DEPARTMENT OF ENERGY

Amended Record of Decision for the Supplemental Environmental Impact Statement for the Proposed Award of Credits to Pacific Gas and Electric Company for Diablo Canyon Power Plant (DOE/EIS-0555 S1)

AGENCY: Office of Nuclear Energy; United States, Department of Energy

ACTION: Amended Record of Decision

SUMMARY:

The United States (U.S) Department of Energy (DOE) announces its amended record of decision (AROD) to award credits to the Pacific Gas and Electric Company (PG&E) under the Civil Nuclear Credit (CNC) Program for the continued operation of Diablo Canyon Power Plant (DCPP) Units 1 and 2 under DCPP's current operating licenses issued by the U.S. Nuclear Regulatory Commission (NRC). DCPP is an existing commercial nuclear power plant located in San Luis Obispo County, California. PG&E will be eligible to receive payments from the first award cycle of funding from the CNC Program over a four-year award period (January 2023–December 2026), subject to PG&E's satisfaction of the applicable payment terms. The action being taken by DOE does not change the operational configuration of the facility (i.e., the way PG&E operates the plant). The action awards credits to PG&E to help DCPP to continue to operate under the existing NRC approved licenses and programs. Payments of credits are expected to occur annually beginning in 2026 and will be paid retroactively to compensate PG&E for DCPP operations in the prior year(s).

The National Environmental Policy Act (NEPA) requires Federal agencies to evaluate the environmental impacts of proposals for major Federal actions with the potential to significantly affect the quality of the human environment. Awarding credits for continued operation of a commercial nuclear power reactor under the CNC Program is subject to NEPA. Therefore, DOE conducted a review of the existing NEPA documentation for continued operation of the DCPP reactors in accordance with the DOE NEPA regulations, 10 Code of Federal Regulations (CFR) Part 1021, and the DOE NEPA Implementing Procedures (July 13, 2026). DOE's AROD follows the *Supplemental Environmental Impact Statement for the Proposed Award of Credits to Pacific Gas and Electric Company for Diablo Canyon Power Plant* (DOE/EIS-0555 S1), where DOE relied on NRC NEPA documents that evaluated the license renewals for DCPP.

The NRC has principal regulatory authority over the licensing of commercial nuclear power reactors, and DOE conducted a review of the NRC environmental documents related to the licensing of Diablo Canyon. DOE determined that the project analyzed in the NRC NEPA documents was substantially the same as the project that would be covered by the DOE CNC Program. DOE determined that continued operation of DCPP Units 1 and 2 as NRC-licensed

commercial nuclear power reactors would have environmental consequences that have been adequately analyzed in the existing NEPA documentation.

CONTACT:

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or by email to *andersjl@id.doe.gov*. This AROD and DOE/EIS-0555 S1, as well as other general information concerning the DOE NEPA process, are available for viewing or download at: https://www.energy.gov/nepa/doeeis-0555-s1-proposed-award-credits-pacific-gas-and-electric-company-diablo-canyon-power.

BACKGROUND:

The CNC Program was established on November 15, 2021, when the Infrastructure Investment and Jobs Act (IIJA) (Public Law 117-58) was signed into law. Section 40323 of the IIJA (42 U.S.C. § 18753) establishes a program to award credits to nuclear reactors that meet the eligibility requirements and whose bid for credits is accepted by DOE. To be certified as eligible for an award of credits, PG&E had to meet certain requirements set out in section 40323(c)(2)(A) of the IIJA, including that DCPP is projected to cease operations due to economic factors and that air pollutants would increase if the nuclear reactor were to cease operations. Also, in accordance with section 40323(c)(2)(A)(ii)(III) of the IIJA, the NRC provided its reasonable assurance that DCPP will continue to be operated in accordance with its current licensing basis, which includes PG&E's Environmental Protection Plan, and will pose no significant safety hazards.

PG&E submitted its application for certification and its bid for credits under the CNC Program on September 9, 2022. DOE made a conditional award of credits to PG&E on November 21, 2022, and then entered into an agreement with PG&E for the award of credits on January 11, 2024.

