  
7 silently and allow those who claim to represent the people  
8 to make backroom deals and put our lives and our futures  
9 in danger.

10           If I lived downwind of this plant there's a good  
11 chance that if I had an infant daughter, she would die as  
12 a result of the regular emissions that are allowed to be  
13 spewed into the local environment. Look me in the eyes  
14 and tell me you're okay with that? Tell me you're doing  
15 your job when you allow this plant to continue operating  
16 without first investigating the potentially lethal  
17 consequences of ionizing radiation.

18           CHAIRPERSON YEE: Mr. Renner --

19           MR. RENNER: And then remind me that having  
20 children is safe. And tell me that living downwind of a  
21 possible Fukushima-style disaster is safe. And tell me  
22 that this position amounts to anything more than just  
23 spending the next nine years praying with our fingers  
24 crossed that we avoid a catastrophic meltdown.

25           Thank you.

1           CHAIRPERSON YEE: Mr. Renner, your time has  
2 expired.

3           Thank you.

4           Next, Mr. Chaset.

5           Following Mr. Chaset will be Sandy Silver and  
6 Gerald Weber.

7           MR. CHASET: Good afternoon. My name is Larry  
8 Chaset. I'm an attorney representing the World Business  
9 Academy.

10           We are urging you to postpone at least -- for at  
11 least 30 days your decision that's before you in this  
12 matter until you've given due consideration to the  
13 information that's been presented by the academy that's in  
14 the record.

15           We met with your staff on March 14th in order to  
16 discuss the legal and public policy need for a -- for the  
17 preparation of a full EIR under CEQA prior to any action  
18 on the part of this commission to grant a new lease to  
19 PG&E. During that meeting the Academy made a convincing  
20 case, which your staff acknowledged at the time, that a  
21 full EIR under CEQA was required in connection with the  
22 requested new lease despite the language in the State's  
23 CEQA guidelines that exempts review of existing facilities  
24 except where there is a reasonable possibility that the  
25 activity will have a significant effect on the environment

1 due to, quote, unusual circumstances.

2 Staff's initial logic in their February draft  
3 staff report in this matter was correct and their analysis  
4 of the CEQA issue. However, the staff has in the report  
5 that just came out a few days ago misinterpreted CEQA and  
6 it's leading you down the primrose path to a lawsuit if  
7 you find that CEQA is not triggered by this project.

8 When we met, the Academy presented detailed  
9 information on a recently completed study on the health  
10 effects associated with the continuing operation of Diablo  
11 Canyon. The study demonstrates the continuing operation  
12 of the plant causes serious adverse public health effects  
13 including excess infant mortality. There can be no doubt  
14 to any rational and fair-minded person that the operations  
15 of an existing facility that is causing excess infant  
16 mortality as well as other serious adverse health effects  
17 rises to the level of constituting unusual circumstances.

18 Thank you.

19 CHAIRPERSON YEE: Thank you very much,  
20 Mr. Chaset.

21 Let me call up Sandy Silver, followed by Gerald  
22 Weber and Dan Hirsch.

23 But before my next speaker, Ms. Lucchesi will you  
24 speak to the due process issues that were just raised.  
25 And then also I know some of the parties, including the

1 World Business Academy, did meet with staff in the past  
2 so -- to provide information previously.

3 EXECUTIVE OFFICER LUCCHESI: Yes. Would you like  
4 me to speak to that right now?

5 CHAIRPERSON YEE: Please, yes.

6 EXECUTIVE OFFICER LUCCHESI: According to the  
7 Bagley-Keene Act, the Open Meeting Act, the Commission  
8 staff published the June 28th meeting agenda more than ten  
9 days ahead of today's meeting, thereby complying with the  
10 Act. While the staff report was released last week,  
11 it -- there is no legal requirement for us to publish that  
12 staff report so many days ahead of the meeting. We try  
13 our very best at all Commission meetings to publish our  
14 staff report in as much advance of the meeting as  
15 possible.

16 In this particular situation, the key component  
17 of the staff's analysis and recommendation focused around  
18 the Public Trust analysis and best interests of the State.  
19 The joint proposal announcement came out on June 21st,  
20 which was significantly informative and important to  
21 include in that particular element of the analysis. And  
22 so it did take us a couple extra days to formulate that  
23 analysis based on the most recent developments so that we  
24 were able to provide the most comprehensive and recent  
25 information to the Commission for your consideration.

1 CHAIRPERSON YEE: Okay. And the statement about  
2 the earlier staff, I guess, direction for a CEQA review.

3 EXECUTIVE OFFICER LUCCHESI: So I believe the  
4 last speaker made two comments. One is that we did meet  
5 with the Business Academy in March and listened to their  
6 position and received the information that they provided  
7 us. I can assure you that we made no statements as to the  
8 ultimate recommendation of staff as it relates to the CEQA  
9 determination or the Public Trust analysis.

10 In terms of the February staff report, there was  
11 some discussion in there about the level of review for  
12 CEQA. But that was an informational staff report and it  
13 reflected the facts and the law as staff knew them at that  
14 time. The Commission never adopted that staff report, as  
15 it was purely informational. And frankly I don't believe  
16 that staff's recommendation today is in conflict with that  
17 informational staff report.

18 CHAIRPERSON YEE: Yeah, I do believe that's  
19 correct. We were really asking that you look at the scope  
20 of what a review would look like, identify the relevant  
21 Public Trust issues. But those were pretty much on hold  
22 while we gave time for the parties to continue their  
23 discussions.

24 Okay. Very well. Thank you.

25 Sandy Silver, Gerald Weber, and Dan Hirsch.

1 MS. SILVER: Hello. My name is Sandy Silver.  
2 I'm currently a resident of Santa Cruz, but I was -- my  
3 family and I were living in San Luis Obispo all through  
4 the construction and licensing process of Diablo Canyon.

5 In 1973, I became a personal intervenor along  
6 with the San Luis Obispo Mothers for Peace regarding the  
7 licensing of Diablo. And at the time, in 1973 -- well,  
8 actually my dealings over the past 40 years with PG&E and  
9 the NRC has taught me to have a very hypervigilant sense  
10 of being whenever they assure us of anything or promise us  
11 anything.

12 In 1973, we were concerned about a meltdown at  
13 Diablo. They told us it was an incredible accident. And  
14 that of course was before Three Mile Island, Chernobyl,  
15 and Fukushima. In 1973, we were concerned about the  
16 nuclear waste and what would happen there. And they said,  
17 don't worry, there's going to be a repository.

18 The waste is now stored on-site in San Luis  
19 Obispo.

20 When a -- when testimony was offered from a Cal  
21 Poly geology professor that there was an earthquake  
22 nearby, we were assured that he was absolutely wrong. At  
23 two years later, the Hosgri fault was found -- became  
24 known and also other faults have been determined.

25 I am certainly happy with the joint proposal of

1 certain of the conditions that I have seen as far as  
2 taking into consideration the workers, taking into  
3 consideration the economic impacts, and most of all of  
4 course the renewable energy. I would, however -- my major  
5 concern has always been and remains the health and safety  
6 of the people surrounding Diablo Canyon. Neither this  
7 Commission nor PG&E can assure us that there's not going  
8 to be an earthquake in the next nine to ten years.

9           So I would like to request that the Commission  
10 postpone a decision regarding the permit and direct PG&E  
11 to return with options for speeding up the process for  
12 shutting down Diablo. I know that you were concerned  
13 about it that -- and you asked that question about whether  
14 they could do that. And they all talked about  
15 certainties, which I certainly appreciate, but that we  
16 don't have a certainty as far as the seismic issue is  
17 concerned. So I hope you postpone the decision today.

18           Thank you.

19           CHAIRPERSON YEE: Thanks very much

20           Mr. Weber.

21           DR. WEBER: Hello. My name's Dr. Gerald Weber.  
22 I'm a geologist, and I've spent the last 40 years studying  
23 the geology for the central California coastline from San  
24 Francisco Bay down past Diablo Canyon.

25           In the early 1970s, PG&E proposed constructing a

1 power plant at Davenport, just north of Santa Cruz. At  
2 that time, they asserted that there was no active faults  
3 in the vicinity. In 1973, as I began my field studies at  
4 the San Gregorio fault zone, at Año Nuevo, I came across a  
5 fresh exposure of the fault in the sea cliff. And you  
6 could see on one side of the fault a series of sediments  
7 that were dated at 7- to 8,000 years old. Juxtaposed in  
8 this picture up here. Then one on the right you see the  
9 black lines. Those are sediments that are 7,000 years  
10 old, 8,000 years old. To the left of that area you have  
11 the crushed stone of a giant fault. And the rocks in it  
12 is crushed were 5,000,000 years old.

13           And so now what you have is you have an active  
14 fault sitting there.

15           PG&E geologists came up, looked at it. We had  
16 some debates, and PG&E realized it was an active fault and  
17 abandoned the power plant site at Diablo Canyon.

18           Now, we can go down to -- this discovery had  
19 significant implications for Diablo, because the San  
20 Simeon -- the San Gregorio fault connects to the -- San  
21 Simeon fault connects to the Hosgri fault. And if you  
22 take it all the way along, you have an incredibly long  
23 fault along the California coastline which could generate  
24 an exceedingly large earthquake. We know absolutely  
25 almost nothing about the earthquake history. And there's

1 no way we can find it. So any time you deal with this you  
2 are taking a chance.

3 Now, PG&E interestingly never accepted that when  
4 they continued to build a plant here in this area.

5 Now, what you want to do, the decisions you have  
6 to make, you have to look at this and ask yourself, "Am I  
7 willing to put everybody at risk for the next ten years on  
8 something that we know will happen but we just never will  
9 be able to figure out when it will happen until it catches  
10 us by surprise"? That's your decision. You're the ones  
11 who are going to have to make it.

12 I'd suggest abandoning the plant.

13 CHAIRPERSON YEE: Thank you, Dr. Weber.

14 DR. WEBER: Any questions?

15 CHAIRPERSON YEE: No.

16 DR. WEBER: I didn't think so.

17 CHAIRPERSON YEE: Good afternoon.

18 MR. HIRSCH: Thank you.

19 My name is Daniel Hirsch. I'm the director of  
20 the program on environmental nuclear policy at UC Santa  
21 Cruz, though my views here today are my own and not those  
22 of the university.

23 I'm going to talk about the elephant in the room  
24 that no one is talking about. The problem about the  
25 decision that you're being asked to make and how you have

1 an alternative between yes and no. And that elephant is  
2 the risk of an earthquake, a terrorist event, or some  
3 other accident occurring between now and 2025, and whether  
4 there's anything that you can do to try to reduce that  
5 risk.

6           Diablo was built on the assumption by PG&E that  
7 there were no active earthquake faults within 30  
8 kilometers of the plant. Shortly after getting the  
9 construction permit and getting 80 percent constructed,  
10 the Hosgri fault was discovered coming within two and a  
11 half miles of the plant. PG&E said, "Don't worry, we'll  
12 retrofit a little bit." They downgraded their estimates  
13 of the ground motion in a very controversial way and ended  
14 up not doing a lot of the retrofits that were needed. But  
15 they said, "Don't worry, there are no more faults."

16           However, shortly thereafter the San Luis Bay  
17 fault was discovered to be active near the plant. And  
18 shortly thereafter, the Los Osos fault was discovered near  
19 the plant. And then a few years ago the Shoreline fault  
20 discovered, which comes within 300 meters of the plant  
21 intake on the state lands that you're being asked to  
22 extend the lease for.

23           PG&E again said, "Don't worry, those faults are  
24 not connected." But now they admit that the Shoreline and  
25 the Hosgri fault are connected. And, more importantly,

1 that the Hosgri is connected to the San Simeon and to the  
2 San Gregorio fault, making a fault that goes from south of  
3 Diablo Canyon to north of San Francisco.

4           You're faced with the possibility of an event  
5 just like Fukushima, an earthquake larger than the reactor  
6 was designed for.

7           There are many good things in this joint  
8 proposal: not going forward with license renewal,  
9 replacing it with GHG neutral. But you have the option -  
10 and I urge you to take it, I urge you to take it - to ask  
11 PG&E and the parties to come back to you in a few weeks  
12 with a proposal as to how they can't shorten that time  
13 period.

14           There is nothing in the technology that takes  
15 nine years. The main problem with the proposal is they're  
16 talking about not even issuing the request for offers for  
17 two years for the first tranche and four years for the  
18 second and years thereafter for the subsequent ones. So  
19 not even starting.

20           And so I just want to ask each of you to think  
21 how you would explain to your families and to the  
22 California public if there were an earthquake in 2023,  
23 2024, 2025, 2022 that caused a substantial portion of  
24 California to be damaged and you hadn't done the last bit  
25 that you could do to try to improve this agreement and try

1 to shorten that window of risk.

2 I urge you to think about that as an alternative.  
3 I think it would be hard to sleep at night if you didn't.

4 Thank you.

5 CHAIRPERSON YEE: Thank you very much.

6 I'd like to turn our attention to our audience in  
7 Morro Bay and ask the speakers in opposition to come  
8 forward.

9 STAFF COUNSEL SCHEIBER: We'll start with Sierra  
10 Club Chapter Director Andrew Christie, followed by Charles  
11 Varni, and then Larry Murray.

12 MR. CHRISTIE: I'm Andrew Christie. I'm director  
13 of the San Lucia chapter of the Sierra Club, representing  
14 the 2,000 members of the club in San Luis Obispo County,  
15 where I've lived in the shadow of Diablo Canyon for three  
16 decades.

17 Legal authorities agree that extraordinary  
18 efforts must be made to protect a Public Trust resource  
19 due to its unique nature, whether due to scarcity,  
20 threatened and endangered species and associated gene  
21 pools, or unique objects or natural settings.

22 However, reconcile this obligation and Diablo's  
23 decades-long decimation of the marine environment with the  
24 statement in your staff report that the issuance of a new  
25 general lease does not substantially interfere with the

1 Public Trust needs and values, is in the best interests of  
2 the State, and is otherwise consistent with the common law  
3 Public Trust Doctrine.

4 Water Board staff informed PG&E in 1988 that the  
5 plant's thermal impacts were causing objectionable aquatic  
6 growth and degradation of indigenous biota, a temperature  
7 change in the receiving water that adversely affects  
8 beneficial uses, and degradation of marine communities.

9 The only specific support for the staff report's  
10 conclusion appears to be the assertion that the OTC policy  
11 enforced by the SWRCB appropriately regulates these  
12 impacts protecting Public Trust resources, end quote.

13 As the Water Board's once-through cooling policy  
14 will not go into effect until 2024, this is a non sequitur  
15 in an assessment of the Commission's Public Trust  
16 obligations pursuant to an action that it's specifically  
17 limited to the period of 2018 through 2025.

18 On the issue of CEQA exemption, you have the  
19 authority to determine whether there's a reasonable  
20 possibility that the issuance of the proposed lease will  
21 have a significant effect on the environment due to  
22 unusual circumstances based on substantial evidence.

23 There is more than a reasonable possibility that  
24 California's sole unique nuclear power plant will continue  
25 to have a significant effect on the environment and the

1 evidence is substantial. We urge you to exercise your  
2 authority, determine that this lease is not exempt from  
3 CEQA, and protect the Public Trust.

4 Thank you.

5 CHAIRPERSON YEE: Thank you very much.

6 (Applause.)

7 STAFF COUNSEL SCHEIBER: Charles Varni, followed  
8 by Larry Murray, and then David Nelson.

9 MR. VARNI: Good morning. My name is Charles  
10 Varni. I'd like to take exception to the comments of the  
11 president of PG&E that there's a scientific consensus  
12 about the safety, the seismic safety of Diablo Canyon. We  
13 know that there is huge controversy about this, and that  
14 risk does not go away as a result of a settlement  
15 agreement.

16 Mr. Hosgri and Ms. Shoreline were not part of  
17 that agreement and they remain active and concerned.

18 My colleague Andrew just mentioned the unusual  
19 circumstance criteria for invoking an EIR. Certainly new  
20 earthquake faults contiguous to Diablo constitute that, as  
21 well does a new variable which is the deep well injection  
22 of fracking fluids in San Luis Obispo County, particularly  
23 in Price Canyon, and how those interconnect with the  
24 earthquake faults with their lubrications.

25 I understood the president of PG&E to say that

1 the decommission EIR was due in 2020. And it takes four  
2 years. So it sounds like that thing ought to be getting  
3 off the ground very soon. And I would encourage that that  
4 EIR include all of these elements and that those be  
5 surfaced during the process of the EIR.

6 Finally, the OTC environmental impacts continue  
7 and will for the next ten years of the plant's operation  
8 if it goes that long, and we are very concerned about  
9 that. And I'd like to specifically address the fact that  
10 the Commission is planning to lease this for \$279 a  
11 year -- \$279,000 a year. And we would suggest that \$1.5  
12 million a year would be a much fairer amount and that  
13 money be dedicated to near-shore mitigation of cooling  
14 impacts.

15 Thank you.

16 CHAIRPERSON YEE: Thank you very much.

17 STAFF COUNSEL SCHEIBER: Larry Murray, followed  
18 by David Nelson.

19 MR. MURRAY: Thank you. Well, my name's Larry  
20 Murray. I'm the president of Local 403, Plumbers and  
21 Pipefitters in San Luis Obispo. I represent about 350  
22 members and their families.

23 From the beginning it's obvious that this  
24 land-use permit should have been attached to the operating  
25 permit. PG&E has done a stellar job of not only operating

1 Diablo Canyon but also stewarding the resources that can  
2 be affected by poor stewardship. The opposition to Diablo  
3 want nothing more than to immediately shut down the plant.  
4 PG&E deserves to be allowed to operate for the next nine  
5 years, providing the ultimate in clean, carbon-free, 24/7,  
6 community-supporting safe nuclear power.

7           Once Diablo is replaced --

8           (Applause.)

9           MS. MURRAY: -- and it will be replaced, it will  
10 be replaced with carbon-emitting natural gas. This  
11 technology will be the one of choice that is used. And  
12 listen for the term "fugitive methane." This is a gas  
13 that leaks into the environment, just as the recent Porter  
14 Ranch incident, the one event that was extremely  
15 significant in terms of the environment. Know that all  
16 gas supply lines leak at one point or another. My  
17 household gas meter leaked, as does all meters in the  
18 community.

19           Fugitive methane is the absolute worst thing for  
20 the environment, as it creates four times the greenhouse  
21 blocking of combusted natural gas.

22           These natural gas power plants will leak supply  
23 gas into the environment and combust massive amounts of  
24 carbon into the air. It will take approximately four  
25 power plants the size of the Morro Bay power plant that is

1 now shut down to replace the Diablo Canyon power. How  
2 does that help the environment? I don't think so.

3 Renew the permit and keep Diablo Canyon open.

4 Thank you.

5 (Applause.)

6 STAFF COUNSEL SCHEIBER: David Nelson, followed  
7 by Vickie Bookless.

8 MR. NELSON: Hi. My name's David Nelson. I'm  
9 not employed or do I receive any money from Diablo Canyon  
10 in any way. I'm a citizen of Morro Bay. I was very  
11 active on the State regulations on once-through cooling.

12 And in my research in 2004, there was a cease and  
13 desist order written but not served on Diablo Canyon for  
14 its destruction of 2,000 -- or two miles of ocean bottom  
15 outside this plant. And it comes not only from hot water  
16 but I believe, and new scientific data suggests, that the  
17 de-sal plant that they're making a million gallons a day  
18 using three gallons per gallon estimate, is being dumped  
19 out there. And at Morro Bay we were told that when they  
20 dumped the stuff from the power plants, it just mixes into  
21 the water and it circulates. Everybody bought that. CEC,  
22 Water Board, everybody. But that's a lie. It doesn't  
23 work that way. Their de-sal plant is dropping raw brine  
24 to the bottom of our ocean. It doesn't mix because when  
25 you break up the compounds, the heavier stuff just

1 settles. It does not mix. It's heavier than the water.  
2 This has not been investigated. 2004 is -- you know, it's  
3 12 years ago, and not one study has gone to find out why  
4 this is happening.

5           Now, other things here, you're asking them to  
6 give a \$10 million liability insurance. My wife and I  
7 have 2 million. I don't have a nuclear power plant. I'm  
8 not -- you know, \$10 million is ridiculous. You had  
9 PG&E's president there thanking you for more than my two  
10 minutes that I have to speak here, and I don't blame them,  
11 because you're giving away the whole ranch here. Not  
12 going and finding out what this tenant has done to our  
13 property is just inconceivable. And it happens because  
14 bureaucrats work with each other and weave this web of  
15 deception and misinformation to the public.

16           Now, I worked hard and I worked for free on this  
17 issue and I know that it's out there, and I want it  
18 studied before you extend them more -- the new lease.  
19 It's as simple as that. I mean, if you're not, then  
20 you're not doing your job, because right here in the  
21 document it says that you need to study it. So do it and  
22 don't give them a lease.

23           (Applause.)

24           STAFF COUNSEL SCHEIBER: Vickie Bookless,  
25 followed by Sharon Rippner.

1 MS. BOOKLESS: So I'm going to be very brief for  
2 the record.

3 I think it is imperative that an EIR be done to  
4 ensure that Diablo nuclear power plant does not present an  
5 unusual degree of environmental risk. And it needs to be  
6 done as soon as possible.

7 Thanks.

8 STAFF COUNSEL SCHEIBER: Sharon Rippner, followed  
9 by Michael Brown.

10 MS. RIPPNER: My name is Sharon Rippner and I  
11 live in Avila Valley.

12 My concerns regarding the safe operation of  
13 Diablo Canyon Nuclear Power Plant are numerous. My main  
14 focus of environmental concern is about global warming and  
15 its impact on our planet. True, keeping Diablo Canyon  
16 open for the remainder of its current operating license  
17 would give more time to scale up our renewable energy  
18 resources to take its place, thus not needing to increase  
19 any fossil fuel use in energy generation. However, I want  
20 the required EIR report on the impacts of Diablo Canyon  
21 Nuclear Power Plant to be completed.

22 Global warming is already endangering the health  
23 of our oceans and, in particular, putting at risk the web  
24 of life as warming and acidifying oceans greatly reduce  
25 the viability of the foundational oceanic web.

