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August 26, 2022

Honorable Eduardo Garcia, Chair
Assembly Utilities and Energy Committee
1020 N Street, Room 408A
Sacramento, CA 95814

RE: Governor's Proposal to Extend Operations of the Diablo Canyon Nuclear Power Plant

Dear Chair Garcia:

The California Building Industry Association (CBIA) is a statewide trade association representing approximately 3,000 member-companies involved in residential and light commercial construction. CBIA member-companies are responsible for approximately 85% of the new homes built and sold in California each year. We write today in support of the proposal to extend the operations of the Diablo Canyon Nuclear Power Plant.

As California moves towards a carbon free power grid, both new and existing structures in the built environment will be eliminating natural gas from buildings and internal combustion engines from the vehicle fleet. More specifically, this means electrical power only for indoor space heating, stoves, dryers, and an almost exclusive dependence on electric vehicles. Combined, these measures will increase electricity demand by 3 times current needs.

Current generation and capacity cannot handle such a large increase. With increasing electricity demand, it is not the time to reduce electrical production. The Diablo Canyon Nuclear Power Plant provides almost 10% of California's electricity needs. Grid reliability is going to be a huge challenge for years to come. Extending the life of the plant is not just smart; it is needed as it will take years to get new renewable energy and storage plants online.

To that end, we cannot achieve our decarbonization goals for housing without the Diablo Canyon Nuclear Power Plant being active. Our grid reliability plan needs to be solid, not an aspirational goal. Governor Newsom's plan to extend the operation of the power plant is not speculative and will allow for more housing production.

Sincerely,

Michael A. Gunning
Senior Vice President of Legislative Affairs
California Building Industry Association

cc Members, Assembly Utilities and Energy Committee