



Press Release

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HomeFed Plans Massive Development of Diablo Canyon Lands

Southern California Developer's email suggests a "deal" with PG&E and ability to "push" County Supervisors

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SAN LUIS OBISPO – An email (attached) dated January 10, 2018, between HomeFed Advisor Denis Sullivan and HomeFed Project Manager Tom Blessent reveals Sullivan's belief that PG&E will convey a land interest to HomeFed to enable development of thousands of acres of utility-owned coastal property (known as "Wild Cherry Canyon") near the Diablo Canyon Nuclear Power Plant.

The email proposes a development of 15,000 units, described by Sullivan as "one and a haft time (sic) the size of Grover Beach," which could more than triple the population of the adjacent town of Avila Beach.

Current agricultural zoning on Wild Cherry Canyon allows for the development of approximately 50 homes. The proposal by a HomeFed official in the email contemplates an increase of 300 times beyond what current regulations would allow.

"Placing a new city on these pristine lands would be an environmental tragedy of the first order," said Friends of Wild Cherry Canyon representative Kara Woodruff. "This is an ecologically and culturally rich and remote property, accessible only by an impacted, two-lane road that runs through the community of Avila Beach and dead ends at the Diablo Canyon plant and its nuclear waste storage facility," said Woodruff. "From an ecological, safety, traffic, fire, and regional quality-of-life perspective, it's hard to contemplate a worse place for a development of this size and nature. HomeFed's profit motive is clear; any concern for the needs of the community is not."

These coastal lands, because of their pristine condition and location, have been the subject of numerous conservation efforts and at one time were envisioned, along with other adjacent properties, as an extension of Montana de Oro State Park. PG&E owns the underlying "fee title" to Wild Cherry Canyon, which HomeFed needs to obtain to develop the property.

The email goes on to state that, "PG&E has said in a deal they will allow access North in a time of need to allow through the plant site," and "I think we can get a deal with PG&E to get the fee."

The language of Sullivan's email may suggest that PG&E and Sullivan have been discussing a "deal" for the land. However, PG&E is barred from having such discussions by its own agreement and by orders of Administrative Law Judge Peter V. Allen and the California Public Utilities Commission.

The Sierra Club and Friends of Wild Cherry Canyon filed formal protests raising the issue of the disposition of Diablo Canyon lands during the CPUC's review last year of PG&E's proposal to retire the plant. Judge Allen in his November 8, 2017 decision stated "Pacific Gas and Electric Company will take no action with respect to any of the lands and facilities,

whether owned by the utility or a subsidiary, before completion of a future process including a public stakeholder process; there will be local input and further Commission review prior to the disposition of Diablo Canyon facilities and surrounding lands.” This decision was reiterated by the California Public Utilities Commission in its own January 16, 2018 decision approving the retirement of Diablo Canyon.

“The email is troubling,” said Chuck Tribbey, Chair of the Santa Lucia Chapter of the Sierra Club. “If it’s true, Sullivan’s characterization of a ‘deal’ between HomeFed and PG&E would be in direct contravention to the rulings of the California Public Utilities Commission and its administrative law judge.”

Moreover, per a October 4, 2016 letter from PG&E’s Tom Jones to SLO County Administrative Officer Dan Buckshi, “PG&E intends to complete the site-specific decommissioning plan for the facility over the coming years with community input before making any decisions on the disposition of the [Diablo Canyon Power Plant] lands. As part of this process, PG&E will convene a community advisor group that will give stakeholders an opportunity to shape the future use of PG&E’s land plans finalizing the site-specific plan. In the meantime, PG&E will not make any commitments on land disposition or post-retirement land use, including the Wild Cherry Canyon parcels, until the stakeholder process is completed and PG&E’s recommendations have been considered by the CPUC as part of the DCPP site-specific decommissioning plan.”

The mandated stakeholder process is not yet even underway, PG&E having just announced that it will be starting soon. (San Luis Obispo Tribune, “PG&E Won’t Ask for New Hearing on Diablo Canyon Closure,” February 9, 2018).

Andrew Christie, Director the Sierra Club’s Santa Lucia Chapter said, “PG&E should review their internal communications with HomeFed and specifically inform the community whether the discussions referenced have, indeed, taken place. Likewise, HomeFed officials bragging about their ability to ‘push’ the SLO County Board of Supervisors that are ‘in our favor’ to ‘progress a deal’ to create a new city in Wild Cherry Canyon raises serious questions about whether closed-door negotiations have occurred with county officials. These issues should be addressed before PG&E begins the stakeholder process.”

In 2000, San Luis Obispo County voters approved the “Dream Initiative” by a 75% margin, calling for the property surrounding the Diablo Canyon Nuclear Power Plant to be conserved in perpetuity upon the plant’s closing.

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