1           The operation of Diablo continues -- contributes  
2 to these problems with its water intake system and OTC  
3 procedure. Diablo's current operation must be evaluated  
4 in view of the fragile nature of the ocean's health that  
5 has developed over the past 50 years due to global  
6 warming.

7           The following analogy captures what I heard as I  
8 listened to the statements from the parties that support  
9 extending the permit without an EIR.

10           HMO doctor: "I think you have cancer, but I  
11 believe it is very slow growing and I have authorization  
12 to remove the tumor in nine years.

13           "But, doc, if I have cancer, what kind of cancer  
14 is it, how fast is it growing, and why are you waiting  
15 nine years to renew it -- remove it? What if it's a  
16 fast-growing cancer?

17           "Well, I'm pretty sure you have cancer; actually  
18 probably several types of cancer. But we don't want to do  
19 any more studies right now because we've already  
20 determined that the cancer is going to be removed or  
21 treated when it is cost effective for the HMO.

22           "But, doc, if you did some more studies you might  
23 find that the cancer should be removed or treated earlier.

24           "It is just not convenient or cost effective to  
25 remove it earlier, so I don't want to get any information

1 that tells me I should do the surgery earlier. Sorry if  
2 this worries you, but thank you for cooperating because  
3 this is best for the HMO."

4 (Applause.)

5 MS. RIPPNER: Now, four months ago the Commission  
6 was recommending that the EIR be completed. Please do so.

7 Thank you.

8 (Applause.)

9 STAFF COUNSEL SCHEIBER: Michael Brown, followed  
10 by Joseph Ivora.

11 MR. BROWN: Madam Chair, commissioners. My  
12 name's Mike Brown, and I'm the Government Affairs Director  
13 of the Coalition of Labor, Agriculture and Business, one  
14 COLAB in SLO County and one in Santa Barbara County. We  
15 represent almost 2,000 ranches, farms, businesses of all  
16 types, professional firms in both counties, and with their  
17 families and employees, thousands of people who are  
18 dependent on our economy here.

19 We think you should approve the application for  
20 the new permit. We think that your staff has shown that  
21 there's no adverse effect to the Public Trust issues in  
22 your mandate. And similarly, there is no change in the  
23 baseline data for the EI -- for the environmental impact  
24 in this case, so there's no reason and no cause to go and  
25 do a new EIR.

1           In fact, if you did an EIR, it would take five  
2 years or something by the time you did the scoping, by the  
3 time you actually went through the whole process. You see  
4 many simple subdivisions and other projects and SLO County  
5 and Santa Barbara County that can take three, four years.  
6 And to do that would then render the whole process moot,  
7 and the plant would close in 2018 with catastrophic  
8 effects on the families, children, governments in both  
9 counties.

10           So, again, we would highly recommend that you  
11 please issue the permit.

12           Thank you.

13           (Applause.)

14           CHAIRPERSON YEE: Thank you, Mr. Brown.

15           MR. BROWN: Oh, and I'm available for questions  
16 if you have any.

17           CHAIRPERSON YEE: Let me just be sure that we are  
18 hearing from the members of the public who are opposed to  
19 the item, so we get all of the issues on the table.

20           Any other speakers in opposition in Morrow Bay?

21           STAFF COUNSEL SCHEIBER: Joseph Ivora, followed  
22 by Larry Parker.

23           MR. IVORA: Hello commissioners and everybody  
24 here.

25           Well, we sure have a lot of negativity towards

1 nuclear. You know, if you look at the nuclear power in  
2 our country, it's 90 percent of our power, yet it  
3 represents 63.3 percent of the clean energy. No  
4 pollution, no radiation, all that stuff is not true.

5 Diablo Canyon provides 9 percent of our power in  
6 California, and yet 23 percent of the clean power.

7 If we -- the capacity factor of the nuclear power  
8 in the country is always around 90 percent. Very  
9 reliable, very clean, and in good climate for the  
10 communities where it's located.

11 And just this last week, Sweden is going to go  
12 for four new power plants. We're building four plants in  
13 the south. China's building 28 plants. Why are we so  
14 down on -- we should go with advanced nuclear. Keep  
15 Diablo going. Keep Diablo going. We need to extend that  
16 lease.

17 You know, someone earlier said that Germany --  
18 that Germany was, I think -- let me back up.

19 Germany should be the model for going to  
20 renewables, because Germany has tried to get rid of the  
21 nuclear power plants and their cost of energy is some of  
22 the highest in Europe. And they're also getting most  
23 pollution.

24 Anyway, I'm not a person of many words.

25 Thank you very much.

1 (Applause.)

2 CHAIRPERSON YEE: Thank you.

3 Other speakers in opposition in Morro Bay.

4 STAFF COUNSEL SCHEIBER: We're going to -- sorry,  
5 I apologize.

6 We're going to switch to Joey Ricano, followed by  
7 Bob Perry.

8 Joey Ricano, is he here?

9 Bob Perry?

10 Okay. Bob Perry, followed by Dr. Jerry Brown.

11 MR. PERRY: Good afternoon. My name's Robert  
12 Perry. I'm the director of energy research at -- for the  
13 World business Academy. And my statement today concerns  
14 the importance and relevance of the Public Trust Doctrine  
15 in this proceeding.

16 The Commission should resist the temptation to  
17 exempt Diablo Canyon from the EIR requirements of CEQA.  
18 The landmark legislation is based on the common law Public  
19 Trust Doctrine. Subject to a CEQA exemption, the staff  
20 report recommends authorizing the subject lease as it does  
21 not substantially interfere with Public Trust needs and  
22 values.

23 However, since an EIR of Diablo Canyon has never  
24 been conducted, the cumulative health, environmental, and  
25 other impacts from plant emissions and stored radioactive

1 waste have yet to be fully measured, and such an EIR  
2 should show that these impacts substantially interfere  
3 with State responsibilities under the Public Trust  
4 Doctrine.

5 Absent the completion of an EIR, there are no  
6 other credible means of determining whether plant  
7 operations adequately protect the public interest.

8 The establishment of CEQA and the central role it  
9 plays in the Commission's decision-making process are  
10 directly related to the Public Trust Doctrine. CEQA's  
11 central requirement of an EIR combined with the narrow  
12 circumstances under which an exemption can be claimed and  
13 the low reasonable possibility threshold for disqualifying  
14 such an exemption all point to the extreme importance  
15 placed by CEQA on an EIR to serve the Public Trust.

16 To preserve that trust the Commission should meet  
17 its moral and legal obligations under the Public Trust  
18 Doctrine and reject the proposed lease extension as  
19 categorically exempt from CEQA's EIR requirement.

20 Thank you.

21 (Applause.)

22 STAFF COUNSEL SCHEIBER: Dr. Jerry Brown,  
23 followed by Rinaldo Brutoco.

24 DR. BROWN: Hello. My name is Dr. Jerry Brown.  
25 I'm the director of the Safe Energy Project of the World

1 Business Academy. I'm a Cornell University-trained  
2 research scientist, and for four decades as a founding  
3 professor at a public university have looked into the  
4 impacts of radiation on public health; specifically  
5 ionizing radiation that is released through federally  
6 approved routine emissions of radioactive gases and liquid  
7 emissions from nuclear power plants that are reported by  
8 these plants to the NRC.

9           We want to talk today about predictability and  
10 certainty. I'm here to paint you a grim picture of the  
11 certainty that will follow from the continued operation of  
12 Diablo Canyon based on decades of studies by research  
13 scientists and medical doctors around the world. This  
14 includes increased cancers, this includes increased infant  
15 mortality, this includes extreme infant mortality, this  
16 includes low birth weight, this includes additional breast  
17 cancers and other cancers.

18           On March 14th, members of the World Business  
19 Academy met with your staff, Jennifer Lucchesi and  
20 Mr. Oggins, and presented information from a study by  
21 Joseph Mangano, a researcher epidemiologist with 32  
22 peer-reviewed papers. It showed that in the period from  
23 before Diablo Canyon opened to the decades after San Luis  
24 Obispo County went from a low cancer county to a high  
25 cancer county.

1           Other studies: When Rancho Seco closed, showed  
2 that in the decades that followed -- and these are sort of  
3 baseline studies that have not been done by official  
4 agencies but by scientists -- that cancer rates plummeted.  
5 In fact, 4,319 less cancers occurred because of the  
6 closing of Rancho Seco.

7           When President Kennedy banned the bomb testing,  
8 he said, "The loss of even one human life or malformation  
9 of one baby who may be born long after we are gone should  
10 be a concern for all of us."

11           You need to do an EIS, to bring these studies out  
12 to the public, and to protect the children and families of  
13 Diablo Canyon area.

14           Thank you.

15           (Applause.)

16           STAFF COUNSEL SCHEIBER: Rinaldo Brutoco,  
17 followed by Brad Snook.

18           MR. BRUTOCO: Hello. I'm Rinaldo Brutoco, and  
19 I'm the founding president of the World Business Academy,  
20 which has operated since 1986 as a nonprofit organization,  
21 that tries to bring responsibility to business so that it  
22 can act in a way that's responsible to society while still  
23 making a profit.

24           I want you to be aware that not only -- the study  
25 that Professor Brown just referred to, which was the

1 Mangano study, has now been followed up. A study is just  
2 being completed now by Chris Busby in the UK, the leading  
3 radioactive researcher in the world. And what that says  
4 is about two dozen children will die, will die. They  
5 won't be the children of PG&E presidents. They don't live  
6 here. Those two dozen kids are going to be right here in  
7 San Luis Obispo County. And if our data's wrong, here's  
8 what you need to do. You need to have an EIR to find out  
9 if it's wrong. You need -- if you don't believe the  
10 seismic data, you need to have an EIR to find if the  
11 seismic data's wrong.

12           You know, if you don't believe the data on fish  
13 kill and larva, you got to do an EIR and find out about  
14 that.

15           Now, to Lieutenant Governor Newsom's point. We  
16 would love to have an opportunity to engage in the  
17 dialogue that you suggested that took place after two and  
18 a half hours of promotion of this plan. We've been given  
19 two minutes to do it. That's impossible. That's not a  
20 dialogue. That's having it jammed down our throat.

21           (Applause.)

22           MR. BRUTOCO: I would like to end with this  
23 thought. Right now, today, PG&E is on trial. They're on  
24 trial in Northern California. They have 12 federal  
25 criminal assault charges as well as civil contempt

1 charges. For what? For the inappropriate pursuit of  
2 profit at the risk -- at the callus disregard of public  
3 health and safety. That's what they're on trial for in  
4 San Bruno and that's what they're trying to accomplish  
5 here.

6           So if you want to know how to connect the dots  
7 between what the British did with their exit strategy,  
8 with what the Bernie Sanders' campaign is about, what the  
9 Donald Trump campaign is about, it's about us saying, as  
10 the people, we want our elected leadership to do their job  
11 and hold large companies accountable so that they can act  
12 legitimately, earn a fair profit, but be constantly aware  
13 of the public health and safety. And I hope you will find  
14 yourself on the right side of history with John F.  
15 Kennedy, who understood those issues and did ban  
16 above-ground testing for the same exact reason: He wanted  
17 to avoid Strontium 90, which comes out of that plant  
18 routinely.

19           (Applause.)

20           STAFF COUNSEL SCHEIBER: Brad Snook, followed by  
21 Linda Seeley.

22           MR. SNOOK: Good afternoon. My name's Brad  
23 Snook, and I'm co-chair of our county's chapter of the  
24 Surfrider Foundation. Commissioners will find the letter  
25 that Surfrider Global and our chapter worked together to

1 coordinate and to communicate to the Commission.

2           In that letter, you'll find that we agree with  
3 the low standard set on once-through cooling. That isn't  
4 a State Water Board standard, but it will -- but the  
5 schedule will coordinate with the NRC's potential closing  
6 of the plant by the time the permit expires.

7           Surfrider is willing to go along with  
8 once-through cooling for that because those decisions are  
9 outside the purview of the State Lands Commission.

10           However, within the purview of the State Lands  
11 commission there some decisions to be made today; and,  
12 that is, what are the environmental reviews that are  
13 consistent with the Public Trust analysis that you can ask  
14 PG&E to do.

15           When PG&E announced this agreement, they put a  
16 lot of organizations that have some critical review to  
17 bring to this Board, this Commission that would be  
18 valuable for you. But they did it and just gave staff  
19 just a few days to react. The scheduling is impossible to  
20 react to.

21           The Public Trust analysis the Commissioners need  
22 to review, thoroughly review, and ask PG&E what they need  
23 now before you decide to extend the permit. Ask for it  
24 now. Here's the review that we expect. Here's the review  
25 that's consistent with the Public Trust analysis for

1 the -- go to the people on the public lands in California.

2 Thank you.

3 (Applause.)

4 STAFF COUNSEL SCHEIBER: Linda Seeley, followed  
5 by Dr. Mike Weissman.

6 MS. SEELEY: Good afternoon. My name is Linda  
7 Seeley. I'm a spokesperson for the San Luis Obispo  
8 Mothers for Peace.

9 I would like to urge you, the Commission, to vote  
10 yes today, to vote yes on requiring an EIR. If you can't  
11 vote yes on requiring an EIR, then I would like you to  
12 please postpone your decision at least 30 days on that.

13 We have not been given sufficient time to reply to  
14 your staff report, which is seriously deficient in quite a  
15 few ways.

16 Number 1, there's no mention whatsoever in the  
17 staff report about the environmental effects of a  
18 desalination plant at Diablo Canyon. It's not even there.

19 Number 2, there is an incomplete and biased  
20 seismic analysis that changed tremendously. If you look  
21 at the report that -- the staff report that was released  
22 this past Friday and compare it to the one that was  
23 released in February, they changed their conclusions  
24 remarkably.

25 The other thing I wanted to mention to you is --

1 well, oh, another thing is that this joint agreement, you  
2 know, is very clear that PG&E can pull out of it any time  
3 they feel like it. So if you decide that you're not going  
4 to require an EIR, and then PG&E decides that they're  
5 going to pull out of the agreement for some reason or  
6 another, there we are left with -- without an EIR. That's  
7 not fair. That's not fair to the people here.

8           The other basic thing that's a bogus argument is  
9 that they need nine years to shut down the plant. Within  
10 the past five years, 12 reactors have shut down or  
11 announced their shutdown in the United States. Vermont  
12 Yankee; Oyster Creek; Kewaunee; Exelon, Quad Cities,  
13 Illinois; Exelon, Dresden in Illinois; the Crystal River,  
14 Florida, plant. They've all shut down and they've all  
15 required between two and half to like eight years - or not  
16 eight - six years to shut down.

17           So they don't need nine years.

18           Thank you.

19           STAFF COUNSEL SCHEIBER: Dr. Mike Weissman,  
20 followed by Henriette Groot.

21           DR. WEISSMAN: Hello. I'm Mike Weissman, a  
22 scientist, engineer, entrepreneur, and member of the World  
23 Business Academy.

24           A group of us came up from Santa Barbara today to  
25 urge you to close Diablo Canyon as soon as possible and

1 not to wait nine years.

2 Now that PG&E has agreed the plant is not needed,  
3 why should we wait nine years before it closes? We all  
4 know that in the event of any earthquake in the vicinity,  
5 something might happen in that plant that will set off the  
6 series of events that could impact all of Southern  
7 California including L.A.

8 You guys hold in your hands the Public Trust.  
9 You must base your decision on the best way to protect the  
10 public. I urge you to make sure that no preventable  
11 disasters or preventable loss of life happens on your  
12 watch.

13 Thank you.

14 (Applause.)

15 STAFF COUNSEL SCHEIBER: Henriette Groot,  
16 followed by Marty Brown.

17 DR. GROOT: My name is Henriette Groot. I live  
18 in Los Osos, California. I'm an active member of the  
19 Mothers for Peace, but I'm not speaking for them today.

20 I have studied once-through cooling over a few --  
21 quite a few years now, and the upshot is basically that  
22 the 2.5 or 2.4 billion of gallons a day used for cooling  
23 are not just water. This water is full of fish larvae and  
24 other minuscule marine life which is being killed in the  
25 process.

1           Now, if you run that 365 days in the year, you  
2 come to 876 billion gallons a year. And if you keep doing  
3 that for eight more years, you're talking about 7 trillion  
4 gallons. That's an enormous impact, and it doesn't even  
5 take into account the other impacts on the ocean and  
6 marine life due to global warming and acidification.

7           There has been much mention of money, losing  
8 money when we shut down Diablo. Have you thought about  
9 the tremendous cost of that loss of the marine life?  
10 Every little fish larvae that is killed won't be a fish  
11 that procreates, and we'll not -- no longer have a series  
12 of procreations, which means that our fishing industry,  
13 which is important in this State, is -- will be going out  
14 of money.

15           Why isn't EIR needed? The -- the plant -- the  
16 buildings are an existing facility, but as you heard  
17 today, there's a totally different atmosphere now. It is  
18 not the same plan and it should not be accepted.

19           One more word about nuclear waste. This -- the  
20 nuclear waste will be accumulating at the plant, will stay  
21 there. As we know, there is no permanent federal  
22 facility. And if we going to do that, the citizens of San  
23 Luis Obispo County should have an opportunity to --  
24 whether they approve of that system.

25           (Applause.)

1 STAFF COUNSEL SCHEIBER: Marty Brown.

2 Marty Brown, followed by Kathleen Oliver.

3 MS. BROWN: Good morning. My name is Marty  
4 Brown. I'm a member of San Luis Obispo Mothers for Peace.

5 While PG&E has announced their decision to close  
6 down the reactors in 2025, that means eight more years of  
7 once-through cooling and the damage it does to sea life  
8 and ocean temperatures. Considering once-through cooling  
9 withdraws 2.5 billion gallons of ocean water per day, for  
10 over 30 years, and the estimated killing of billions of  
11 fish in the early life stages, plus 700 pounds of adult  
12 fish, and then the return discharge of heated water back  
13 into the ocean, that alone would seem to warrant a CEQA  
14 study. It is almost 40 years overdue.

15 We call upon you to initiate the process of CEQA,  
16 to study all of the effects on the environment, with the  
17 continuation of leasing the tidelands at Diablo Canyon  
18 nuclear facility.

19 Studies should be done on the long-term storage  
20 of high level radioactive waste. Eight more years of  
21 adding this dangerous lethal waste to our home here is too  
22 much. Eight more years of anticipating the big one to  
23 move all those active faults lying under the plant, it's  
24 too much.

25 We have to begin reparation for the return of the

1 land mass that the plant now leases to its native original  
2 state as soon as possible. Our Central Coast has been  
3 nominated designating a national marine sanctuary.  
4 Thousands of county residents and some of our elected  
5 representatives are working tirelessly to achieve this  
6 goal.

7 Part of the land now leased would be a perfect  
8 location for the Chumash Heritage National Marine  
9 Sanctuary headquarters with observation and education  
10 points for the many visitors it would attract from all  
11 over the world. Most of the land could be left as habitat  
12 for native wildlife and plants.

13 The purpose of CEQA is to prevent or minimize  
14 damage to the environment through the development of  
15 project alternatives, mitigation measures, and monitoring.

16 What a great way to mitigate a sea life death  
17 chamber by turning it into a sea life sanctuary. Let's  
18 begin.

19 Thank you.

20 (Applause.)

21 STAFF COUNSEL SCHEIBER: Kathleen Oliver,  
22 followed by Carl Wurtz.

23 Is Kathleen here?

24 Carl Wurtz, followed by Mary Webb.

25 She was here?

1 Carl's here.

2 All right. Carl Wurtz.

3 MR. WURTZ: Thank you. My name's Carl Wurtz.  
4 I'm a government liaison with Californians for Green  
5 Nuclear power.

6 The president of PG&E talks much about imaging a  
7 carbon-free future, which has no guarantee of being  
8 realized. I'm here to offer a little perspective from  
9 Southern California. I came up yesterday from Burbank. I  
10 happen to live 12 miles downwind of the worst nuclear  
11 accident in U.S. history, the Santa Susana field  
12 laboratory, an accident of 1958 which released 400 times  
13 as much radiation as Three mile island. Yet no one in my  
14 neighborhood has ever heard of it. It happened to be  
15 before media sensationalism had conditioned the public to  
16 be hysterically afraid of nuclear energy.

17 There's much hysterical fear on display here  
18 today in relation to appropriate fear of climate change.

19 In 2013 when Southern California Edison made the  
20 decision to shut San Onofre Nuclear Generating Station  
21 permanently, we heard all kinds of wonderful promises from  
22 Friends of the Earth, Sierra Club, and others: "We're  
23 going to replace San Onofre with solar panels, with wind  
24 turbines, with efficiency, with batteries. Not sure how  
25 we're going to charge them." 10 percent capability, 18

1 percent incongruity, 11 percent pixie dust.

2 (Laughter.)

3 MR. WURTZ: What we got instead was this: 1.8  
4 billion watts of San Onofre's 2.1 billion watts of clean  
5 electricity replaced by burning fossil fuel provided by  
6 Sempra Energy - 86 percent. And added 8 million tons of  
7 carbon emissions, equivalent to 1.6 million additional  
8 cars on the road. And it didn't come cheap. San Diego  
9 Gas and Electric now has, by independent analysis, the  
10 highest residential electricity rates in the continental  
11 U.S., at 28 cents per kilowatt-hour.

12 Now, in Special Lease Provision 3 of the  
13 agreement an ultimatum is delivered on behalf of the State  
14 Lands Commission. Should PG&E change its mind and move to  
15 renew Diablo's operating license, the plant will be shut  
16 down anyway.

17 Preemptively shutting down a power plant  
18 independent of any issues of Public Trust, land use, or  
19 water use constitutes a vast overreach of the Commission's  
20 authority. Diablo will be shut down whether or not it's  
21 in the best interests of the public, whether or not it's  
22 best for the environment, whether or not anything has  
23 changed since Diablo's OTC system was installed 49 years  
24 ago.

25 For this reason we recommend denying approval of

1 the lease, and we support continued operation of Diablo  
2 Canyon and we support the climate.

3 Thank you.

4 (Applause.)

5 STAFF COUNSEL SCHEIBER: Mary Webb, followed by  
6 Eric Greening.

7 MS. WEBB: My name is Mary Webb. I'm a resident  
8 of Cambria, California. And I'm very concerned about what  
9 I've heard today. The staff report was basically  
10 rewritten to take out a lot of the claims that PG&E was  
11 making about seismic safety.

12 We need to get these studies in the record.  
13 That's what an EIR does. We're being asked to give up the  
14 full CEQA hearing we would have had on these permits for  
15 intakes and outfalls in 2018 and 2019, and not be able to  
16 see the new documents until 2020. We're being asked to  
17 trust this new joint agreement will actually even occur  
18 and be approved by the CPUC. It's not set in stone yet.  
19 We do not have a document referring to decommissioning  
20 activities or a decommissioning project to review or even  
21 comment on at this time.

22 We're supposed to trust that PG&E will have  
23 withdrawn its application for relicensing by August 2018,  
24 and that we'll get an EIR by 2020. We're being asked to  
25 trust that PG&E will not submit a new application with the

1 Nuclear Regulatory Commission to renew one or more of its  
2 operating licenses in the future.

3 We're asked to trust that PG&E won't receive an  
4 extension in 2025 for many more years of operation or that  
5 it wouldn't be approved under similar conditions without  
6 an EIR.

7 My experience with this is not to trust. I'm  
8 sorry, I don't trust PG&E. I don't trust the agencies  
9 anymore to even do their jobs, but I'm hoping that maybe  
10 you can change my mind.

11 In Cambria we never got multiple agency review on  
12 a project that should have required it from Fish &  
13 Wildlife, from State Parks, from the California Coastal  
14 Commission even, because the agency declared an emergency.

15 What is it that is going to stop PG&E from  
16 declaring an emergency to use the intakes and outfalls in  
17 the future for desalination that will basically grow the  
18 entire central coast population without any mitigation,  
19 without an EIR, without anyone considering what the  
20 effects of that is? What is going to show us -- what  
21 assurances do we have that PG&E is going to do any of the  
22 things that they say they're going to do?

23 We need to get the studies. We need an EIR. We  
24 need to get the facts on the table so that people aren't  
25 up here making claims that are completely not true; and be

1 able to review these things in a way that is better than  
2 this two-minute comment we have right now.

3 Thank you.

4 (Applause.)

5 STAFF COUNSEL SCHEIBER: Eric Greening, followed  
6 by Orman Gaspar.

7 MR. GREENING: I'm Eric Greening of Atascadero.  
8 We're told that having nine years of predictable Diablo  
9 operation without disruption is so desirable that we need  
10 to assert our right to ignorance for those nine years to  
11 exempt ourselves from relevant and possibly life-saving  
12 information.

13 The problem is, who was not present at the  
14 negotiations? The earthquake faults that threaten our  
15 safety. Not one of the relevant faults has signed any  
16 agreement to give the community nine years free of  
17 disruption. When I say relevant faults, I include those  
18 in the immediate vicinity and those that can send a  
19 tsunami from a distance.

20 There is unwarranted complacency about tsunamis  
21 based on elevation of the plant. But huge havoc at the  
22 plant could be caused by a tsunami that disarranges the  
23 intake and outfall the facilities that are your  
24 responsibility today. This vulnerability constitutes one  
25 of many unusual circumstances you're hearing about that

1 should mandate an EIR.

2           Strengthening the case for this is our emerging  
3 understanding of the potential of the Ferrelo fault to the  
4 south for much larger quakes than had been understood or  
5 assumed until just a year or so ago.

6           Previous modeling had assumed the greatest threat  
7 of tsunamis was from the triple junction area to the  
8 north; and that remains a huge threat. But a tsunami from  
9 the south would not only be a more direct hit to the  
10 intake and outfall site, but could wipe out the road  
11 egress from the plant and the adjacent community.

12           CEQA decisions should not be moved by the game  
13 changerness of agreements. This is not a game. CEQA's  
14 purpose is to base decision on physical reality, and there  
15 is a lot of it to investigate. Please make sure this is  
16 done.

17           Thank you.

18           (Applause.)

19           STAFF COUNSEL SCHEIBER: Orman Gaspar, followed  
20 by Rory Moore.

21           CHAIRPERSON YEE: Sharon, before the next speaker  
22 speaks, could you just get a show of hands of how many  
23 speakers are left in opposition.

24           STAFF COUNSEL SCHEIBER: We have over 20 hands  
25 raised still.

1 CHAIRPERSON YEE: Okay. All right. Then I'm  
2 going to ask each speaker, just please be mindful of the  
3 time light in front of your -- on the podium.

4 MR. GASPAR: Should I start?

5 CHAIRPERSON YEE: Please. Good afternoon.

6 MR. GASPAR: Good afternoon.

7 I would just like to ask that you approve the  
8 EIR. I think that knowledge is power; and if we do a  
9 study, everything will come to light. I think that the  
10 costs of a nuclear meltdown would be amazing. You know,  
11 we talk about the costs to the community. I think PG&E  
12 should be willing to open up the books and should put all  
13 the cards on the table.

14 So I ask you to please vote for EIR. Knowledge  
15 is power.

16 Thank you.

17 (Applause.)

18 CHAIRPERSON YEE: Rory Moore, followed by Joan  
19 Carter.

20 MR. MOORE: Members of the Commission, thank you  
21 for this opportunity.

22 You have an opportunity that is unique in  
23 California history. You have an opportunity to advance  
24 the inevitable shutdown of Diablo Canyon Nuclear Power  
25 Plant. It is a recognized danger. PG&E wants to close it

1 for their own financial interests. Others want to close  
2 it for other interests.

3           The question now is, when will it happen? Will  
4 it wait nine years or can it be advanced?

5           What we've heard today is about the dangers from  
6 fault lines under the plant and near the plant. We've  
7 heard about the dangers of Strontium 90 and the plume that  
8 drifts southward or wherever the prevailing wind may take  
9 it, about the possible deaths of children yet to be born.

10           You have an opportunity. Please take it. The  
11 facilities may be 40 years old, but we have been very  
12 lucky that none of the seismic perils have come to pass  
13 yet.

14           But we need to take into account new information.

15           When you consider the Public Trust, the Public  
16 Trust Doctrine, and the State values that the staff has  
17 spoken about, they haven't done their job. The Public  
18 Trust needs to consider everything. It is -- the staff is  
19 making a cost benefit analysis with human life. That's  
20 wrong. Don't do it.

21           I ask you one further question: Would the  
22 staff's recommendation be the same if this plant were  
23 located ten miles upwind of Sacramento?

24           That's fine.

25           (Applause.)

1           STAFF COUNSEL SCHEIBER: Joan Carter, followed by  
2 Coralie McMillan.

3           MS. CARTER: My name is Joan Carter, and I am  
4 just also requesting an EIR in a CEQA review, and for you  
5 to deny the PG&E request to use the tidelands until '25.

6           I remember when DDT -- the production of DDT was  
7 outlawed. And I remember that the major big outcry was,  
8 "Well, we'll lose too many jobs."

9           You're also aware that Diablo is blocking the  
10 development of wind and solar power by continuing to  
11 operate.

12           And is there a plan for what to do with the  
13 additional waste of another nine years? It's time to say  
14 goodbye to the 20th century and nuclear power.

15           (Applause.)

16           STAFF COUNSEL SCHEIBER: Coralie McMillan,  
17 followed by Michele Flom.

18           MS. McMILLAN: My name is Coralie McMillan, and  
19 my grandkids are sixth generation living in this county on  
20 the land. And we support an EIR.

21           Our county gets almost \$25 million a year in  
22 property tax from PG&E. I'm here because I found it very  
23 disturbing when I listened to KSBY, our local news, that  
24 PG&E was giving the illusion that they were heroes because  
25 they were going to pay \$40 million, less than two years of

1 property tax, when the plant closes.

2 No way. Until the radioactive material is  
3 removed from the site, they are responsible for full  
4 property taxes. Don't be fooled by their propaganda.  
5 They are not our heroes. They are conquistadors.

6 (Applause.)

7 STAFF ATTORNEY SCHEIBER: Michele Flom -- is  
8 Michele Flom here -- followed by William Gloege.

9 MS. FLOM: Greetings. I'm Michele Flom. And as  
10 a resident of planet earth and of San Luis Obispo County,  
11 I extend my gratitude to all the members of the State  
12 Lands Commission for your efforts in negotiating the deal  
13 with PG&E to rescind the relicense application for the two  
14 reactors at the Diablo Canyon nuclear power plant.

15 However, I strongly urge you to require a  
16 thorough environmental impact review before extending  
17 state leases beyond 2018 for the land where the Diablo  
18 Canyon plant sits.

19 There are so many environmental problems with  
20 this aging nuclear power plant. To name a few, the  
21 on-site stockpiling of radioactive waste, and the serious  
22 problems associated with trying to store that radioactive  
23 waste, including leaks, and cracks in the dry casks.

24 There are the once-through cooling issues that  
25 affect our local marine life and fishing economy. There

1 remains the real possibility of a terrorist attack, and  
2 there are the charted and yet uncharted seismic  
3 vulnerabilities.

4           In my mind, the most obvious argument for  
5 requiring an EIR for the Diablo plant is the now disabled  
6 Fukushima Daiichi nuclear power plant in Japan. What  
7 happened at that plant on March 17th, 2011 is both an  
8 environmental and humanitarian tragedy that continues to  
9 play out.

10           Even if Diablo Canyon would not be vulnerable to  
11 the kind of Tsunami that caused the melt down of the  
12 Fukushima plant reactors, we do know that the Diablo  
13 Canyon reactors sit on top of a hornets nest of seismic  
14 uncertainty.

15           There is no one in Sacramento, or in this room in  
16 Morro Bay, no scientists, no activists, no one sitting on  
17 any regulatory panels who can predict with any certainty  
18 what might happen at Diablo Canyon were there to be a  
19 major earthquake in its vicinity in the next nine years.

20           Thank you.

21           (Applause.)

22           STAFF ATTORNEY SCHEIBER: Still in opposition  
23 we'll have William Gloege and Elizabeth Browsse.

24           MR. GLOEGE: Hi. My name is William Gloege. I'm  
25 president of Californians for Green Nuclear Power. I

1 formed this group about coming up on four years ago, when  
2 I started looking into all the charges of fear that are  
3 spread around here by certain organizations.

4           And one after the other, they were obviously  
5 invented fears. And a lot of people here are full of  
6 those, and they're still having those fears pumped into  
7 that. I heard the name today of Joseph J. Mangano. And I  
8 thought Joseph J. Mangano had left us for good after he  
9 came in here and did a fake study of Diablo Canyon, which  
10 he was paid to do. He said there were cancer  
11 clusters from the plant, went into a whole lot of, you  
12 know, detail about how bad it was.

13           Joseph J. -- and then -- well, the county health  
14 department pounced on him first, and says this guy is  
15 using amateur statistics to distort what's going on, and  
16 the cancer in the county was normal. Popular Mechanics  
17 magazine called him a purveyor of junk science.

18           Now, my friends here, my residents, these people  
19 that speak, they're friends of mine. I like them very  
20 much, but be aware, you're being pumped full of fake  
21 fears. And there's money behind that, and we haven't  
22 outed it all completely --

23           (Applause.)

24           MR. GLOEGE: -- but one time the curtain was  
25 pulled back by Time Magazine, when they discovered the

1 Sierra Club, the wonderful Sierra Club, taking \$26 million  
2 secretly - that's not my word. That's Time Magazine --  
3 from Chesapeake Energy, \$26 million. Sierra Club spends a  
4 lot of time protesting against nuclear power.

5 So you know, be careful folks. People like the  
6 Business Academy and others, they've got a motive. We  
7 don't what it is completely, but Sierra Club has given us  
8 a hint.

9 One last thing, let me tell you a really short  
10 story. Diablo Canyon --

11 (Audience calling time.)

12 MR. GLOEGE: Diablo Canyon was asked to keep the  
13 power running when they had -- they were scheduled for a  
14 fuel change. They ISO in Sacramento -- in Folsom said,  
15 can you hold off. We've got a heat wave coming, and all  
16 we've got to run it is wind and solar. And they said,  
17 Diablo Canyon said no problem.

18 (Audience calling time.)

19 MR. GLOEGE: I'll keep going -- we'll keep going.  
20 Tell us when you're ready. That's what the future is  
21 going to look like in California.

22 (Applause.)

23 STAFF ATTORNEY SCHEIBER: Elizabeth Browsse  
24 followed by Michael Jencks.

25 MS. BROWSSE: Good afternoon, Commissioners,

1 audience -- patient audience. My name is Elizabeth  
2 Brosse, and I'm with Mothers for Peace. I have been  
3 wondering about this agreement that was made, where it  
4 came from. A year and a half ago I attended the State  
5 Water Board meeting, November, along with members of  
6 Friends of the Peace -- or Friends of the Earth. And we  
7 saw that PG&E was being faced with a problem of having to  
8 bring in new cooling towers, but the price that Bechtel  
9 was giving them was anywhere toward \$4 billion. Where is  
10 that money going to come from?

11 Then the next thing I read, and this was in the  
12 Chronicle, that apparently PG&E had gone to Chair Gavin  
13 Newsom to see what he could do for them. Newsom said at  
14 the time that he had a prediction about California's last  
15 nuclear power plant that it wouldn't stay open for another  
16 10 years.

17 As it turned out, when Newsom was asked to do  
18 what we could, he said that they would be subject to the  
19 request for full environmental impact review, a process  
20 that he would endorse.

21 What I'm now realizing is that Friends of the  
22 Earth is now part of this agreement. And part of this  
23 article from the Chronicle quotes Damon Moglen who says  
24 there shouldn't be a new lease issued under these  
25 circumstances. And if the State is even given to think

1 about it, certainly an Environmental Assessment should be  
2 required.

3           So what I think has happened is that PG&E very  
4 smartly decided that we can kill two birds with one stone,  
5 where we can get the Water Board and the State Lands  
6 Commission on our side. We will tell them we will close  
7 in 2025, and everybody will be very happy.

8           Thank you.

9           (Applause.)

10           STAFF ATTORNEY SCHEIBER: Michael Jencks,  
11 followed by Daniel See.

12           MR. JENCKS: Good afternoon. My name is Michael  
13 Jencks. I'm here on behalf of Biodiversity First. And  
14 that may give you a hint of my first complaint. My  
15 clients, my parties I represent don't have anymore time.  
16 They're being killed -- the carnage at a just egregious  
17 rate. And this body -- your body, excuse me, has had a  
18 wonderful finding -- findings from 2006.

19           Diablo's once-through cooling quote,  
20 "Significantly harms the environment by killing large  
21 numbers of fish and other wildlife, larvae, and eggs,  
22 and..." -- this is still in the quote -- "...significantly  
23 adversely affects marine bay and estuarine environments by  
24 raising the temperature of the receiving waters, and by  
25 killing and displacing wildlife and plant life".

1           Those are Public Trust assets. Those are part of  
2 what you sit to protect, and they have not been well  
3 represented here today. And so we have the Commission's  
4 wonderful acknowledgement and recognition of that. The  
5 new lease, if approved, effectively extends the period of  
6 reactor operation to effectively lengthen it by 21  
7 percent.

8           Most of these indicia of environmental harm are  
9 linear. They flow directly from the continued operation  
10 of those reactors. So on nuclear waste, we can expect a  
11 21 percent increase over anything contemplated when those  
12 first leases were reached. On marine life, a 21 increase  
13 in -- 21 percent increase in damage and death to marine  
14 organisms.

15           It is not a argument not to do an EIR, or not to  
16 apply the Public Trust, that an EIR could take too long.  
17 That -- and here, several of the parties in their comments  
18 have addressed this very -- especially the Mothers for  
19 Peace, second to last page, they've looked at a timeline.  
20 If you compare it to this commission's own guidelines of  
21 EIR preparation, that could easily be done quickly.

22           And finally, the last thing is I'd like to -- two  
23 things. One, as you gather the proposal, the joint  
24 proposal does not rule-out an EIR. It is not in  
25 opposition. You heard Mr. Geesman earlier, and his

1 word -- he was very kind, but this is his comment. It  
2 would be grotesque -- a grotesque abuse of your discretion  
3 to fail to initiate a full EIR process.

4 Finally, we did by --

5 (Audience calling time.)

6 CHAIRPERSON YEE: Mr. Jencks, your time has  
7 expired.

8 MR. JENCKS: My client did file a four-page brief  
9 attacking the process here. We do believe the process is  
10 flawed. I just didn't want to let it go by. You may not  
11 have had time to see all of the things that were  
12 submitted. Thank you for your time today.

13 STAFF ATTORNEY SCHEIBER: Daniel See, followed  
14 by Rebecca Townsend.

15 MR. SEE: Commissioners, hi, my name is Daniel  
16 See. I'm a registered professional engineer in the State  
17 of California, civil engineer. I hold a Bachelor's and  
18 Master's degree from Cal Poly. And I've been living in  
19 San Luis Obispo for about 14 years now. I teach at my  
20 alma mater for about 10 -- I've been teaching there about  
21 10 years, and have been working as a contractor a Diablo  
22 for five years.

23 Working in nuclear, I understand the great  
24 importance a reliable energy supply makes in our everyday  
25 lives. We all reach over, flip the switch, the light goes

1 on. And it's something that's definitely easy to take for  
2 granted, but it also does much more than this. It powers  
3 our modern, civilized way of life. It powers our homes,  
4 our work places, our cities, our steel mills, our concrete  
5 plants, or traffic lights. It powers schools and  
6 hospitals. It keeps our food fresh, both at home and in  
7 the grocery store.

8           These, these are the luxuries of living in a  
9 first-world society. Many other countries in the world  
10 can only have it so good to waste such a precious, viable  
11 resource as Diablo Canyon. As an engineer, the design and  
12 construction of a nuclear power plant is well above and  
13 beyond the construction of any other type of  
14 infrastructure.

15           Large earthquakes can be scary and devastating,  
16 but we all trust the design and construction of our  
17 bridges, our high-rises, our dams. We put our trust in  
18 automotive engineers every time we get in our car. We  
19 trust our fellow motorists to pay attention and not run us  
20 off the road. The risks we face every day, all far  
21 outweigh the risk imposed by a nuclear power plant.

22           No other system has such a well studied, well  
23 known risk, certainly not our homes, our high-rises, our  
24 bridges or our dams. Yet, we all trust, as members of the  
25 public, their design and construction and use them daily,

1 without any thought to the consequences of their failure.

2           Renewables are certainly part of the future, and  
3 absolutely have a role in our electric system, but the  
4 replacement of a nuclear power plant is a major step  
5 backwards in fighting climate change. It's trading like  
6 for like, when we should be replacing our real enemy,  
7 carbon-emitting natural gas. Until renewables have been  
8 replaced carbon -- these carbon sources and renewables  
9 with adequate storage have been built to the generating  
10 capacity of a nuclear plant, we will always be proposing a  
11 break-even solution.

12           (Audience calling time.)

13           MR. SEE: The economics presented are grossly  
14 misrepresented. The largest operating solar plant  
15 produced 1.3 terawatt hours of electricity, while running  
16 only 23 percent of the time, and costs \$2.5 billion.

17           (Audience calling time.)

18           MR. SEE: It would take 14 of them to equal the  
19 yearly output of Diablo --

20           PUBLIC LAND MANAGEMENT SPECIALIST BOGGIANO:

21           Excuse me, sir. We need to have you respect  
22 people's time.

23           (Audience calling time.)

24           MR. SEE: -- at a price tag of \$35 billion.

25           I implore you to avoid an environmental tragedy,

1 and premature closing of Diablo.

2 (Audience calling time.)

3 MR. SEE: As long as the plant has a stellar  
4 safety record with the NRC, it should be allowed to  
5 continue running. We simply cannot afford to waste our  
6 largest --

7 (Audience calling time.)

8 PUBLIC LAND MANAGEMENT SPECIALIST BOGGIANO:

9 Thank you, sir. We -- sir --

10 MR. SEE: -- most reliable source of carbon-free  
11 energy.

12 CHAIRPERSON YEE: Please, conclude. Your time  
13 has expired.

14 (Applause.)

15 CHAIRPERSON YEE: Before we move on, I need to --

16 STAFF ATTORNEY SCHEIBER: Rebecca Townsend --

17 Sharron. Sharron. Let me hold on up next  
18 speakers.

19 STAFF ATTORNEY SCHEIBER: -- followed by Crystal  
20 Waldorf.

21 CHAIRPERSON YEE: Sharron, we are going to need  
22 to take a recess to give our audio/visual team a little  
23 bit of a break here. So why don't we recess for 30  
24 minutes. We'll resume the testimony after. 2:45

25 (Off record: 2:09 p.m.)

(Thereupon a lunch break was taken.)

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1                   A F T E R N O O N   S E S S I O N

2                   (Off record: 2:53 p.m.)

3                   CHAIRPERSON YEE: Okay. We will resume the  
4 meeting of the State Lands Commission. What I'd like to  
5 do is to let's patch back in to Morro Bay. And what I'd  
6 like to do is to allow an additional 10 minutes for  
7 testimony in opposition just to see whether we can get all  
8 of the members of the public who signed up there to come  
9 forward. And then I'd like to turn to the staff to  
10 address some of the issues that have been raised.

11                   EXECUTIVE OFFICER LUCCHESI: Sharron, are you  
12 ready to call up some speakers at the Morro Bay location?

13                   STAFF ATTORNEY SCHEIBER: Yes, we are ready.  
14 Is Rebecca Townsend here? Rebecca Townsend  
15 followed by Crystal Waldorf.

16                   MS. TOWNSEND: Rebecca Townsend, San Luis Obispo.  
17 I'd like to thank you for the excellent job you're doing  
18 of listening -- all of this listening today.

19                   At a June 23rd, 2016 article in the LA Times  
20 reminds us again about the imminent dangers of the over  
21 due major earthquake building from unreleased pressures  
22 between the two tectonic plates running along the Southern  
23 California coast.

24                   Second, not long ago, although one of NRC's own  
25 senior inspectors reported that Diablo Canyon is out of

1 compliance for earthquake resilience, and called for the  
2 plant's shutdown, the NRC failed to take action. The  
3 inspector was transferred out of State.

4           Third, just a year ago, in testimony before  
5 Senator Barbara Boxer's committee on environment and  
6 public works, Daniel Hirsch, nuclear policy analyst at UC  
7 Santa Cruz, and Dr. Sam Blakeslee, a geophysicist and  
8 former California Assemblyman and Senator, revealed PG&E's  
9 history of incompetence, fact fudging, and safety  
10 violations, the NRC's history of lax regulation, and new  
11 seismic risk discoveries, they called for a full  
12 adjudicatory relicensing hearing for the Diablo Canyon  
13 nuclear power plant. And I would add, I hope we won't  
14 push our luck. As a man said earlier today, knowledge is  
15 power.

16           Thank you.

17           STAFF ATTORNEY SCHEIBER: Crystal Waldorf  
18 followed by Laura Waldorf.

19           (Applause.)

20           Is Crystal Waldorf here?

21           Is Laura Waldorf here?

22           Lynne Harkins. Lynne Harkin followed by Debbie  
23 Belardino.

24           MS. HARKINS: Lynne Harkins, Cambria.

25           And I just wanted to address this Public Trust

1 issue that the Public Trust should be seen in the light of  
2 the precautionary principle, which says that if you can  
3 achieve a result without taking a risk or minimizing risk  
4 and achieve the same result, why would you take an excess  
5 risk with the Public Trust?

6           So we have an opportunity here to not -- I am not  
7 in favor of renewing leases without an EIR. It just seems  
8 like a ludicrous lapse in the Public Trust and the  
9 public's interest.

10           PG&E says an EIR is quote, "not required,  
11 necessary, desirable". Those are pretty disembodied kinds  
12 of characterizations of the EIR. The EIR, I think, could  
13 be said to be ethically required, or prudently required,  
14 or reasonably required. It could be said to be an  
15 ecological imperative. It could be said to be  
16 environmentally sound.

17           None of -- those are all reasonable ways of  
18 seeing the EIR. We need to have it in order to know what  
19 we're dealing with there, now and through the closure.  
20 This EIR would only add. It would be additive to the 2020  
21 EIR for the closing down. There's just no reason not to  
22 initiate an EIR, a Draft EIR, now related to these leases.

23           Check out the USGS website and see that we don't  
24 even have any ocean floor mapping further than three miles  
25 off of the Diablo plant. And there's all kinds of

1 geomorphological mischief that could happen there with  
2 regard to submarine landslide activity. We could have a  
3 Tsunami. It hasn't been evaluated. You know, it's an  
4 additional unknown besides the seismic risk.

5           So I just -- Chairman Yee, you -- or Chairwoman  
6 Yee, you know that. You're on the Ocean Protection  
7 Council, which is looking into seafloor mapping. So it  
8 should be a source of fascination, as well as information,  
9 as well as a security blanket for those of us who live in  
10 the area. And in the shadow of this potential danger  
11 disaster. Thank you.

12           (Applause.)

13           STAFF ATTORNEY SCHEIBER:     Debbie Belardino,  
14 followed by Jeff Pienack.

15           MS. BELARDINO:   Good afternoon, Madam Chair and  
16 Commissioners. Thank you for allowing me to speak. I  
17 would like to voice my support for a complete EIR on the  
18 Diablo Canyon power plant. Why? Because I live in nearby  
19 Santa Barbara County, which is an area known for its oil  
20 production, specifically Orcutt in Santa Maria.

21           With the defeat of Measure P a few years ago, the  
22 oil companies have been given a green light to pursue an  
23 increase in the construction of hundreds of new oil wells  
24 in Santa Maria and Orcutt area, with the possibility of  
25 using techniques such as steam infraction and fracking.

1           These methods of oil extraction have been linked  
2 to an increase in seismic activity. Therefore, I believe  
3 it is imperative that a full EIR report be done, which  
4 will include and address the current reality of the  
5 increase of oil production in this area, and the  
6 subsequent increase in seismic activity.

7           So thank you very much.

8           (Applause.)

9           STAFF ATTORNEY SCHEIBER: Jeff Pienack, followed  
10 by an Melinda Forbes.

11           MR. PIENACK: Thank you. Jeff Pienack, speaking  
12 on my own behalf today, but Surfrider -- a long time  
13 Surfrider chair, and still an active member.

14           I want to read from this book, "Protest Diablo:  
15 Living and Dying Under the shadow of Nuclear Power Plant",  
16 which was written by Judith Evered. It was published in  
17 2010.

18           And I want to take everybody back to 1981 with  
19 revelations at Water Board hearings at the central --  
20 California Central Coast Regional Water Board hearings in  
21 Avila Beach. Quote, "The Water Board required that PG&E  
22 provide research on the impact of the daily discharge of  
23 highly heated seawater, after it had been used to cool the  
24 nuclear actors". They also wanted a study on the  
25 potential impact of the proposed release of enormous -- I

1 repeat -- enormous quantities of toxins and radiation.

2           According to testimony by David Gluck, graduate  
3 student at UCSB's Marine Science Institute, PG&E records,  
4 their own records, showed the plant would discharge daily,  
5 daily 9,300 pounds of lead, 2,100 pounds of zinc, 8,500  
6 pounds of arsenic, 5,800 pounds of cyanide, and 150 pounds  
7 of mercury per day.

8           (Laughter.)

9           MR. PIENACK: Now look, I don't begrudge my  
10 friends and neighbors who work we plant, and I have many  
11 of them. And it's a job. Everybody has a job. But right  
12 here, what we're talking about is a CEQA report that will  
13 somehow bring to light some of the stuff we need to see.

14           One last piece. Yeah, so -- is that my end?

15           That was good enough.

16           (Laughter.)

17           (Applause.)

18           STAFF ATTORNEY SCHEIBER: Melinda Forbes,  
19 followed by Sybil Ashley.

20           MS. FORBES: Hello. My name is Melinda Forbes  
21 and I was born in San Luis Obispo and have lived here most  
22 of my life. It's a very precious place to me. And I've  
23 listened today to testimony, and it's really shown me how  
24 much has gone into the collaboration between PG&E and  
25 environmental organizations to try to create a nuclear

1 free future here in California, and I honor that.

2 But I still believe we need to have an  
3 environmental impact review, because if something is found  
4 in that review that shows that we need to shut --

5 (Thereupon the video froze.)

6 STAFF ATTORNEY SCHEIBER: Sybil Ashley, is she  
7 here?

8 All right. Klaus Schumann.

9 MR. SCHUMANN: Good afternoon. My name is Klaus  
10 Schumann. I've lived in San Luis Obispo County for 25  
11 years and served on the San Luis Obispo County Nuclear  
12 Waste Management Committee. I believe that an EIR is not  
13 only needed, but also long overdue.

14 Conditions at Diablo Canyon today are very  
15 different from the conditions of 40 years ago. Like all  
16 nuclear power plants, Diablo Canyon contains aging and  
17 deteriorating components. Since the 1990s PG&E uses high  
18 burn-up fuel resulting in higher radiation heat loads than  
19 the fuel originally used.

20 Forty years ago, nuclear waste was supposed to be  
21 stored on-site for no longer than five years. Today, the  
22 highly radioactive wastes have been, and will be stored,  
23 at Diablo for an indefinite period of time, possibly as  
24 long as 300 years.

25 The Waste stored on-site, which was supposed to

1 be no more than 540 units. Those are cold spent fuel  
2 assemblies. Today, we're looking at more than 4,300, by  
3 2025 and far beyond. In addition, a host of controversial  
4 issues need to be addressed by an EIR, once-through  
5 cooling, seismic problems, Tsunamis, terrorism, prolonged  
6 waste storage, and on it goes, all of which have the  
7 potential of severely affecting the environment.

8 Relying on PG&E conducted or sponsored studies  
9 alone is not enough. I respectfully urge you to require  
10 an EIR. And thank you for your attention.

11 (Applause.)

12 STAFF ATTORNEY SCHEIBER: Fred Frank.

13 Fred Frank followed by Lee Andrea Caulfield.

14 MR. FRANK: My name is Fred Frank, and I  
15 appreciate you allowing us to speak from this nice cool  
16 place.

17 I'm a former fire chief Cal Fire and county fire,  
18 and served on the Committee the Klaus Schumann on the  
19 County Waste Management Committee. So I learned a little  
20 bit about Diablo when I was chief and learned about waste  
21 when I retired.

22 I think you're making a decision here that may be  
23 more important than any decision you'll ever make,  
24 depending on what happens in the next nine years. Simply  
25 extending this lease with no oversight to speak of doesn't

1 seem to be an appropriate way of protecting the Public  
2 Trust.

3           So I think you should do the EIR, as Klaus  
4 Schumann suggested, and I agree that there is -- a lot of  
5 things have changed since 1969, terrorism, he mentioned  
6 the issue of waste accumulation, the seismic studies that  
7 have been conducted need to be scrutinized very carefully.  
8 And I think you should do the EIR. And if there's any  
9 loose ends that are discovered, you should follow those  
10 loose ends and determine very carefully as to safety of  
11 that plant. I appreciate your -- this opportunity to talk  
12 to you.

13           Thank you.

14           (Applause.)

15           STAFF ATTORNEY SCHEIBER: Lee Andrea Caulfield,  
16 followed by Mary Brangan.

17           MS. CAULFIELD: My name is Lee Andrea Caulfield.  
18 I live in Los Osos. It is a matter of Public Trust, as  
19 defined in your own document, that staff approve an EIR.  
20 There are documented and serious risks and impacts, which  
21 must be evaluated. I believe that an EIR is legally  
22 required, and that the public safety must take precedence  
23 over economic interests. So I ask you to approve an EIR.  
24 And if you don't, then to -- or extend the time that so --  
25 that there could be more public input.

1 Thank you.

2 (Applause.)

3 STAFF ATTORNEY SCHEIBER: Mary Beth followed by  
4 Bob Ornstein.

5 MS. BRANGAN: I'm Mary Beth Brangan of the  
6 Ecological Options Network, and part of the long-time  
7 movement in California, Nuclear Free California.

8 Clearly, there are many unusual circumstances to  
9 use the term that warrant a rigorous EIR. And it should  
10 be -- it could be completed concomitantly with steps taken  
11 to close Diablo Canyon, as well as ramping up the  
12 renewable energy, in far fewer than nine years.

13 The fact that PG&E is working so hard to prevent  
14 this EIR, only a common sense, ethical, and legal  
15 requirement does not bode well for the other promises PG&E  
16 is making concerning their intentions of responsibly  
17 managing the process to shut Diablo down.

18 What are they trying to hide? What are they so  
19 afraid of? Also, these decisions by PG&E are being made  
20 based on economic considerations. And all the largesse  
21 promised to the community and workers is coming from the  
22 decommissioning funds and ratepayers. I want everybody to  
23 remember that. I do as a ratepayer.

24 I don't mind paying -- in fact, I would be  
25 willing to pay PG&E to shut it down. I would be willing

1 to pay PG&E for another nine years, if they would shut  
2 down Diablo Canyon tomorrow.

3           You know, environmentalists statewide will hold  
4 you responsible both morally and at the voting booth. You  
5 and all of us are going to have to hold our breath against  
6 the big one happening in the next nine years. As my  
7 partner, Jim Heddle says, "Okay, buddy, you have another  
8 nine years to stop beating your wife".

9           (Applause.)

10           STAFF ATTORNEY SCHEIBER: Bob Ornstein, followed  
11 by Emma Redfoot. Is Bob Ornstein here?

12           Emma Redfoot?

13           Emma Redfoot followed by Dennis Allen.

14           MS. REDFOOT: Hi. My name is Emma Redfoot, and  
15 I'm an environmentalist. I also live in San Luis Obispo.  
16 My undergraduate degree is environmental studies from  
17 Lewis and Clark College in Portland, Oregon.

18           I took a semester off of school, moved in an  
19 organic vermiculture farm in Ecuador, later took off  
20 another semester to do research Cusco, Peru. I decided  
21 for my time in South America that energy accessibility is  
22 the most important means of people empowering themselves.

23           In the fall, I will starting my Master's in  
24 NUCLEAR engineering. I've decided the most ethical way I  
25 spend my life is working on developing implementing

1 nuclear power generation.

2           I evaluated the different forms of energy general  
3 and determined that nuclear is the best form of power  
4 production that we currently have. Fossil fuels  
5 contribute to global greenhouse emissions. Wind and solar  
6 are great, but they are intermittent and we are a long way  
7 from finding sufficient storage solutions. Hydro and  
8 geothermal have limited scope. Nuclear has consistently  
9 produced the safest, most reliable, clean net source of  
10 energy.

11           The IPCC's fifth assessment describes nuclear  
12 energy as imperative to stabilizing climate at no more  
13 than two degrees Celsius warming. California in the  
14 foreseeable future needs base load energy. The  
15 alternative is natural gas, which undeniably contributes  
16 to climate change, as well as air pollution.

17           Diablo Canyon acts as the reliable ground on  
18 which wind and solar can be built. I do not see how  
19 replacing a clean source of energy with another clean  
20 source of energy is a step forward.

21           For me, being an environmentalist means being pro  
22 nuclear. As a future engineer, I recognize that the  
23 closing of Diablo Canyon is effectively the end of nuclear  
24 power generation in California for the foreseeable future.  
25 California is the world leader in technology. California

1 is a State where people innovate and find solutions.

2 Nuclear power is a necessary part of the solution  
3 to one of the world's greatest problems, climate change.  
4 Diablo Canyon shoulders the responsibility of not letting  
5 greenhouse gases -- greenhouse gas externalities to the  
6 for rest of the world.

7 By keeping Diablo Canyon open, a basically  
8 carbon-free California economy could be realized much  
9 sooner. Closing the doors on Diablo Canyon is closing the  
10 doors on the nuclear industry in California for a long  
11 time. I hope that the Lands Commission and my fellow  
12 environmentalists consider the real costs of losing  
13 Diablo, lost jobs, loss of engineers --

14 (Applause.)

15 STAFF ATTORNEY SCHEIBER: Dennis Allen?

16 Is Dennis Allen here?

17 Dennis Allen?

18 Glenn Griffith?

19 Okay. Glenn Griffith followed by Linda Mulvey.

20 MR. GRIFFITH: My name is Glenn Griffith. I'm  
21 affiliated with Mothers for Peace and the World Business  
22 Academy, but I'm really just a human being who wants to  
23 stave off a Fukushima event. I want to voice -- add my  
24 voice to a full environmental review.

25 What could possibly be wrong with a fact-based,

1 scientific decision? I'm sure the people of California  
2 would like to know the truth about all this. Nine more  
3 years is 3,285 days. That's 3,285 more chances for a  
4 Fukushima, more nuclear waste, more dead ocean.

5           There was a Beatles tune on the White Album  
6 called "I'm so tired". I am so tired of all this  
7 politics. I am so tired of all this cancer. My wife has  
8 breast cancer. She's going through chemo. She's going  
9 through radiation, mastectomy. I'm so tired. I'm so  
10 tired of standing before all these commissions asking,  
11 begging on bended knee for you people to do the right  
12 thing. I won't mention the NRC.

13           Gavin, I've seen you a lot, if you're there, on  
14 Bill Maher Show. You're a cool dude, so we expect you to  
15 do the right thing, and to finish out what John Lennon  
16 said, "I give you everything I've got for a little peace  
17 of mind".

18           (Applause.)

19           STAFF ATTORNEY SCHEIBER: Glenn Griffith.

20           Is Glenn Griffith here?

21           MR. GRIFFITH: That was me.

22           STAFF ATTORNEY SCHEIBER: Oh, that was you?

23 Okay. Linda Mulvey. That will be our final speaker in  
24 opposition, before we switch.

25           MS. MULVEY: My name is Linda Mulvey. I live in

1 Atascadero. I am a Montessori teacher. I sub at several  
2 places in the San Luis Obispo area. As a mother and a  
3 grandmother for peace, I have some questions.

4 You can't hear me?

5 Oh, pull it toward me. Thank you.

6 Why does PG&E need nearly a decade just to  
7 begin -- quote, "begin to plan", unquote, as stated in the  
8 agreement for replacing Diablo's electricity output and  
9 beginning to make a transition to renewables? Why just  
10 begin in 2018 with a long overdue emphasis on efficiency?

11 Long-time anti-nuclear activists wonder is it  
12 because the utility has been dragging its feet for so  
13 long, resisting and blocking efforts toward conservation,  
14 efficiency, rooftop solar, net metering, and small  
15 decentralized solar installations and wants to keep doing  
16 so?

17 Not to mention, it's \$30 million attempt in 2010,  
18 via Prop 16, to kill the community choice aggregation, the  
19 CCA, movement in the cradle, and the utility's decades  
20 long battle to stamp out public power projects wherever  
21 they dare crop up.

22 Thank you.

23 (Applause.)

24 CHAIRPERSON YEE: Sharron, that was our last  
25 speaker in opposition?

1           STAFF ATTORNEY SCHEIBER: The last speaker in  
2 opposition.

3           CHAIRPERSON YEE: Great. Thank you for  
4 facilitating the speakers.

5           Thank you for everyone who's come forward to  
6 testify. And to present your arguments in opposition to  
7 the matter. I'd like to now turn to Ms. Lucchesi, if I  
8 may. But before I do, I just want to make clear, because  
9 disturbing statements have been made about this Commission  
10 being a party to the agreement, and certainly a perception  
11 that we were at the negotiating table. And I can assure  
12 you, none of the Commissioners were, so let me just  
13 clarify that.

14           Secondly, I think Ms. Lucchesi, you were  
15 presented with a petition as well. So do you want to just  
16 announce that, and then if you wouldn't mind responding.  
17 I think we've been tracking some issues throughout the  
18 testimony.

19           EXECUTIVE OFFICER LUCCHESI: Yes. Of course,  
20 it's my pleasure. So before I get into just some  
21 responses to some concerns --

22           CHAIRPERSON YEE: Microphone.

23           EXECUTIVE OFFICER LUCCHESI: -- we received  
24 during the course of the meeting, a petition to the  
25 California State Lands Commission in the matter of an EIR

1 requirement prior to renewing a lease to PG&E for the use  
2 of State land. And I just wanted to acknowledge on the  
3 record that that is now part of the record.

4           So there were a number of different issues and  
5 concerns raised. I'm going to try to address what I  
6 believe to be the most significant ones. I'm sure though  
7 if the Commission has additional questions, I'm happy to  
8 answer those.

9           First, there were a number of concerns raised  
10 about the proposed lease terms involving the rent, the  
11 restoration of the lease premises at the end of the  
12 proposed lease term, and liability protection for the  
13 State.

14           In terms of the rent that's being proposed,  
15 Commission staff develops the rent recommendation based on  
16 appraisal methodologies consistent with our regulations.  
17 And so that rent proposed in the lease is consistent with  
18 our regulations, and we believe accurately reflects the  
19 value -- the rental value for the actual structures that  
20 are located on State property.

21           There was some concerns about the restoration of  
22 leased premises. And at the end of the proposed lease,  
23 the structures that are located on State lands just being  
24 left there in place. I can assure you that that is likely  
25 not to be the case. And that is because in our proposed

1 lease, as with every lease that we recommend to the  
2 Commission, there are specific terms that require the  
3 lessee, before they abandon the leased premises at the end  
4 of their lease term, that they submit a restoration plan  
5 to the Commission for the Commission's approval.

6 In this particular case, there's a requirement  
7 for a restoration plan and a decommissioning plan, which I  
8 mentioned in my initial statement. Those plans are  
9 supposed to be submitted to the Commission in August 2020.  
10 And so we have significant time to review those plans, do  
11 the required Environmental Analysis, and be able to be in  
12 a relatively good place when the leases -- the proposed  
13 leases expire.

14 And finally, with some of the liability  
15 protections, the proposed lease does include terms that  
16 require a \$10 million per incident liability insurance  
17 coverage, a bonding requirement, and full indemnification  
18 from PG&E. And so we believe that those are significant  
19 terms that help protect the State.

20 There were some questions or concerns raised  
21 about the State's once-through cooling policy, the one  
22 adopted by the Water Board. While the State's  
23 once-through cooling policy requires the significant  
24 reduction or elimination of once-through cooling by 2024,  
25 it also requires interim mitigation, and to implement

1 measures to mitigate the interim impingement and  
2 entrainment impacts from these offshore structures between  
3 when it was adopted in 2015, or implemented in 2015, to  
4 2024.

5           And so when we reference the OTC policy in our  
6 staff report as it relates to the impacts of Public Trust  
7 resources, it's also reflecting the regulations that  
8 govern this interim mitigation program implemented by the  
9 Water Board.

10           And along those same lines, there has been a  
11 mention of the State Lands Commission's own once-through  
12 cooling policy. That was a policy that was adopted by the  
13 Commission in 2006. It was determined, shortly  
14 thereafter, to be invalid, because it was not fully  
15 adopted as a regulation pursuant to the Administrative  
16 Procedures Act.

17           So that policy does not have any effect at this  
18 time. The governing policy on once-through cooling, the  
19 laws and regulations, is the State Water Board --  
20 once-through cooling policy.

21           I also want to highlight, because there were a  
22 couple of concerns raised about, well, what happens if  
23 PG&E does not actually fulfill its commitment to withdraw  
24 their application from the NRC?

25           We have developed a lease term in the proposed

1 lease that accounts for that very scenario. And if PG&E  
2 fails to withdraw its relicensing application from the NRC  
3 by August of 2018, and does not actually then submit a new  
4 application for the lease, basically a reconsideration of  
5 this lease, then the lease terminates.

6 And so we think that that term basically gives an  
7 opening back to the Commission to revisit all these issues  
8 if PG&E does not fulfill its obligation to withdraw its  
9 application at the NRC.

10 I do want to just take a moment to reemphasize  
11 the CEQA issue. As I mentioned in my opening statement,  
12 the proposed limited term lease fits into the categorical  
13 exemption for existing facilities under CEQA. The  
14 question before the Commission is whether the exception to  
15 this exemption applies?

16 And as I said previously, it is within the  
17 Commission's authority to use its independent judgment,  
18 based on substantive evidence, substantial evidence, not  
19 speculation or argument, to determine whether there is a  
20 reasonable possibility that the issuance of the lease will  
21 have a significant effect on the environment due to  
22 unusual circumstances. This is an independent judgment  
23 call by the Commission.

24 There have been a lot of statements, valid  
25 statements, that may well be considered speculation or

1 argument about the future of Diablo Canyon. That -- those  
2 arguments and that speculation, while it does not  
3 necessarily have a place under the CEQA analysis, does  
4 have a place under the Public Trust analysis, and the  
5 State's best interest analysis.

6           And I'm going to make a couple of statements that  
7 I know the Commission knows way better than I do. But for  
8 the benefit of the public that's listening today, the  
9 Commission is made up of two constitutional officers, and  
10 a Gubernatorial appointee. The Commission is -- not only  
11 manages these tidelands and submerged lands consistent  
12 with the common law Public Trust Doctrine, but also  
13 importantly in the State's best interest. And when you're  
14 looking at what is consistent with the common law Public  
15 Trust Doctrine, you look at those principles and you  
16 harmonize them with State law and State policy goals, all  
17 in the best interests of the statewide public.

18           And so not only do the impacts to marine life  
19 come into play when conducting that analysis, not only do  
20 the seismic issues come into play when doing that  
21 analysis, but it's also the energy objectives and goals,  
22 it's the labor issues, it's the community impacts, and it  
23 is the ratepayers. All of those fall into that umbrella.

24           And so it sounds much easier than I believe it  
25 actually is to balance and weigh all those competing

1 interests. But the Commission is made up of these  
2 Commissioners to do that very job. And so just as a  
3 reminder of -- that it's not just about the common law  
4 Public Trust. That is combined with the State's best  
5 interest. And that takes into a number of different  
6 factors.

7 So I think I've hit everything that I wanted to  
8 hit. I'm not sure if the Commissioners have any  
9 additional questions?

10 CHAIRPERSON YEE: Comments by Commissioners or  
11 questions?

12 ACTING COMMISSIONER ORTEGA: (Shakes head.)

13 COMMISSIONER NEWSOM: Commissioner Newsom.

14 CHAIRPERSON YEE: No questions?

15 COMMISSIONER NEWSOM: No additional questions,  
16 Jennifer.

17 CHAIRPERSON YEE: No, thank you for tracking  
18 those issues, and for the reiteration of the consideration  
19 that we can make exercising our independent authority.

20 COMMISSIONER NEWSOM: May I take back what I just  
21 said?

22 CHAIRPERSON YEE: Sure.

23 COMMISSIONER NEWSOM: Just a little  
24 clarification. Thank you. Through the Chair, just on the  
25 expiration, so it's August 27th, 2018?

1 EXECUTIVE OFFICER LUCCHESI: (Nods head.)

2 COMMISSIONER NEWSOM: And the language in here  
3 that triggers if PG&E does not exercise their commitments  
4 pursuant to the MOU and our expectations. Is that a  
5 concurrent date or is it -- does that give us enough time?  
6 My point is do you have -- is it the -- you need to do it  
7 on the 20th and then calen -- I mean, how do you -- I just  
8 want to make sure there's adequate time.

9 EXECUTIVE OFFICER LUCCHESI: Yes. So the terms  
10 in the lease is if -- there's two conditions that would --  
11 that, if not met, would trigger the termination. So one  
12 is if PG&E does not withdraw its license application, and  
13 they have not submitted a new lease application. So they  
14 would have to anticipate that they are not going to  
15 withdraw their license renewal and submit an application  
16 for the Commission to reconsider in order for that  
17 termination clause not to take effect.

18 So I think that it gives them enough time to at  
19 least submit an application. That's what will stop the  
20 trigger of the automatic termination.

21 COMMISSIONER NEWSOM: Got it. And so -- and it  
22 was just clarification that it's an automatic trigger that  
23 it doesn't require subsequent action by this body in that.  
24 Yeah, I got it.

25 EXECUTIVE OFFICER LUCCHESI: Yes.

1           CHAIRPERSON YEE: Okay. Very well. Thank you  
2 very much. What I'd like to do now, we have a lot of  
3 members of the public who want to address this Commission  
4 in support, but let me just sort through these, because  
5 I -- there are many from similar organizations. So I will  
6 call you up and those that are from the same organization,  
7 I will ask you to try to consolidate your comments.

8           Let me first hear from John White, if he's still  
9 in the audience, followed by Matthew Mosgofian is still in  
10 the room, and Kristin Zaitz.

11           Thank you for your patience.

12           MR. WHITE: Madam Chairwoman, Lieutenant  
13 Governor, Ms. Ortega, My name is V. John White. I am  
14 executive director for the Center of Energy Efficiency and  
15 Renewable Technologies. My organization has been involved  
16 from many years in development of renewable energy and  
17 efficiency in California. We -- my team participated on  
18 behalf of Friends of The Earth in developing the  
19 analytical case for how we could go about replacing the  
20 megawatts from Diablo Canyon without increasing greenhouse  
21 gas emissions.

22           I know there's some very serious concerns about  
23 that possibility. And we share those concerns, given the  
24 failures in the San Onofre aftermath. I think what's  
25 different here is the opportunity to plan for this zero

1 carbon replacement portfolio. We're gratified by the good  
2 faith efforts of the parties to try to negotiate a very  
3 thorny and difficult set of issues. Particularly  
4 gratified to see the IBEW joining with the environmental  
5 groups, and with PG&E.

6           And we believe those commitments can be built  
7 upon to achieve the result that we're seeking. We're not  
8 CEQA experts, but I have to say we are persuaded by the  
9 presentation by your staff and the analysis and the  
10 research that they have done that this is a call that you  
11 can make.

12           On the other hand, we also know that there's  
13 ongoing oversight going to be needed at this facility to  
14 ensure the minimum adverse impacts from what has gone on  
15 and what will go on before. But we think what's to be  
16 gained is greater than all the conflict today might  
17 indicate.

18           This is a tough path. There's been a lot of  
19 strong feelings, a lot of difficult arguments, and I think  
20 what we have is an opportunity to turn the page and move  
21 in a more sustainable direction, but we're going to have  
22 to get to work. And our friends at the Public Utilities  
23 Commission are going to need the help and engagement of  
24 all the rest of us, including the rest of State  
25 government.

1 I hope that the Governor's office takes an  
2 interest in ensuring that this set of goals is actually  
3 achieved, and we hope that we can help.

4 Thank you.

5 CHAIRPERSON YEE: Thank you very much, Mr. White.

6 (Applause.)

7 CHAIRPERSON YEE: Okay. Matthew. Thank you for  
8 your patience. Can you reach that mic?

9 There you go.

10 MR. MOSGOFIAN: I am Matthew Mosgofian. And my  
11 dad works at Diablo Canyon. I am eight years old. I ask  
12 that you vote yes on these water permits and that you keep  
13 Diablo Canyon power plant open for all the people who work  
14 in it. Thank you, and please keep Diablo Canyon open.

15 COMMISSIONER NEWSOM: Thank you, Matthew.

16 (Applause.)

17 CHAIRPERSON YEE: Thank you, Matthew.

18 Let me ask Kristin Zaitz to come forward,  
19 followed by Sam Irvine.

20 MS. ZAITZ: Thank you. Thanks for the  
21 opportunity to address you this afternoon. My name is  
22 Kristin Zaitz. I'm an environmentalist, an engineer, and  
23 a mother of two young children. I spent much of my life  
24 skeptical of nuclear. I only changed my mind after doing  
25 the research for myself, and learning through my

1 employment at Diablo Canyon. I'm not a company  
2 spokesperson. I'm speaking for myself, for my children,  
3 and for the health of our planet.

4           As a professional civil engineer, I can  
5 personally testify to the plant's robust seismic design.  
6 I feel comfortable working with there, and having my  
7 family live nearby. I cannot say the same thing for the  
8 rest of California.

9           I support the extension of Diablo Canyon's intake  
10 and discharge leases. I do not think a deal to close the  
11 plant should have been part of this decision. Why?  
12 Because the operation of Diablo Canyon completely supports  
13 the vision and mission of this Commission. The Commission  
14 protects the lands and resources entrusted to its care.  
15 The Commission is responsible for marine protection, and  
16 pollution prevention. The Commission is concerned with  
17 adaptation to climate change. The Commission supports  
18 public access California lands and waters for current and  
19 future generations.

20           So how does Diablo Canyon fit with this vision?

21           Diablo Canyon's operation has protected 12 miles  
22 of coastline, 12,000 acres of wild open space. The marine  
23 life is protected and thriving. PG&E provides managed  
24 access on much of this land, which is in harmony with the  
25 Commission's purpose.

1           What about the Commission's goals around  
2 pollution prevention and climate change?

3           Diablo Canyon provides 24-hour a day  
4 pollution-free greenhouse gas-free electricity, and  
5 especially in light of global climate change. Keeping all  
6 carbon-free electricity sources on-line is vital to  
7 protecting our planet for our children, for our future.  
8 Our planet simply does not have time to play favorite --  
9 our plan simply does not have time for us to play  
10 favorites with clean energy sources.

11           I support the mission of the State Lands  
12 Commission and agree that extending these leases for  
13 Diablo Canyon without an EIR is in agreement with the  
14 Commission's goals.

15           No deal required.

16           Thank you.

17           CHAIRPERSON YEE: Thank you very much.

18           (Applause.)

19           CHAIRPERSON YEE: Next, we'll have Sam Irvine,  
20 followed by William Toman.

21           MR. IRVINE: Commissioners, my name is Sam  
22 Irvine, and I'm today representing environmental  
23 entrepreneurs.

24           We are a non-partisan group of business people  
25 from all sectors of the economy and we advocate for

1 policies that support strong environmental and economic  
2 protection.

3 E2 has a commitment to long-term renewable energy  
4 goals. We support the joint proposal, which we believe  
5 will provide the orderly closure of the Diablo Canyon  
6 nuclear plant, and replace it with power with 100 percent  
7 renewable energy. We also support the proposal to grant  
8 the lease extension, as we believe it is in the best  
9 long-term interests of the State.

10 The orderly replacement at Diablo with renewable  
11 energy will be good for the local economy and the State of  
12 economy, providing jobs, and also guaranty the long-term  
13 protection of California's natural resources.

14 Thank you very much.

15 CHAIRPERSON YEE: Thank you.

16 (Applause.)

17 CHAIRPERSON YEE: Is William Toman still in the  
18 room? Followed by Nathan Macher.

19 MR. TOMAN: Good afternoon. Thank you for  
20 allowing us to address the Commission.

21 My name is Bill Toman. I work at Cal Poly San  
22 Luis Obispo leading an ocean energy test station study for  
23 the U.S. Department of Energy. I'd like to thank the  
24 State of California for their generous help in matching  
25 funds for the federal grant, and also to Pacific Gas and

1 Electric for their generous matching funds in support of  
2 this grant to investigate the feasibility of establishing  
3 a wave-energy testing center off of Vandenberg Air Force  
4 Base in Santa Barbara County.

5 I'd also like to thank Lieutenant Governor Newsom  
6 for his leadership since 2011, for asking the question why  
7 not wave energy, why not off-shore renewable energy in  
8 California? We should be a leader in this. We hope to  
9 obtain that vision sometime in the next 20 years.

10 I'm a supporter of the overall proposal that I  
11 know the Commission is not a party to for the retirement  
12 of Diablo Canyon, because I see the tremendous renewable  
13 energy benefits for the replacement of the energy  
14 generated by Diablo. And I'd like to point out that there  
15 are substantial studies by the California Energy  
16 Commission, by the U.S. Department of Energy that show  
17 that marine renewable energy, with wave energy, and  
18 floating wind energy could replace many multiples of the  
19 power unit in California in a single year.

20 It's something to consider along with terrestrial  
21 renewable resources. There's no doubt in my mind that in  
22 the nine years that we have to think about this, and to  
23 plan about this, that we will be able to substitute for  
24 the energy to be generated from Diablo by marine renewable  
25 energy sources alone.

1 I'd like to finish by saying that there are  
2 substantial offshore wind and wave energy resources off  
3 the Diablo Canyon site, that there are major pieces of  
4 infrastructure that could be repurposed at the Diablo  
5 Canyon site in support of these offshore renewable  
6 projects, and for PG&E to consider incorporating those  
7 repurposing in their decommissioning plans.

8 Thank you very much.

9 CHAIRPERSON YEE: Thank you, Mr. Toman.

10 (Applause.)

11 CHAIRPERSON YEE: Nathan Macher followed by Matt  
12 Regan.

13 MR. MACHER: Hi. I'm Nathan Macher. I've been  
14 marching with the March for Environmental Hope this past  
15 week. And I think this EIR process has gone away from its  
16 original intention. It started to put California in the  
17 future business, but unfortunately it seems to have been  
18 hijacked by private interests, and taking the discretion  
19 away from the public and into private hands. And  
20 unfortunately, the result of this deal to close Diablo  
21 Canyon doesn't put Californian in the future business.

22 So, for example, the math. Diablo Canyon  
23 produces around 18 terawatt hours of clean electricity a  
24 year. And the plan calls for two terawatts of renewables  
25 and two energy efficiency. And even if you say the grid

1 only needs 50 percent of that, that's till five  
2 terawatt-hours are missing from the plan. Is it going to  
3 be natural gas, probably, or is simply the power not going  
4 to be there, which from the recent blackouts is not what  
5 anyone wants.

6 Also, it destroys a huge tax base. So how does  
7 destroying this tax base that funds education that for  
8 California's future how is that -- how is that really  
9 built on the future?

10 And additionally, the -- lost my train of  
11 thought. Additionally, it just -- we've heard from the  
12 police have concerns, we heard from education leaders who  
13 have concerns. It just doesn't seem like this is the best  
14 path for the future. We've heard great things about this  
15 historic deal about certainty. But the only certainty it  
16 seems to guarantee is that we're going to be standing  
17 still for the next 10 years in terms of clean energy.

18 So that's my two cents.

19 CHAIRPERSON YEE: Thank you very much.

20 (Applause.)

21 MR. REGAN: Good afternoon, Madam Chair,  
22 Commissioners. I'm Matt Regan from the Bay Area Council.  
23 I'm senior vice president for policy. The Bay Area  
24 Council is a business sponsored public policy advocacy  
25 organization representing about 300 of the largest

1 employers in the San Francisco Bay Area.

2           In 2006, our collective membership voted  
3 overwhelmingly to support AB 32, the Global Warming  
4 Solutions Act. And we've been strong advocates for  
5 renewable clean energy ever since. And last year the  
6 White House asked us to host CEM7, the clean energy  
7 ministerial conference, which just took place two weeks  
8 ago. We were very proud to do that. So our credentials  
9 in this area are probably without compare in the business  
10 world.

11           I'm here to speak in favor of the staff  
12 recommendation to renew the short-term lease with the  
13 long-term goal of decommissioning the plant in an orderly  
14 and planned manner, with the expectation that the lost  
15 energy production will be replaced by 100 percent  
16 renewable.

17           I do have to confess I'm not an expert on nuclear  
18 energy, though I've learned a lot today, but I do know a  
19 lot about CEQA. And I would like to warn the proponents  
20 or the advocates for an EIR, be careful what you wish for.  
21 The CEQA process is designed to stop stuff and slow it  
22 down. This is the first time I've ever seen anyone call  
23 for an EIR to speed something up. It doesn't work that  
24 way.

25           You'll get your EIR, and that EIR will be

1 challenged. Adequacy will be challenged at a hearing just  
2 like this, and then it will be litigated. And it will be  
3 litigated again, and it will be appealed.

4 And before you know it, nine years will be up and  
5 we'll be at square one. So be careful what you wish for.  
6 And so I'd advocate that you agree with -- or follow staff  
7 recommendation and approve the short-term lease.

8 Thank you so. Much

9 CHAIRPERSON YEE: Thank you, Mr. Regan.

10 (Applause.)

11 CHAIRPERSON YEE: We have a few more speakers who  
12 wish to testify in support. I'm going to just call all  
13 the names. If you would just be prepared to come forward,  
14 but many of our organizations have already spoken  
15 previously, so -- but we welcome your brief comments.

16 Cesar Penafiel followed by Bob Rowen, William  
17 Garris, Josue Mendoza and Cynthia Papermaster.

18 MR. PENAFIEL: Hi. Good afternoon.

19 CHAIRPERSON YEE: Good afternoon.

20 MR. PENAFIEL: My name is Cesar Penafiel. I  
21 holder a Master's degree in Energy and Environmental  
22 Policy from Columbia University.

23 So last week we had a deal. This deal proposes  
24 to replace the safest most reliable form of electricity  
25 with safe clean, but not so reliable, form of electricity,

1 renewables.

2           Let me give you a policy -- a housing policy  
3 comparison to put this in perspective for those of you  
4 that still care about the planet and the future of  
5 California.

6           The citizens of California were to invest  
7 billions of dollars in subsidized housing to build brand  
8 new very cool houses. But they're going to replace old,  
9 some people call them aging, houses that are perfectly  
10 functioning that have a lifetime of 40 to 60 years. These  
11 new cool houses have a life of 20 to 25 years.

12           But we're going to burn those old aging houses  
13 that have 40 to 60 years down. And we're going to sell  
14 this as addressing poverty and homelessness in California.  
15 This is effectively what we're trying to do here. We're  
16 trying to sell this as solving climate change. We are  
17 going to do nothing to reduce the 58 or higher natural gas  
18 electricity burning in the State of California.

19           This deal from PG&E, IBEW, NRDC, you know, they  
20 announced it with a straight face that this is going to  
21 solve problems. It's not. And what is worse is that this  
22 was hammered in the back rooms. This is a dirty deal.  
23 This is a dirty deal that is going to fail. And we real  
24 environmentalists are going to win. And we're going to  
25 win because the ark of history bends towards justice,

1 towards democracy, towards transparency, and towards  
2 environmental progress.

3           So I want to know, you say that this Commission  
4 was not involved in this deal. But I believe that this  
5 whole thing is a sham. I believe everything has been  
6 decided. I want to know if Mr. Newsom was involved in  
7 this deal. I want to hear from him, and I want you to  
8 tell me that you were not in secret meetings with the FOE  
9 to negotiate this deal.

10           CHAIRPERSON YEE: Your time has expired, Mr.  
11 Penafiel.

12           MR. PENAFIEL: Thank you.

13           CHAIRPERSON YEE: Thank you.

14           (Applause.)

15           MR. ROWEN: Well, I think I've been placed in the  
16 wrong group, because I am totally opposed to the  
17 continuing operation of Diablo Canyon.

18           CHAIRPERSON YEE: All right. I'm going to ask  
19 you to introduce yourself for the record, and I'm only  
20 going by how you marked your speaking slip.

21           MR. ROWEN: Well, the confusion happened out  
22 there at the table, and I went back and forth --

23           CHAIRPERSON YEE: Why don't you introduce  
24 yourself and state your position.

25           State your name for the record.

1 MR. ROWEN: Okay. My name is Bob Rowen. I'm a  
2 retired educator. And I currently live in Redding,  
3 California. I was employed at PG&E's Humboldt Bay nuclear  
4 power plant as a nuclear control technician from 1964 to  
5 1970.

6 The history of Humboldt Bay began with the plant  
7 going on line in August of 1963 and I showed up a few  
8 months after start-up. I'm here today to testify before  
9 the Commission that PG&E, the NRC, and the nuclear  
10 establishment in general cannot be trusted.

11 Nuclear energy is not safe on many different  
12 levels. And I know that to be especially true from my own  
13 personal and professional experience. PG&E, the NRC, and  
14 the nuclear establishment have spent millions of dollars  
15 in their attempts to convince the public otherwise.

16 PG&E chose to load the original core of the  
17 Humboldt reactor with stainless steel cladding. Why?  
18 Because it was much cheaper than the Zircaloy cladding  
19 that had been developed by the United States Navy. The  
20 Stainless steel cladding then broke down, and caused the  
21 Humboldt Bay reactor to become the dirtiest power plant --  
22 nuclear power plant in the nation, and PG&E worked  
23 feverishly to cover up the significance of the problem  
24 that it had created.

25 Pacific Gas and Electric Company's nuclear

1 engineer claimed we've done everything at Humboldt Bay --  
2 everything we've done at Humboldt Bay has been in a fish  
3 bowl, and you gave me five minutes, right, during the  
4 break?

5 CHAIRPERSON YEE: I'm going to give you another  
6 couple of minutes, but please try and summarize.

7 MR. ROWEN: Well, you -- I know the folks behind  
8 me don't want to hear what I have to say. I'm not sure  
9 where the Commission is at, but I have some examples that  
10 support what it is I'm saying.

11 CHAIRPERSON YEE: Okay. You've got two minutes  
12 left.

13 MR. ROWEN: Okay. I would like to provide the --  
14 each Commissioner a copy of a book that I wrote entitled  
15 "My Humboldt Diary: A True Story of Betrayal of the  
16 Public Trust", which documents everything I would have  
17 said, if I would have had the time.

18 PG&E should not have its lease renewed, if it's  
19 going to result in a continuing operation of Diablo  
20 Canyon. Please, I implore each Commissioner to read my  
21 book, to see what it is I'm talking about before you make  
22 any final decisions or judgments about where I'm coming  
23 from.

24 I wish I would have had the same amount of time  
25 that the PG&E spokesman had at the beginning of this -- of

1 the day when she was given 20 minutes.

2 Thank you.

3 CHAIRPERSON YEE: Thank you, Mr. Rowen.

4 (Applause.)

5 CHAIRPERSON YEE: We have William Garris, Josue  
6 Mendoza, and Cynthia Papermaster.

7 MR. GARRIS: Hello. Thank you. My name is  
8 William Garris. Thank you for your patience today. I'm  
9 an electrician at Diablo Canyon. I've been there for 11  
10 years. PG&E Recently announced that it will not be  
11 pursuing the license extension to operate past 2025.

12 This news is extremely unfortunate for  
13 individuals like myself who are nowhere near retirement  
14 age. At the same time, I am thankful that I have the time  
15 to plan out the next step of my life for my family.

16 Granting the new limited term general lease water  
17 permits will allow Diablo Canyon to run to 2024 and 2025,  
18 and align with the current operational permits. This time  
19 is desperately needed by our local community that would be  
20 devastated by sudden closure of Diablo Canyon. This time  
21 will help ease the loss of thousands of jobs to the rural  
22 community of San Luis Obispo. The building trades will be  
23 greatly impacted by the closer of Diablo Canyon.

24 This time will allow our local school districts  
25 the time to replace tax dollars, which will be lost from

1 the closing of Diablo Canyon. This time will allow  
2 thousands of people whose jobs will be eliminated to begin  
3 the process of re-educating themselves to provide for  
4 their families. This time will allow families to relocate  
5 to areas with stronger market economies, while allowing  
6 the community to spread its losses of permanently losing  
7 thaws of high paying jobs.

8 This time will help minimize the negative impacts  
9 on the local housing market with families leaving over the  
10 next nine years, and not all at once. Diablo Canyon  
11 operates in the top quartile of all nuclear plants in the  
12 United States. Diablo Canyon is safe, it is greenhouse  
13 gas free, and it's continued operation until 2025 will  
14 provide a bridge for California's transition to wind and  
15 solar as a base load energy source.

16 Thank you.

17 CHAIRPERSON YEE: Thank you very much.

18 (Applause.)

19 CHAIRPERSON YEE: Josue Mendoza followed by  
20 Cynthia Papermaster and Michael Marinak.

21 MR. MENDOZA: Good afternoon. My name is Josue  
22 Mendoza. I also work at out Diablo Canyon, but I'm  
23 actually here representing my head of household being a  
24 father of two and my wife. I had a lot more to say, but a  
25 lot of people before me kind of took the words right out

1 of my mouth.

2           One thing I just want to really talk about  
3 something that's hitting me kind of hard right now, it's  
4 just hearing all this fear of nuclear and nuclear power.  
5 As a buddy of mine Chris Zokalowski, also back there --  
6 hey, Chris -- has said is we should stop fearing what  
7 nuclear power is and nuclear power plants like Diablo  
8 Canyon and actually celebrate, and in this case, celebrate  
9 what Diablo Canyon has done for the last 40 years,  
10 supplying reliable green energy to the State of California  
11 in a safe manner. And that's all I really wanted to say  
12 about that.

13           I do wish that you guys would give us a yes  
14 today, so that I have the nine years to plan ahead to see  
15 what further steps we'll take with my family, and look out  
16 for the welfare of my children and my wife and I. That's  
17 all I have to say.

18           Thank you.

19           CHAIRPERSON YEE: Thank you very much.

20           (Applause.)

21           CHAIRPERSON YEE: Is Cynthia Papermaster in the  
22 room?

23           Okay. Michael Marinak followed by Eric Meyer.

24           DR. MARINAK: Hello. I'm Dr. Michael Marinak.  
25 Two hundred million tons, that is how much less carbon

1 dioxide there is in the atmosphere today thanks to Diablo  
2 Canyon. We often here our State government leaders tell  
3 us how reducing carbon dioxide emissions is essential to  
4 reducing global warming. So one would expect the members  
5 of this Commission to follow through on those words and  
6 extend this lease without special conditions.

7           Indeed, public opinion polls show broad public  
8 support for the energy -- cleaner energy benefits of  
9 nuclear power -- clean air benefits. A survey of 1,000  
10 nationally representative adults taken this spring showed  
11 82 percent support license renewal for nuclear facilities.

12           And on more than one occasion, Californian's have  
13 voted, by overwhelming margins, to continue operating  
14 California's existing plants. But in spite of this  
15 support and these proven benefits, we have a Commissioner  
16 on record to require a full Environmental Impact  
17 Statement. According to California law, this  
18 Commissioner's request is highly irregular.

19           But after the pressure was applied to PG&E, we  
20 suddenly learned of a back-room deal to close Diablo  
21 Canyon. This was a Diablo made in secret with radical  
22 special interest groups such as the NRDC, which have  
23 backwards views on energy development.

24           Well, gee, what about the rest of us  
25 Californians? We, the people, had no knowledge of this

1 major public policy development, which was finalized and  
2 announced before we had any opportunity for input, yet  
3 this deal would harm us. Close examination of the deal  
4 shows that most of the Diablo Canyon energy will be  
5 replaced by natural gas, and this will increase air  
6 pollution.

7           We can look at Germany to find out what happens  
8 when you try to run a first world economy on occasionally  
9 favorable breezes and sunshine. German electric prices  
10 have skyrocketed by 78 percent since 2008, over 800,000  
11 people have disconnected their electrical service  
12 completely because of the high cost.

13           We're set -- a recent article in the magazine Der  
14 Spiegel reports, quote, "Sudden fluctuations in German's  
15 power grids are causing major damage to a number of  
16 industrial companies. They are warning the companies  
17 might be forced to leave Germany if the problem isn't  
18 solved fast".

19           So, in conclusion, the Commission needs to put  
20 aside this fraudulent back-room deal, which will increase  
21 air pollution, the cost of energy, and endanger the  
22 reliability of our grid. The Commission needs to extend  
23 the lease without special conditions today, so that we can  
24 continue to enjoy far into the future the many benefits of  
25 California's largest carbon-free energy source.

1 CHAIRPERSON YEE: Thank you very much.

2 (Applause.)

3 CHAIRPERSON YEE: Let me call up both Eric Meyer  
4 and Gordon McDowell together. You're both with March for  
5 Environmental Hope, yes?

6 MR. MEYER: I'm sorry, do you want us to speak  
7 together at the same time?

8 CHAIRPERSON YEE: No, just stand together.

9 MR. MEYER: Oh, okay. All right.

10 CHAIRPERSON YEE: So you're right ready to go,  
11 Mr. McDowell.

12 MR. MEYER: Okay. Thanks. Yeah. My name is  
13 Eric Meyer. I'm the organizer for the March for  
14 Environmental Hope, and I work with a group called  
15 Environmental Progress.

16 And the reason why I quit my job as a union  
17 organizer and a professional opera singer, drove 2,000  
18 miles out here was to save Diablo Canyon. One of the  
19 first things I did, when I got here was walk along Point  
20 Buchon with Kristin and Heather, The Mothers for Nuclear,  
21 there. And one thing they said to me was like you never  
22 know, you might see a whale breach right now. You know,  
23 and I'm from the midwest originally, so I'm getting all  
24 excited like, oh, any second a whale is going to pop out.  
25 I can't wait. And, of course, one doesn't jump out.

1           But then it sunk in really what is at stake right  
2 here, because in addition to knowing about the dangers of  
3 climate change, I also know the dangers of too much carbon  
4 in the atmosphere, including ocean acidification. And I  
5 started to think about the conversation that I would have  
6 to have with my children, or grandchildren, if we didn't  
7 change our ways today, how I would have to explain to them  
8 that once a long time ago there were these creatures  
9 called whales that swam in the ocean and sang together,  
10 but we didn't cut our carbon emissions quickly enough, the  
11 ocean became too acidic, and we -- the entire oceanic food  
12 chain collapsed.

13           And that's what we're facing here. And so it  
14 breaks my heart that these so-called environmentalist  
15 groups -- I don't think they deserve that word anymore,  
16 because they're pushing a deal. The NRDC, Friends of the  
17 Earth, they're pushing a deal that would raise carbon  
18 emissions dramatically in this State, and we see that.  
19 There's no way it doesn't anyway you look at it. It will  
20 be replaced with natural gas.

21           People often site Germany as an example of  
22 shutting down nuclear and doing what's right for the  
23 environment. But if you look at Germany's emissions  
24 compared to France, it's 10 times as much. This deal is  
25 bad for the environment and bad for the future. Don't

1 make me have that conversation with my children and  
2 grandchildren about what whales were.

3 Thank you.

4 CHAIRPERSON YEE: Thank you.

5 (Applause.)

6 MR. McDOWELL: Gordon McDowell. Greetings from  
7 Canada. In my home province of Alberta, we have  
8 tremendous wind and solar resources, and also plenty of  
9 fossil fuels. And just like everywhere else to produce  
10 electricity when the winds stops blowing, we burn stuff.  
11 Each of my fell Albertans and myself emit 65 tons worth of  
12 greenhouse gases every year, each of us. That's a lot.

13 It would be wonderful to run a plant like Diablo  
14 Canyon and produce reliable, pollution-free energy.  
15 Unfortunately, Alberta is not blessed with an infinite  
16 heat sink, or as you like to call it, the Pacific Ocean.

17 I cannot believe you are shutting down an  
18 operating source of reliable clean energy. Please pack up  
19 the Pacific Ocean and Diablo Canyon in a padded cardboard  
20 box and ship them to Alberta.

21 (Applause.)

22 CHAIRPERSON YEE: Thank you.

23 And lastly, let me call up Heather Matteson and  
24 Sarah Spath with Mothers for Nuclear.

25 MR. MATTESON: Hi. I'm Heather Matteson. I'm a

1 life-long environmentalist, and operator and procure  
2 writer at Diablo, and mother to a six-year old who's  
3 wandering around the room somewhere.

4 I grew up in Arizona. My family didn't have a  
5 lot of resources, so I learned to conserve money and water  
6 and energy. When I came to California, I was excited to  
7 be a part of a State that was more progressive, one that I  
8 pictured as being at the forefront of all issues that  
9 affect people and the environment.

10 I happened upon a job at Diablo Canyon. And with  
11 my inquisitive and skeptical nature, I learned as much as  
12 possible about nuclear energy and other energy  
13 technologies over the last 13 years. I now believe that  
14 nuclear is vital to our future on this planet, and I've  
15 helped start a group called Mothers for Nuclear to help  
16 explain why.

17 Also, I've learned more about energy  
18 surrounding -- issues surrounding other energy supplies  
19 and usage. And I've come across some information about  
20 our State's best laid plans. For example, I learned a lot  
21 about the plans for Ivanpah solar thermal generating  
22 station, using cutting edge technology to generate  
23 renewable power.

24 There were plans to mitigate the impacts of solar  
25 sprawl, but those plans didn't work out so well. The

1 plant relies heavily on natural gas. It backs up -- to  
2 back up its intermittent and poor performance. It's  
3 killing birds, and every single one of the tortoises in  
4 the relocation program died.

5           This is the kind of example that I hope the State  
6 Lands Commission will consider when evaluating  
7 environmental impacts on our State's lands. I support  
8 renewables, but I believe that every technology has a  
9 place. I don't support the expansion of renewables at the  
10 expense of other greenhouse gas regeneration, and at the  
11 expense of our natural lands. I'm also tired of politics  
12 that puts our future at risk. This is the first time I  
13 felt strong enough to speak out at a public meeting, and  
14 it's been disappointing and challenging. It seems the  
15 public process has been circumvented.

16           Why am I here?

17           I still believe in democracy, and I believe that  
18 public input should be considered as part of the  
19 decision-making process. It's now my chance to say on the  
20 record, and for California's history, that, yes, I support  
21 the approval of the new permits, but I also support -- but  
22 that no tradeoff should be required, and California should  
23 not decide our future based on unproven technologies.

24           If these aggressive goals don't happen to work  
25 out, then we will see emission rise -- emissions rise, and

1 we should all be leading the nation in the fair use of all  
2 greenhouse gas regeneration. Let's keep Diablo Canyon's  
3 power and use renewables along with storage to replace  
4 fossil fuels instead.

5 Thank you.

6 (Applause.)

7 CHAIRPERSON YEE: Thank you.

8 MS. SPATH: Good afternoon, and thank you for the  
9 opportunity to speak with you today. My name is Sarah  
10 Spath and I'm a life-long lover of mother earth and a  
11 whole-hearted soldier for sustainability.

12 These beliefs led me into my profession as a  
13 thermal engineer. With renewable and alternative energies  
14 at the center of my study, I knew solar wasn't efficient  
15 enough to satisfy energy needs, but strongly believe that  
16 wind could be the technology that transformed our energy  
17 portfolio and saved the planet, and I wanted to be a part  
18 of that solution.

19 So off to Iowa I went to join one of the  
20 country's leading research groups on wind power to solve  
21 the most challenging problems facing the troubling wind  
22 capacity factors. Make them bigger, or make them taller,  
23 use concrete instead of metal to reach new heights, build  
24 offshore.

25 We worked on wind farms in labs and in the field.

1 We were improving their Capacity factors all right. But  
2 those new and improved capacity factors were still awful.  
3 I started coming to a staggering realization about  
4 renewable energy sources. Though they have their place,  
5 when applied properly, as much as I willed them to be and  
6 as beautiful as the sentiment is, they aren't enough to  
7 replace base-load sources.

8           And more importantly, for the foreseeable future,  
9 they won't be enough. The sun isn't always shining, and  
10 the wind doesn't always blow, and storage solutions are  
11 very limited at this point. This is the tragedy of the  
12 anti-nuclear movement, that to rely solely on renewables  
13 means a renewed dependence on natural gas, for all the  
14 hours that those intermittent resources cannot deliver  
15 what they've promised.

16           This isn't, nor has it ever been, a struggle  
17 between renewables and nuclear power. They are  
18 scientifically inequivalent. It's a struggle between base  
19 load fossil fuels and nuclear power. That's it.

20           We spoke about responsibility earlier with  
21 Friends of the Earth. The environmentalist cause is to  
22 have the responsibility, to give the environment a louder  
23 voice than human affairs. That's our job. And here I  
24 stand, as a lover and student of renewables. I know and  
25 admit their limitations. I have the responsibility to

1 back nuclear power, simply because I cannot call myself an  
2 environmentalist and oppose our greatest source of zero  
3 emission power. It's really that simple.

4 So I would like to applaud the staff on your  
5 consideration of the release extension for Diablo Canyon,  
6 but I also urge you, no matter the opposition, to take the  
7 time I did to face your concerns, to look at the facts, to  
8 consider the science, the numbers, all of the figures, and  
9 to support keeping nuclear power included in California's  
10 energy portfolio beyond the current license, now and well  
11 into the future, because it's the wise choice, and the  
12 only base load choice for a sustainable future with safe,  
13 green, and reliable power.

14 We can ignore the facts, but the thing about  
15 truth is, it can be denied, but not avoided.

16 Thank you.

17 (Applause.)

18 CHAIRPERSON YEE: You did not sign up to speak.

19 MR. VAUGHN: I did.

20 CHAIRPERSON YEE: Did you? Oh, I'm sorry.

21 MR. VAUGHN: I promise I did. I cam from New  
22 York to speak here.

23 CHAIRPERSON YEE: Okay. Please introduce  
24 yourself for the record and you have two minutes, please.

25 MR. VAUGHN: All right. Good afternoon. My name

1 is Jim Vaughn. And I'm here because at the end of my  
2 life, I hope that I can say I helped make this planet a  
3 little cleaner, instead of a little more poisoned.

4 To that end, I've dedicated my life to a clean  
5 energy source that is indispensable, if we want to curb  
6 carbon and nasty natural gas emissions.

7 No matter who you are in this room, I think we  
8 all want the same thing, supported technology we can  
9 leverage to supply our growing energy demand while not  
10 hurting anyone. And I thank the Commission for attempting  
11 to address climate change and supporting the 2025 land-use  
12 extension.

13 Thank you.

14 I am a pro nuclear environmentalist. I travel  
15 from New York and I work at a nuclear power plant there.  
16 I'm not here to save my job. I'm here because I want to  
17 save this planet. I've worked with the nuclear Navy, I  
18 understand the technology, I understand the risks, and I  
19 understand the bigger danger that's in false hope that  
20 solar and wind will solve all of our problems.

21 There are some great ideas out there that may  
22 replace our aging nuclear fleet with other sources of  
23 clean energy, but the technology isn't there today when we  
24 need it. The wind doesn't always blow, the sun doesn't  
25 always shine, and energy storage technology just isn't

1 developed yet enough to address that.

2 Right now, we have to make a decision, what's a  
3 bigger threat to humanity, nuclear power or climate  
4 catastrophe? Not what is scarier to you, but what is  
5 actually a bigger threat? Again, not what you're most  
6 scared of.

7 Separating the two requires some knowledge,  
8 requires facts, and not fiction. I've heard a lot of  
9 fiction today. Nuclear waste is stored very safely today.  
10 Warm water discharges common to nearly all industries will  
11 slightly favor some marine life and not others, yes.  
12 Earthquakes, by the way, did not hurt Fukushima no matter  
13 what you say. It was the Tsunami, as a result of the  
14 earthquake, yes, which Diablo Canyon and all U.S. plants  
15 are immune to.

16 But, by the way, no one was hurt from the nuclear  
17 plant at Fukushima despite that being the worst  
18 catastrophe that we've experienced. There's no credible  
19 scientific evidence that babies are dying from nuclear  
20 plants. Let's throw that out right now.

21 To me, the choice is clear --

22 (Applause.)

23 MR. VAUGHN: -- the bigger threat is the poison  
24 that fossil fuels emit to the environment. Nuclear is a  
25 proven safe technology. For all the mix I've heard today,

1 none are relevant. They only slow down our transition off  
2 fossil fuels. The decision to shut down Diablo Canyon,  
3 for example, is based on us replacing the power of loss  
4 with clean energy.

5           For me, I think of how California could be at 100  
6 percent non-greenhouse gas-emitting electricity, if we  
7 only want it to. Instead, we'll be at the same level or  
8 worse we are today while the earth continues to  
9 deteriorate.

10           I understand if you fear nuclear more than  
11 carbon. Carbon is slowly undoing our planet before our  
12 eyes. We are the proverbial frog in the boiling water.  
13 Nuclear is a strange unknown to most that requires some  
14 independent research to really understand why it's safe,  
15 and it can't be easily handed out on a flier with  
16 unsupported facts and fear-stoking hyperbole.

17           Again, I come here from New York, because I want  
18 to help this planet, like most of the people in this room.  
19 I hope that we can reach out and understand each other,  
20 and find a solution before it's too late if it's not  
21 already.

22           Thank you for your time.

23           (Applause.)

24           CHAIRPERSON YEE: Thank you very much.

25           Let me thank everyone for their patience today.

1 Our audience in Morro Bay as well as here in Sacramento.

2 EXECUTIVE OFFICER LUCCHESI: We actually still  
3 have some speakers in Morro Bay.

4 CHAIRPERSON YEE: Oh, supporters in Morro Bay.

5 EXECUTIVE OFFICER LUCCHESI: Yes.

6 CHAIRPERSON YEE: All right. I'm sorry.

7 Let's focus back on Morro Bay?

8 I apologize.

9 STAFF ATTORNEY SCHEIBER: We have Larry Parker.  
10 Larry will be followed by Rick London.

11 MR. PARKER: Thank you. My name is Larry Parker.  
12 I work for PG&E, but I'm here as a -- here on my own,  
13 taking vacation day because I feel passionately about  
14 this. I want to be quick respecting your time. I think  
15 Kristin and Heather did a great job of saying the points  
16 that I would have wanted to say.

17 And let me just add that every year PG&E submits  
18 all these environmental reports. And I haven't heard any  
19 reference to those as being inadequate. I think they're  
20 submitted through the NRC with copies to the State, and  
21 I'd like to encourage people to read those before jumping  
22 to the conclusion that additional reports are needed.

23 And I was happy to see an article during a break  
24 that Obama is announcing a goal of 50 percent  
25 greenhouse-free power by 2025 for North America, including

1 Canada and Mexico, and his definition does include  
2 nuclear. Thank you.

3 (Applause.)

4 STAFF ATTORNEY SCHEIBER: Rick London followed  
5 by Michael Anchor.

6 MR. LONDON: Thank you. Good afternoon. I'm  
7 Rick London CEO of United Way of San Luis Obispo County.

8 One of San Luis Obispo County's primary community  
9 development strategies is to work with local partners,  
10 such as Pacific, Gas & Electric Company in coordinated  
11 efforts to strengthen our community.

12 PG&E has long provided an outstanding example to  
13 our local business community as an organization that not  
14 only says it cares, but provides direct support to help  
15 United Way and other local nonprofits reach out to our  
16 community and affect real change.

17 Since the sixties, PG&E and its employees have  
18 supported our mission by generously sharing their  
19 financial resources, sitting on our board, volunteering at  
20 special events, and they are parents of students on our  
21 youth board.

22 Additionally, I've always been pleased with the  
23 way they operate the Diablo power plant from the several  
24 opportunities I've had to visit and tour the plant. They  
25 practice, what I like to call, CPR. They endeavor to live

1 more compassionately, think more preventatively, and act  
2 more responsibly. Compassion, prevention, responsibility  
3 are the keys to our overall well-being.

4 United Way is also focused on what I like to  
5 think of as another version of CPR, character, proficiency  
6 and resiliency, meaning that in order to have a thriving  
7 community, our character is foundational, our proficiency  
8 in the basics of education, income, and health essential,  
9 and our resiliency is key to our sustainability. We need  
10 our youth achieving their potential, we need families  
11 financially stable, and we need everyone to be as healthy  
12 as can be. We share these values with PG&E.

13 By way of highlighting the alignment of our  
14 organizational goals, we find PG&E's community programs  
15 also focused on similar areas, education and training,  
16 economic and community vitality, environmental  
17 stewardship, and emergency preparedness.

18 PG&E is endeavoring to create opportunities for  
19 students, foster safe and vibrant neighborhoods, and  
20 preserve California's natural resources. We both have  
21 many decades of experience providing support and  
22 opportunity for our neighboring communities. Having said  
23 that, I respect PG&E's decision to decommission Diablo by  
24 2025, and I'm hopeful that they will have enough time for  
25 responsible and...

1 CHAIRPERSON YEE: Lost the sound.

2 (Applause.)

3 CHAIRPERSON YEE: I believe your time has  
4 expired.

5 PUBLIC LAND MANAGEMENT SPECIALIST BOGGIANO: Sir,  
6 your microphone has been cutoff, sir.

7 CHAIRPERSON YEE: Sharron.

8 (Applause.)

9 STAFF ATTORNEY SCHEIBER: Michael Manchar.  
10 He's outside. Okay.  
11 Doug Stevens.

12 CHAIRPERSON YEE: Let me just remind the speakers  
13 that you each have two minutes. And the time will  
14 automatically expire the microphone out.

15 STAFF ATTORNEY SCHEIBER: Doug Stevens.  
16 Carl Dundley.  
17 Carl Dundley.

18 He's coming. Okay. Carl Dundley will be  
19 followed by Ermina Kawrim.

20 MR. DUNDLEY: Good afternoon. My name is Carl  
21 Dundley. I'm a 30-plus year resident of San Luis Obispo.  
22 I do not work for PG&E. I have a lot of friends that do,  
23 and I do have solar on my home.

24 Like so many others, I'm in shock with the  
25 announcement to close Diablo Canyon nuclear power plant at

1 the end of their current license. The uncertainty of the  
2 full economic impact to the California central coast  
3 region is unknown at this time, but I do believe it will  
4 be devastating, if you don't extend the land-use lease to  
5 match the operating license expiration of 2025.

6 The financial and civic impact is going to be  
7 great whenever it happens, but can be minimized with time  
8 to plan. Please give us the opportunity to have an  
9 orderly redesign of our local economy, and extend the  
10 current land lease as proposed by staff.

11 Now, I'm going to give you a gift of time by  
12 concluding, and I hope you'll do the same with us.

13 Thank you.

14 (Applause.)

15 STAFF ATTORNEY SCHEIBER: Ermina Karim followed  
16 by Irv McMillan.

17 MS. KARIM: Good afternoon. My name is Ermina  
18 Karim. I'm the president and CEO of the San Luis Obispo  
19 Chamber of Commerce. I'm here today representing the  
20 largest business organization on the central coast  
21 representing over 1,440 members that collectively employer  
22 over 34,000 people in our county, and with a long track  
23 record of fighting for environmental, economic, and social  
24 well-being of our region.

25 We are here to respectfully express our support

1 for the staff recommendations to extend the lease to 2025.  
2 We believe it represents and supports your mission, which  
3 includes responsible, economic development. The economic  
4 footprint of PG&E and Diablo Canyon cannot be overstated.  
5 PG&E is our largest private employer in our county, and  
6 Diablo Canyon power plant is a vital economic engine  
7 infusing over \$1 billion into our economy.

8           The employees of Diablo Canyon and their families  
9 are deeply integrated into the fabric of our community,  
10 serving on our nonprofit boards, in our schools, and in  
11 our workplaces. The tax revenues and property taxes  
12 support our schools and communities, and there are  
13 hundreds of local nonprofits and small businesses that  
14 rely on their direct and indirect revenue generated by  
15 PG&E.

16           In fact, PG&E is one of the greatest charitable  
17 contributors in our county supporting and investing in the  
18 social fabric and the social net of our community. We  
19 urge you to extend the lease. It's critical to  
20 transitioning our community, so that we can grow out local  
21 economy to absorb these uniquely skilled employees and the  
22 thousands of high-wage jobs they provide.

23           This requires time. Extension of the lease will  
24 provide critical planning time for local government,  
25 higher education, local schools, business, and nonprofits

1 the opportunity to proactively envision the kind of future  
2 we want to have and transition to that vision.

3 PG&E and its cooperative agreements with  
4 organized labor and so many environmental organizations  
5 have provided us a model of evolution to a renewable  
6 future. We urge you to extend the lease, so we have the  
7 opportunity to bridge to that future.

8 Thank you so much for the opportunity to comment.  
9 (Applause.)

10 STAFF ATTORNEY SCHEIBER: Irv McMillan.

11 Is Irv McMillan here?

12 Ken Thompson.

13 Is Ken Thompson here?

14 Dr. Gene Nelson.

15 Dr. Gene Nelson will be followed by John Ewan.

16 DR. NELSON: Hello. My name is Gene Nelson. I'm  
17 a government liaison for CGNP and a scientist.

18 While we support an extension of the leases to  
19 2025 at a minimum, we have multiple concerns with the  
20 proposal. One, enforcement mechanisms regarding PG&E's  
21 renewable substitutions for Diablo Canyon appear to be  
22 absent. PG&E Executive Williams told us this morning the  
23 plant will operate for six more years. Please clarify.

24 The 18 terawatt-hour block of high quality power  
25 from Diablo Canyon can't be replaced with solar or wind

1 for several technical reasons. Global warming has already  
2 caused serious curtailment of large California hydro. So  
3 that option is foreclosed.

4 California's high power rates, already the 8th  
5 highest in the U.S. will climb further. Why? Because  
6 renewables are so expensive. Taking the Topaz Solar  
7 project as a baseline scaling it up to equal Diablo Canyon  
8 has a more than 31 billion, that's B, billion price tag  
9 with over 120 square miles of energy sprawl.

10 Storage is needed for Substantially increasing  
11 costs. You've already seen the 2015 JP Morgan study on  
12 deep reduction of California emissions and power  
13 production called by California legislation executive  
14 orders. A balanced power system with more nuclear, not 0,  
15 nuclear power is the most cost effective way to reach the  
16 goal.

17 The California Independent System Operate has  
18 widely promoted the so-called Cal ISO duck. I'd like to  
19 introduce another animal courtesy of the California  
20 Department of Commerce. This is the shark fin. This is  
21 the population boom projected for California from 37  
22 million in 2010 to about 52 million in 2060.

23 The population boom will swamp any demand  
24 reduction. High speed electric trains, electric vehicles,  
25 hello. The dirty secret of the California power grid the

1 is the massive amount of lethal coal power still imported  
2 from out of state, often hidden in graphics as part of the  
3 imports. The CEC notes that the amount of dirty coal  
4 power is -- the CEC notes that the amount of dirty coal  
5 power is about 13 -- 18 terawatt hours. And what we have  
6 here is a problem folks, because what's going to happen  
7 when -- if we propose to close down Diablo Canyon, we're  
8 going to import even more dirty...

9 (Applause.)

10 STAFF ATTORNEY SCHEIBER: John -- is John Ewan  
11 here.

12 John?

13 Liz Moody.

14 Liz Moody will be followed by Ty Safreno.

15 MS. MOODY: Good afternoon. I'm Liz Moody. I  
16 work at Cannon. We're an engineering firm in San Luis  
17 Obispo. And I'm a long-time resident of San Luis Obispo.  
18 I'm also a mother of two young children, and I'm part of  
19 the San Luis Obispo business community.

20 And I'm here in support of staff recommendations  
21 as written, and I urge you to move forward and extend  
22 PG&E's lease as expeditiously as possible.

23 Thank you.

24 (Applause.)

25 STAFF ATTORNEY SCHEIBER: Ty Safreno followed by

1 Patrick Ellsworth.

2 MR. SAFRENO: Good afternoon, Commissioners. My  
3 name is Ty Safreno. I'm the founder and CEO of Trust  
4 Automation. We're a 26-year old San Luis Obispo  
5 technology company. We employ 70 people, 20 of them are  
6 engineers.

7 Our relationship with PG&E is only as a customer.  
8 We don't have any other relationships. And I'm here on  
9 behalf of our company and the people that work for us. I  
10 sit on many San Luis Obispo community economic boards.  
11 These organizations are the ones that are focused on the  
12 stability and health of our community, and, as of last  
13 week, looking at how to transition with the advent of the  
14 closure of the plant.

15 What we know is that an abrupt closure of the  
16 plant is going to have a dramatic effect on our economy.  
17 It's going to have a dramatic effect on our communities,  
18 on our schools. And the -- in coming to hear and thinking  
19 about this, the best analogy I had was one that recently I  
20 had been working with, with aging parents.

21 My father, who is quite old went into the  
22 hospital and immediately we had not one crisis on our  
23 hands, but actually two. And it was described to us by  
24 the doctors as, when you have two people that have been  
25 highly integrated, they work together kind of as cogs in

1 machine. And when one is removed, there's typically a  
2 dramatic effect on the other and a breakdown.

3 This is no different than the way PG&E is  
4 integrated into our community. If you remove this highly  
5 integrated piece with all the families that work there,  
6 what they produce, and what they give to the economy and  
7 you abruptly take it out by not renewing these licenses  
8 and the lease, you're going to have the same breakdown for  
9 the San Luis Obispo region.

10 And one of your charters is is to prevent that  
11 type of thing from happening. So I urge you to please  
12 renew these leases. The EIR is an unnecessary process,  
13 which will extend and cause problems, and to allow our  
14 community time that it needs to adapt to this soon,  
15 because, as I've said, prior to last week, you know, I  
16 have a 10-year old child that was born yesterday. Nine  
17 years is not that much time. It will be upon us, and we  
18 need time to plan.

19 Thank you very much.

20 (Applause.)

21 STAFF ATTORNEY SCHEIBER: Patrick Ellsworth.

22 State your name then for the record.

23 MR. SCHULTZ: My name is Dustin Schultz. I'm  
24 reading this for Patrick Ellsworth.

25 He's a 28-year old veteran of the U.S. Navy

1 nuclear propulsion program, and an employee of Diablo  
2 Canyon power plant. His thoughts are his own.

3 First, let me say I appreciate the proposal  
4 agreement between PG&E and the various environmental  
5 organizations. His plan represents the unfortunate best  
6 case scenario for both the employees of DCPD in San Luis  
7 Obispo County.

8 With that being said, I am both baffled and  
9 disgusted by what has happened. Less than a year ago,  
10 over 150 countries around the globe met in France, a  
11 country 80 percent powered by nuclear, to discuss how we  
12 as a planet would fight climate change.

13 And yet, as of last week, politicians and  
14 environmentalists across California are applauding the  
15 eventual closure of DCPD. This plan assures that by 2025,  
16 California will have made zero progress toward a cleaner  
17 grid, because gains from energy efficiency and the  
18 continued roll-out of renewables will not come close to  
19 offsetting the 17,000 gigawatt hours of carbon-free  
20 electricity provided by DCPD.

21 To me, it is shockingly sad that 60 years after  
22 the advent of commercial nuclear energy, people still do  
23 not understand it, and worse, actually fear it.

24 I look forward to supporting the last nine years  
25 of clean, safe, and reliable operation of Diablo Canyon

1 power plant.

2 Thank you.

3 (Applause.)

4 STAFF ATTORNEY SCHEIBER: Our final speaker is  
5 Jesse Chellar.

6 MR. CHELLAR: For the record, my name is Jesse  
7 Chellar. And I'm representing myself, as I am a PG&E  
8 employee at Diablo Canyon. I'm implore the State's Lands  
9 Commission to renew the intake leases without requiring  
10 any additional environmental review.

11 The daily operation of the plant has and will  
12 remain unchanged. Therefore, the impacts of the  
13 environment remain unchanged. This is why I believe the  
14 CEQA requirements do not apply and should not be required.

15 I would like to know who in this audience does  
16 not own a cell phone? I would like to know who doesn't  
17 use a refrigerator, who does not turn on the lights when  
18 the sun goes down?

19 These are technologies that we take for granted  
20 and require a reliable power grid. If you're on the  
21 electric grid, you are implicit in the use of electricity  
22 and where you get your power. Even if you're off the  
23 grid, all power generation carries a risk and creates harm  
24 to the environment. Even wind and solar require extensive  
25 impacts to mine and manufacture.

1           We need to have every tool available to supply  
2 power to the masses, while combating greenhouse gases and  
3 global warming. Having nuclear as part of California's  
4 portfolio, is carbon free safe and reliable.

5           Thank you.

6           (Applause.)

7           CHAIRPERSON YEE: Okay. Thank you very much to  
8 everyone who has provided testimony today, and  
9 particularly to all in the audience and your patience.  
10 Let me know open it up to members of the Commission. Ms.  
11 Lucchesi, do you have anything before we deliberate?

12           EXECUTIVE OFFICER LUCCHESI: (Shakes head.)

13           CHAIRPERSON YEE: Okay.

14           COMMISSIONER NEWSOM: Nothing?

15           CHAIRPERSON YEE: I'll start.

16           COMMISSIONER NEWSOM: Why don't you start. Good.  
17 I'll pick up on it.

18           CHAIRPERSON YEE: I'll start.

19           COMMISSIONER NEWSOM: Either one of us. We've  
20 got to unpack all this.

21           CHAIRPERSON YEE: We do have to unpack all this.

22           And actually, Commissioner Newsom, I took to  
23 heart, I think, your guidance to all of us, a few months  
24 ago, and that is, you know, we have to be the stewards of  
25 fact with respect to how we move forward. And, you know,

1 these are not easy issues. I have -- I did take time to  
2 visit Diablo Canyon power plant, and had an opportunity to  
3 really understand the operation and to meet some of the  
4 employees.

5           And first, I just have to say hats off to you for  
6 40 years of reliable service, and professional service.  
7 It is something that we don't applaud frankly, in terms of  
8 how we -- where we've come since the plant was first  
9 constructed.

10           But I also was struck by how safety is by far the  
11 foremost concern in that facility from every aspect of the  
12 operation to every conversation that I had with every  
13 employee on that site. It all had to do with safety and  
14 reliability.

15           And what I want to say about the CEQA issue is  
16 this, you know, I think we live in times where we're just  
17 surrounded by a lot of uncertainty. And I do think we've  
18 heard a lot of speculation. I'm not sure that I'm  
19 comfortable that I've heard a lot of facts. My own sense  
20 of, you know, the authority that this Commission can  
21 exercise independently is that the facts are not there.

22           And frankly, I feel like if they were there, we  
23 would have grabbed on to them already. And so I know we  
24 live in dangerous times with respect to seismic risk.  
25 This is a different world with respect to being more

1 susceptible to terrorism and acts of terrorism, but we  
2 also have, I think, a responsibility here to balance all  
3 of these different interests and needs.

4           And, you know, with respect to the issue of the  
5 marine life and what we can expect if the Commission  
6 decides to approve these leases. I do want to say that,  
7 you know, a lot of work has actually been done at the  
8 State Water Resources Control Board with respect to  
9 mitigation measures, to ensure compliance with the  
10 once-through cooling policy.

11           And I think if this Commission is prepared to  
12 approve the leases, I would like to direct staff to just  
13 call on the Water Resources Control Board to remind them  
14 that we do want them to fully implement those mitigation  
15 measures to ensure compliance. These are not new  
16 requirements. These have been established. I think  
17 people are familiar with what they are. All parties are  
18 familiar with what they are.

19           But this is about really all State agencies, all  
20 hands on deck to be sure that we're moving forward  
21 responsibly. And there are going to be a lot of agencies,  
22 State and federal, and local involved in the transition  
23 should this Commission approve the leases to look at what  
24 will transpire over the next nine years.

25           The other aspect I just want to comment about is

1 that I really encourage PG&E, and frankly, all of the  
2 regulatory agencies and oversight agencies throughout this  
3 process to err on the side of more public input. I heard  
4 a lot of information today that frankly was shared really  
5 out of ignorance. And there is a lot of misinformation  
6 going back and forth. This is not the time for that.

7           And I think I just want to get a commitment from  
8 PG&E that, in terms of the public input process in the  
9 next 30 days, that it will also include public Education  
10 and really having the patience to answer any and all  
11 questions with respect to what we're really facing in this  
12 agreement that you have entered into with various parties  
13 of the environmental community.

14           So given that, this is a tough decision. Mr.  
15 Geesman, you've admonished us in terms of our ability to  
16 live with this decision. It is a serious decision.  
17 And -- but frankly I go to sleep every night really  
18 feeling susceptible to a lot of different threats.

19           And to the extent that I continue to serve on  
20 this body, I'm going to be sure that whatever process  
21 unfolds, and much of it before the CPUC, that we can  
22 either be sure that this transition happens responsibly.  
23 So I am prepared to adopt the staff recommendation.

24           COMMISSIONER NEWSOM: Thank you, Madam Chair.  
25 And I am -- and I appreciate you going first, so I can try

1 to collect my thoughts, but I don't think I have  
2 effectively done that, and I'm going to prove that point  
3 right now.

4 I mean, I think we heard every conceivable point  
5 of view and perspective that possibly could be offered on  
6 the subject matter of nuclear energy, nuclear power,  
7 seismic safety, the fate and future of our planet, our  
8 capacity to deliver on our promotion and promises of  
9 renewables in a I safe reliable way, the different  
10 ideological perspectives of just vehemence against  
11 nuclear. The ideological perspective that it is the  
12 solution and the like.

13 We started this process, publicly at least, in  
14 December of last year. And there were some public  
15 statements that were made by Commission, I made some, that  
16 my sense was, and good people can disagree with this, that  
17 this plant was inevitably going to be shut down for  
18 various reasons. That was my sense. I could be wrong,  
19 but that was my sense of looking at the tea leaves,  
20 looking at the regulatory environment out there, looking  
21 at all the various agencies that PG&E and others need to  
22 check off over the course of the next few years, State,  
23 local, federal agencies and the like.

24 And that if that were the case, let us not make  
25 the mistakes we made at San Onofre. Let's not fail to

1 plant. Let's have a conversation now about what that  
2 means to the workforce, what the means to community, what  
3 that means to our efforts to provide alternative energy  
4 sources at a competitive price.

5           And that was the discussion that unfolded over  
6 the course of the next few months. Yes, many private  
7 meetings, God forbid. Welcome to my office any time to  
8 have those and dozens of them with lots of you. Folks  
9 from the environmental community, folks from PG&E. You  
10 name it, they -- everyone seemed to attach themselves to  
11 these conversations. No secrets here. No one hiding  
12 here.

13           Hardly negotiations, but conversations, important  
14 conversations about can we deliver on a bridge on these  
15 renewables? I mean, I have that legitimate question as  
16 well, can we do it? Can that be done in 10 years?

17           Some folks said, no, it absolutely could be done  
18 in a few months. I mean, I'm not kidding, I had folks  
19 saying there, oh, we could do it today. I thought, you  
20 know, okay. And I said, oh, I've got a book I wrote --  
21 not just the books here -- that prove it.

22           I mean I had folks -- a lot of smart folks out  
23 there with certain points of view. And certainly, the  
24 point of the Chair that we -- you know, we have to unpack  
25 all these things. We had a public meeting again, public

1 meeting, again. Not many folks showed up in February, but  
2 they were invited.

3 We had another public meeting in April. We  
4 encouraged folks. Not many folks showed up to be invited  
5 in, in order to get feedback, in order to engage.

6 And then when we got closer to this date, there  
7 was some more vigor in terms of those meetings that were  
8 being held. We made great progress with labor. That was  
9 to me a foundational issue, that's what we expressed in  
10 December. We want to take care of our workforce. They  
11 matter. And you brought that home to me with all those  
12 kids that showed up. You reminded me it's not just about  
13 the individuals that are employed, it's about their  
14 families, and did that again today.

15 Folks out there -- you know, a former Mayor of  
16 San Francisco. Trust me, seismic issues are front and  
17 center, in terms of my consciousness, out there regaling  
18 me with all the latest evidence on all these new seismic  
19 concerns, you know, that are not insignificant concerns.

20 I mean, this is not the preeminent site if you're  
21 not -- if you're concerned about -- rather, if you are  
22 concerned about seismic safety.

23 And then we started having the environmental  
24 conversations. No one is hiding anything. No one is  
25 trying to -- you know, people were just trying in good

1 faith to see if we can make this thing happen and try to  
2 bring people together.

3           And then the deal was announced, a deal that, on  
4 the surface, was unbelievably well received. I mean,  
5 Bernie Sanders himself Tweeted, this is a model for the  
6 nation.

7           Some of the most prominent progressives  
8 celebrating this deal, not just, you know, hard-headed  
9 conservatives. You know, it was a cross-section of folks  
10 that thought this, you know, had some merits.

11           But then we come back to the question at hand  
12 their today, and what is our scope? I mean, I think  
13 there's a bit of a mythology that the State Lands  
14 Commission could determine the fate and future of this  
15 plant. We're not being asked to shut it down today, nor  
16 do we have the power to do that.

17           Even if we had the power to indulge in an  
18 environmental review -- I thought an interesting comment,  
19 environmental reviews are used usually to delay things,  
20 not necessarily fast-track them. I thought that was an  
21 interesting comment from the representatives of the Bay  
22 Area Council.

23           Because one thing I know intimately is these  
24 Environmental reviews never go as fast and as clean as you  
25 expect. There will be folks litigating these things, and

1 relitigating them. And these things could last forever.

2           Meanwhile, we're not having this kind of  
3 collaboration that I think we have the opportunity to have  
4 that was presented here today. Look, I'm longwindedly  
5 expressing a process here of consideration, and sort of  
6 getting to the point at hand.

7           San Onofre was a disaster. It increased  
8 wholesale energy costs, it hurt working folks, it hurt the  
9 economy, and it increased greenhouse gas emissions. All  
10 objective facts.

11           Germany has been a disaster. Shutting down eight  
12 nuclear plants precipitously, they've increased their  
13 greenhouse gas emissions. They bought more coal. They're  
14 over 50 percent in their electrical portfolio with coal,  
15 and that's not a solution either. So I'm not  
16 ideologically opposed to nuclear. I'm good friends with  
17 Stewart Brand. He sat me there in Sausalito regaling me  
18 about the merits of nuclear.

19           But I'm just trying to do my best here as a  
20 member of this Commission to try to process this in a way  
21 that can service the community, service labor and service  
22 the environment. And I think our staff, and this is my  
23 final point, has done a very good job.

24           And I get a little defensive, and it's not cause  
25 we're part of the establishment or some -- you know, all

1 that stuff. You know, I admire this staff. It's one of  
2 the best environmental staffs in the country, and, you  
3 know, I rely on them, and I honor them, and respect their  
4 integrity. And they've guided us through with some  
5 thoughts on this that, like the Chair, I'm inclined to  
6 support.

7           And I appreciate, Jennifer, your willingness to  
8 hold the parties accountable to the promises, because I  
9 heard that expressed through public comment, that there's  
10 a lot of mistrust out there. And we have the opportunity  
11 to do that, because we have a trigger on this lease that  
12 says if you're not following through on all these things,  
13 this lease expires. It terminates, which should be a  
14 celebration for those folks that are opposed. That's not  
15 even conditional on an environmental review, by the way.  
16 That's just termination, if a lot of things don't occur.

17           That's actually even more potent and powerful  
18 than an environmental review that actually has limited  
19 scope, not as broad as I think some people suggest.

20           So I just want to say I appreciated the work of  
21 the staff. I appreciate the comments of the Chair and her  
22 hard work on this. I admire labor willing to step into  
23 this debate, because I know how difficult it is for the  
24 workforce down there.

25           I admire the public testimony about the impact in

1 the community around schools and public safety, and how we  
2 have to be cognizant of that. And it's the old plan --  
3 old adage, right, if you fail to plan, you're planning on  
4 failing. And I think this will provide a bridge where  
5 that San Onofre was a ditch. And we have the opportunity  
6 to hold folks accountable and do something I think that,  
7 at the end of the day, we can all be proud of.

8 But please, folks, don't accuse this Commission  
9 of, you know, it's on your watch, and you won't be able to  
10 sleep at night. That kind of rhetoric, that just --  
11 that's a -- that's divisive rhetoric.

12 These are weighty topics, but that kind of  
13 threat, that doesn't do you -- actually, you lose a lot in  
14 that. I think some of those folks, you're better than  
15 that. We take this very, very seriously. And I know you  
16 do too, and I wish we can present our points of view in  
17 a -- I think a more enlivening manner, particularly with  
18 the kids that presented here. They're looking for a  
19 little better example than that.

20 So with that, I'm going to be supportive as well  
21 with appreciation of your point of view around our Water  
22 Board is doing what they're supposed to be doing, and  
23 support the recommendation from staff and move this on,  
24 unless you have some compelling arguments that would  
25 disrupt this point view and undermine it.

1 CHAIRPERSON YEE: Commissioner Ortega.

2 ACTING COMMISSIONER ORTEGA: I do not. I do not.  
3 I'm also in support of the staff's recommendation.

4 COMMISSIONER NEWSOM: Well, that was too easy.  
5 So with that, I would officially move, Madam  
6 Chair, the item, and staff recommendation.

7 CHAIRPERSON YEE: Okay. We have a motion by  
8 Commissioner Newsom to adopt the staff recommendation.

9 ACTING COMMISSIONER ORTEGA: Second.

10 CHAIRPERSON YEE: Second by Commissioner Ortega.  
11 Without objection, such will be the order.

12 (Applause.)

13 CHAIRPERSON YEE: And Ms. Lucchesi, you'll be  
14 sure that we do our communication with the State Water  
15 Resources Control Board.

16 EXECUTIVE OFFICER LUCCHESI: Certainly. And I  
17 will make sure to copy each of the Commissioners on that  
18 correspondence.

19 CHAIRPERSON YEE: All right. Very well. Thank  
20 you, everyone, for the patience and for those who  
21 testified. We very much appreciate all of the input.

22 Why don't we take a five minute break just to  
23 regroup and we'll be back on our next item.

24 (Off record: 4:43 p.m.)

25 (Thereupon a recess was taken.)

1 (On record: 4:53 p.m.)

2 CHAIRPERSON YEE: Okay. Let us resume our State  
3 Lands Commission meeting. We are now at the public  
4 comment portion of the agenda. I do have speaker slips  
5 for a number of members of the public. And I'd like to  
6 call you up in order, and you'll have two minutes to  
7 address the Commission.

8 Let me first start with Kimberly -- oh, I'm  
9 sorry. I believe we have a public speaker down in Morro  
10 Bay as well. Sharron, are you still with us?

11 STAFF ATTORNEY SCHEIBER: Yes, we are. We have  
12 Brad Snook. We have one speaker here.

13 MR. SNOOK: Good afternoon. My name is Brad  
14 Snook. I'm co-chair of our county's chapter of the  
15 Surfrider Foundation. Thank you for the previous agenda  
16 item and appreciate the comments. Appreciate the  
17 Commission's willingness to network with the State Water  
18 Board on once-through cooling as well.

19 I've been in front of the Commission having to do  
20 with seismic testing, and specifically the low energy  
21 seismic testing. So I've worked with staff. I've been  
22 part of some of the noticing, and I've reviewed the  
23 noticing as a impact of some local projects here in Morro  
24 Bay.

25 And as an exercise, I worked with the locals to

1 try and get the signage improved as far as whether the  
2 project that's taking place out in the water is safe for  
3 access or not. And it was a little bit difficult working  
4 with the contractor and also with the locals, because they  
5 didn't have the information that they needed explicitly on  
6 the technology.

7           And working in industry, as I do, I know that  
8 signage is very important. And when you see something,  
9 sometimes there's signs on it to say that it's safe, just  
10 so you know. Firefighters, the signs that they have on  
11 chemicals say that they're dangerous in certain  
12 conditions. I believe that the Commission should review  
13 whether to include signage in the packet that goes out  
14 with these low-energy seismic testing projects, that the  
15 locals can chose to post on the beaches to tell people  
16 that it's safe to go in the water, because what they're  
17 seeing is a strange boat, or a strange project, or  
18 something else that's going on that maybe they heard  
19 something about, and they need to know that it's safe.  
20 Otherwise, what it represents is a danger to coastal  
21 access.

22           So thank you for hearing my comments. And again,  
23 I appreciate the Board's efforts today.

24           CHAIRPERSON YEE: Thank you very much.

25           Okay. Ms. Lucchesi.

1 EXECUTIVE OFFICER LUCCHESI: Do you want me --  
2 would you like me to respond?

3 CHAIRPERSON YEE: Yes, please.

4 EXECUTIVE OFFICER LUCCHESI: Thank you. I really  
5 appreciate that comment, and we'll be back in touch with  
6 that last speaker. We are in the process of preparing to  
7 start the formal rule-making process for our low-energy  
8 geophysical permitting program. And so the comments that  
9 we just heard are going to be very important as we develop  
10 those regulations and go through the rule-making process.

11 So we will certainly take those comments to heart  
12 and make sure we address those as we begin that  
13 rule-making process and continually reach out to that  
14 chapter of Surfrider's.

15 CHAIRPERSON YEE: Excellent. Thank you very  
16 much.

17 Okay. Lets see. Jennifer, are you still here?  
18 Why don't you come forward.

19 I'm not sure if you wanted to add to your  
20 colleague or it's a separate issue.

21 MS. SAVAGE: Yeah. Jennifer Savage. California  
22 policy manager for the Surfrider Foundation. I'll be  
23 quick.

24 Thank you for all the willingness to hear so much  
25 public input today. I go to all the Coastal Commission

1 meetings, and normally this is my experience there. So it  
2 was another sort of take on people getting very involved  
3 in public comment. And I'm totally digressing and not  
4 being quick, like I said I would be.

5           So let me back up. I wanted to say thank you to  
6 your staff for their continued efforts to find a solution  
7 to the problem of blocked access at Martin's Beach. As  
8 you know, it's one of Surfrider's most important priority  
9 campaigns. It has been for several years. We are still  
10 currently engaged in the court system, and we are  
11 confident that we will be -- as one can be, that we will  
12 ultimately remain -- you know, come out victorious.

13           But in the meantime, the day-to-day fact is that  
14 people can't get to the beach in a State where they should  
15 be able to get to the beach. And, you know, for the folks  
16 that live on the central coast, this is something they're  
17 dealing with every day. But it's also so critical in the  
18 larger picture of beach access in our State.

19           And so we continue within Surfrider to have  
20 conversations trying to creatively find funding, come up  
21 with some mechanism to enable us to help the State  
22 purchase the easement. Although that grates a little bit,  
23 because we shouldn't have to. But, I mean, we shouldn't  
24 have to purchase it. But the fact is we want access for  
25 the people of California. And so I just wanted to keep

1 that in the forefront, and again, thank your staff for  
2 their hard efforts to make that happen.

3 CHAIRPERSON YEE: Great. Thank you, Jennifer.

4 And as you heard, Ms. Lucchesi speak of at the  
5 beginning of the meeting, there are ongoing conversations  
6 and a new acquisition concept that's been introduced. So,  
7 okay, very good.

8 Thank you.

9 All right. Our next speakers will be -- is Jim  
10 Vaughn still in the room?

11 Okay. He may have spoken already.

12 Rick Iger?

13 Okay. Kimberly Fuhrman?

14 All right.

15 And we have a number of speakers who want to --  
16 who wish to address the Commission relating to Dockettown.  
17 Let me call you up in order.

18 James Jones, Emelio Diaz, Mary Bernier, Tania  
19 Solé, and Lee Callister.

20 MR. JONAS: Madam Chair and Commissioners. My  
21 name is James Jones. I'm from Dockettown.

22 First of all, I want to start with just saying  
23 thank you very much. This is a formal thank you to  
24 Senator Hill's office, Assembly Member Mullin's office,  
25 your staff that has been helpful -- very helpful in this,

1 also Redwood City, and the residents of Docktown. There's  
2 an active discussion going on with Docktown. We did have  
3 a pause with regards to the legislation. I want to point  
4 out the fact that it is just a pause. That we are looking  
5 at revisiting legislation in February via Hill's office.

6           And I want to thank also the offer by this  
7 Commission to continue that discussion, as well as with  
8 Redwood City to continue that discussion. I understand  
9 that this is a hard effort, but I want to -- really want  
10 to say that as part of the team that was selected by the  
11 community to participate in the negotiations, that we  
12 really do appreciate it.

13           There is one issue that has been brought up  
14 during the discussions by both myself as well as the  
15 attorneys, that has to do with Public Trust, sea level  
16 rise, as well as impact on floating home communities. We  
17 have a concern that within the legislation, that once  
18 again within the black and white of the legislation that  
19 it did discuss residential use and the Public Trust, that  
20 there was an assertion made in that matter.

21           Again, we're not necessarily in agreement with  
22 this issue. That's understood. There's -- you know,  
23 people will differ. Our concern was actually putting it  
24 inside the legislation, and the unintended consequences  
25 that this could precipitate. Not only within Docktown in

1 terms of blocking out alternatives that we'd like to take  
2 a look at, where we might be able to reside, but also  
3 other floating communities throughout the State.

4           Now, that's -- immediately, that may very well  
5 impact, but also in terms of the future of California sea  
6 level rise adaptation, and what takes some turns of all  
7 other communities, San Francisco, San Diego, the very  
8 State here. I'm sorry, the very city here, which is  
9 Sacramento, in which it can be impacted. The idea being  
10 that as seas rise, guess what, there is a direct impact  
11 where they say residential use is not allowed, and  
12 adaptation is therefore pushed aside.

13           We think that there's a robust discussion that  
14 has to happen in particular area. This is not an easy  
15 issue. We know that there is a, let's see, a balance of  
16 interest, I think, is the word that -- the phrase was used  
17 today by yourselves. And there's a balance of different  
18 types of interests in this area, and we should have a  
19 robust discussion, meaning that as seas rise, how do we  
20 manage adaptation for the State of California?

21           And it's not as easy as a black and white  
22 solution, in which what we do is we say residential use is  
23 not allowed. We're really looking at -- and let me use  
24 the phrase that was brought up today -- the State's  
25 interest. And there really is a question of what is the

1 State's best interest in this particular situation?

2 As I said before, with five feet to six feet of  
3 sea level rise, you're looking at one half million acres  
4 being inundated. And that would be the potential  
5 displacement of 200,000 Californians, with an economic  
6 impact of approximately \$1 trillion.

7 Now, the thing is, is --

8 CHAIRPERSON YEE: Mr. Jonas, your time has  
9 expired, so would you just sum up?

10 MR. JONAS: My summary is very simple. I think  
11 what we need to do is take a look at this issue more in  
12 depth. But again, we have a heart-felt thank you to the  
13 staff and to the Commission here for their efforts, and we  
14 look forward to ongoing discussions.

15 CHAIRPERSON YEE: Thank you very much.

16 Mr. Diaz.

17 MR. DIAZ: Hello.

18 CHAIRPERSON YEE: Good afternoon.

19 Please introduce yourself for the record, and you  
20 have two minutes.

21 MR. DIAZ: Okay. Oh, wow, timer.

22 Thank you, Commissioners and staff members. I'm  
23 a resident of Dockettown. I originally --

24 CHAIRPERSON YEE: Introduce yourself for the  
25 record, please.

1 MR. DIAZ: Oh, Emelio Diaz.

2 CHAIRPERSON YEE: Thank you.

3 MR. DIAZ: Sorry. I'm originally -- basically  
4 built my boat in Alviso. I think I was about the second  
5 to last boat out of Alviso. At that time, Palo Alto I  
6 think had basically shut down their harbor, so there was  
7 no more boats in Alviso, no more boats in -- and as far as  
8 living or having their boats down there on the slough.

9 And then I got to Redwood City and there was  
10 Peninsula with about 400 boats, Pete's Harbor with 300  
11 boats, and we had, I think, over 100 boats at that time in  
12 Redwood City at Docktown.

13 So now we have in 2002, we had the Peninsula  
14 Harbor gone. Now in 2013, Pete's Harbor gone. And it  
15 looks like we're on the chopping table. I mean, boating  
16 is taking a big hit. When I was down in Alviso there  
17 was -- at different time. That was back in the seventies  
18 when I was building this boat that I live in now, and  
19 there was hundreds of boats being built around the Bay.  
20 There was lots of boats in the slough, down in south bay.  
21 And now less and less people have the opportunity to build  
22 boats. You don't see anybody really building boats  
23 anymore. The economy is too tight.

24 The people that can afford boats are only the  
25 rich. And you can't -- you know, like you could take a

1 loan out and maybe liveaboard and make payments on a boat,  
2 and live there. That opportunity is disappearing.  
3 Boating -- your place where you could actually keep a boat  
4 is disappearing also, because of all the -- well, there's  
5 less people having boats, number one. Number two, there's  
6 all these requirements that are having an impact.

7 So I think going away from boating, instead of  
8 having more boating, especially when the sea rise is  
9 happening is -- you know, we really should be going in  
10 that direction.

11 CHAIRPERSON YEE: Your time --

12 MR. DIAZ: And then floating homes are extremely  
13 an alternative -- good alternative to -- during a sea  
14 rise. I mean, it's -- we need to look and have an open  
15 mind in that direction, instead of the other way around.

16 Thank very much.

17 CHAIRPERSON YEE: Thank you.

18 Mary Bernier.

19 Good afternoon.

20 MS. BERNIER: Good afternoon. Mary Bernier and  
21 also -- I am taking my glasses off, so I can see you  
22 better. A person from Docktown.

23 I'm just here. Let's see if I can do it in a  
24 minute. I'm bringing many photos finally to you, since  
25 the April 5th meeting that I said I would bring you photos

1 of wonderful areas around Docketown that are open to the  
2 public, and that personally I hope to advertise, so more  
3 people can get appreciation of the waterfront history we  
4 have.

5 We've given Alicia a map that shows how small the  
6 area is that Docketown is involved with, as opposed to  
7 these huge big turning basins that have just an  
8 extraordinary wonderful experience if people were to find  
9 out they were there.

10 So see, I'm just thankful that we're going to be  
11 able to do this again, try to pull our multi-generational  
12 community together and some kind of a consensus, and  
13 support what will help the most of us.

14 Thanks a million.

15 CHAIRPERSON YEE: Thank you very much.

16 Okay. Tania

17 MS. SOLÉ: Hello, Commissioners. I am Tania  
18 Solé, a Docketown resident. At the last State Lands  
19 meeting, you, the Commissioners, gave your staff guidance  
20 regarding the ongoing negotiations over Docketown. I want  
21 to make sure that in the next round of negotiations, this  
22 guidance, especially regarding the transfers of ownerships  
23 and extended timelines is heeded.

24 Separately, I'm a bit surprised at how the  
25 various stakeholders and negotiators are proceeding,

1 especially given their arguments in support of reopening  
2 real access at Martin's Beach. Sadly, in Docktown's case,  
3 the opposite position is being taken.

4           Essentially, staff and others are arguing that  
5 access to the Bay involves only looking at the bay. This  
6 is not access. Docktown, in fact, is providing open  
7 access by making accessible ramps and docks, in fact  
8 enhancing access. Figuring out all the agendas at play  
9 might be difficult. But being consistent in the  
10 application of arguments is a no-brainer and should be  
11 standard good practices.

12           I strongly urge you, staff and the other  
13 representatives, to be consistent with the Martin's Beach  
14 situation and also support Docktown.

15           Thank you.

16           CHAIRPERSON YEE: Thank you very much.

17           MR. CALLISTER: Lee Callister, Docktown. I want  
18 to just give you a quick little report. I know time is  
19 short here -- or time is long, I guess is probably a  
20 better way of putting it.

21           The April 5th meeting that we had was in response  
22 to requests for us to have a forum to explain ourselves.  
23 Instead, it became a referendum for the city's proposal.  
24 We were receptive to the proposal, but not to the  
25 conditions that went along with it, as we've explained to

1 you at the time.

2 I was heartened to see that Chairman Yee  
3 suggested that this was really -- these issues were really  
4 issues for -- to work out between the city and the  
5 residents, and that the Commission had limited ability to  
6 be involved in that.

7 She instructed staff to work with the city,  
8 legislature, and the Docket residents. And we did. We  
9 had good meetings, good conversations, honest dialogue.  
10 What was disappointing to me was that nothing that we said  
11 seemed to make any difference. It almost felt like that  
12 there was no real reason for us to be there, because there  
13 was not a single concession made to anything that we said,  
14 and we left somewhat frustrated.

15 But we were assured, or at least it sounded like,  
16 from what Nate said, that we would then be just -- there  
17 was a possibility of further discussions starting in  
18 January, possibly going back to the legislature when there  
19 was not the emergency -- the two-thirds requirement. So  
20 it's less important that all of us be on the same page.

21 So I was kind of surprised when I got contacted  
22 by the press asking me my reaction to the -- Senator Hill  
23 saying that the legislation had been killed, and the press  
24 report saying that we were to blame for it, because we had  
25 rejected the settlement. We did not reject the

1 settlement.

2           We were unhappy with the conditions, and we  
3 thought that that was part of the negotiation that should  
4 took place between us and the city. We didn't really  
5 understand why that was something that needed to be part  
6 of the legislation, which would have broken new ground,  
7 would have established new precedents, but would never  
8 have been part of any legal -- any grant statutes before.

9           I think that's all I'm going to say about that,  
10 except that I was heartened to see this document, the  
11 legislative report, making it clear that there -- the  
12 probability -- the possibility is still open for further  
13 discussions with the city and with the State Lands. So  
14 that was very heartening.

15           I also just wanted to say quickly, in conjunction  
16 with what I began with, that these were not the only  
17 issues that we hoped to discuss with the Commission. I  
18 distributed to you to --

19           CHAIRPERSON YEE: I believe Jennifer has them.

20           MR. CALLISTER: I actually was hoping that you  
21 would them in front of you.

22           CHAIRPERSON YEE: No, we'll get them.

23           MR. CALLISTER: Because I know you already had  
24 copies of them before.

25           CHAIRPERSON YEE: We did.

1 MR. CALLISTER: What I wanted -- why I gave them  
2 to you is because I wanted to open up to page three and  
3 four, which I can just show you here, if it's easier to  
4 do, but it would be easier if you had them, because one of  
5 the key issues -- one of the most important issues in my  
6 mind is the fact that there are over 700 floating  
7 residences on the Bay right now in Sausalito, San  
8 Francisco, and Barnhill, all of which look pretty much  
9 like us, all of which date from the same time period. And  
10 it seems to me that if we can't come to an understanding  
11 in connection with the 15 years, that we should seriously  
12 look at the reason -- the rationale for why we should --  
13 can't just be grandfathered.

14 That would seem to be the most simple solution,  
15 and the one that makes sense to me. I'm going to write a  
16 letter to Jennifer and to -- Jennifer -- and, oh my God --

17 EXECUTIVE OFFICER LUCCHESI: Sheri.

18 MR. CALLISTER. -- Sheri. I'm getting old -- and  
19 ask them why -- ask them if the city were to agree that we  
20 could be grandfathered, if they had no objections, would  
21 the State Lands Commission objects, and if so why?  
22 Because that's the topic -- we've raised that question  
23 before. I've never heard a response to it.

24 Thanks again for all your time. So the ones I  
25 was pointing to there was on page three really. There's

1 some additional information on page four.

2 But thanks again for your time and attention to  
3 this issue, and your dedication. I was very impressed by  
4 the focus that you put on all that that happened today.  
5 It was so much to digest. And we look forward to talking  
6 to you again. Thank you very much.

7 CHAIRPERSON YEE: Thank you, Mr. Callister.

8 I guess just with respect to the legislation, I  
9 think the direction, if I recall, of the Commission was to  
10 have the staff work with the city, and with the residents  
11 on a potential legislative solution. But really, the  
12 State Lands Commission's role there was to represent the  
13 Public Trust interests. And so we actually are not  
14 negotiating much of that. So it's really to protect our  
15 interests within our jurisdiction.

16 So perhaps before the next legislative year  
17 starts, we may want to have another public discussion  
18 about how we go forward, in terms of what the expectations  
19 are of the parties, if we pursue a legislative solution,  
20 just to reiterate our role and to clarify it.

21 Does that make sense?

22 EXECUTIVE OFFICER LUCCHESI: (Nods head.)

23 CHAIRPERSON YEE: Very good. Thank you.

24 I believe that concludes the public comments  
25 section.

1           Commissioners, any comments on the dais?

2           Okay. Hearing none, I believe then we are going  
3 to move into closed session.

4           EXECUTIVE OFFICER LUCCHESI: That's correct.

5           CHAIRPERSON YEE: And I'm going to ask members of  
6 the public to please leave the room, so that we may have  
7 the Commission meet in closed session.

8           Thank you all very much.

9           (Off record: 5:15 p.m.)

10          (Thereupon the meeting recessed  
11 into closed session.)

12          (Thereupon the meeting reconvened open session.)

13          (On record: 5:37 p.m.)

14          CHAIRPERSON YEE: Let's resume the State Lands  
15 Commission meeting. The Commissioners met in closed  
16 session, and I believe staff has something to report.

17          CHIEF COUNSEL MEIER: Yes. Mark Meier, Chief  
18 Counsel for the Commission.

19          The one item that needs to be reported out from  
20 the closed session. In closed session, the Commission  
21 voted 3 to 0 to approve participation in the  
22 administrative settlement agreement and order of consent  
23 for the Yosemite Slough Superfund site with the U.S. EPA  
24 regarding the performance of technical studies.

25          CHAIRPERSON YEE: Very good. Thank you very

1 much.

2 Any other comments from Commissioners?

3 Okay. Seeing none.

4 Thank you to the staff for a productive meeting  
5 and for all the great work today. And with that, the  
6 meeting is adjourned.

7 Thank you.

8 (Thereupon the California State Lands

9 Commission meeting adjourned at 5:38 p.m.)

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## 1 C E R T I F I C A T E O F R E P O R T E R

2 I, JAMES F. PETERS, a Certified Shorthand  
3 Reporter of the State of California, do hereby certify:

4 That I am a disinterested person herein; that the  
5 foregoing California State Lands Commission meeting was  
6 reported in shorthand by me, James F. Peters, a Certified  
7 Shorthand Reporter of the State of California;

8 That the said proceedings was taken before me, in  
9 shorthand writing, and was thereafter transcribed, under  
10 my direction, by computer-assisted transcription.

11 I further certify that I am not of counsel or  
12 attorney for any of the parties to said meeting nor in any  
13 way interested in the outcome of said meeting.

14 IN WITNESS WHEREOF, I have hereunto set my hand  
15 this 13th day of July, 2016.

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23 JAMES F. PETERS, CSR  
24 Certified Shorthand Reporter  
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