DOE NEPA REVIEW:

When DOE/EIS-0555 was issued in July 2023, the DCPP license renewal application was under review by NRC. The DOE/EIS-0555 Record of Decision states:

> *DOE's review and adoption of the NRC NEPA documents covers only the period that DCPP's current operating licenses remain in effect. That is to say, so long as the DCPP operating licenses continue in effect by operation of law, DOE will continue to pay credits during the four-year award period. PG&E submitted its application for DCPP operating license renewal on November 7, 2023, which is currently undergoing NRC review. If the NRC denies renewal of the DCPP*

operating licenses, DOE will stop payment of credits. If the NRC grants renewal of the DCPP operating licenses during the January 2023-December 2026 award period, DOE will stop payment of credits and initiate a process to satisfy DOE's NEPA obligations with respect to continuing payments.

On July 1, 2025, NRC renewed PG&E's license for the receipt, possession, transfer, and storage of spent nuclear fuel from DCPP until March 22, 2064. On April 2, 2026, NRC renewed the facility operating licenses for DCPP until November 2, 2044, for Unit 1 and August 26, 2045, for Unit 2. Therefore, by relying on the NRC EA and SEIS, DOE is satisfying its NEPA obligations to support payment of credits. DOE did not participate as a cooperating agency in preparing the NRC NEPA documents.

In DOE/EIS-0555 S1, DOE reviewed the NRC NEPA documents for DCPP and determined that the project analyzed in the NEPA documents is substantially the same project that DOE is considering awarding credits as part of the CNC Program. The first NEPA document is from 2025:

Generic Environmental Impact Statement for License Renewal of Nuclear Plants, Supplement 62, Regarding License Renewal of Diablo Canyon Nuclear Power Plant, Units 1 and 2- Final Report. NUREG-1437, Supplement 62. ADAMS Accession No. ML2515A357 (NRC 2025) (NRC SEIS).

Further, in part because the continued operation of DCPP may result in additional accumulation of spent nuclear fuel, DOE also reviewed DCPP's:

Pacific Gas and Electric Company; Diablo Canyon Independent Spent Fuel Storage Installation; Environmental Assessment and Finding of No Significant Impact. ADAMS Accession No. ML24296A038 (NRC 2024) (NRC EA).

The 2025 NRC SEIS and 2024 NRC EA collectively are the NEPA documents DOE relied on for DCPP. The NRC's subsequent decision permits DCPP's operating license to continue up to the expiration dates of November 2, 2044, (Unit 1) and August 26, 2045 (Unit 2). Following DOE's completion of DOE/EIS-0555 S1, DOE is publishing this AROD in accordance with the DOE Implementing Procedures to describe DOE's decision to rely on the NRC NEPA documents.

Alternatives Considered

The present DOE decision is whether to approve the proposed action described in DOE/EIS-0555 S1 to award of credits to PG&E under the CNC Program to support continued operation of DCPP under its current NRC operating licenses. Accordingly, the alternatives considered by DOE include (1) the proposed action of supporting the award of CNC Program credits to PG&E and (2) the alternative of not supporting the award of CNC Program credits to PG&E. The proposed credit award would provide financial support for the continued operation of DCPP under its existing NRC licenses during a limited four-year award period (2023–2026).

The alternative of not awarding credits to PG&E could result in PG&E discontinuing operation of DCPP Units 1 and 2. Discontinued operations would result in a loss of 2,200 electric megawatts of power for the DCPP service area, which would likely need to be replaced by other forms of energy generation.

Environmental Impacts

DOE reviewed the regulatory agency consultations previously completed for the DCPP license as stated in the NRC EA and SEIS. Because the proposed action does not change the existing operating configuration of DCPP facilities, DOE has determined that DOE's proposed action would likely not cause effects under section 106 of the National Historic Preservation Act and has "No Potential to Cause Effects" to historic properties per 36 CFR §800.3(a)(1). As confirmed with the U.S. Fish and Wildlife Service, DOE has no Endangered Species Act requirements or separate consultation procedures to complete on DOE's proposed action.

In addition, DCPP complies with Federal, state, and local environmental regulations, requirements, and agreements, and it operates using best management practices.

Consistent with DOE's NEPA Implementing Procedures (July 13, 2026), DOE has reviewed and considered the information presented in the NRC NEPA documents and has determined that the documents meet the standards for an adequate statement, assessment, or determination as applicable. DOE's review addresses only continued operation of DCPP under its current NRC operating licenses. DCPP's current NRC operating licenses are valid until November 2, 2044, (Unit 1) and August 26, 2045 (Unit 2). DOE's review and reliance on the NRC NEPA documents covers its proposed action, which are those actions within the period that DCPP's current NRC operating licenses remain in effect.

Decision

DOE has decided to implement the proposed action to issue credits to PG&E for continued operation of DCPP, as identified in DOE/EIS–0555 S1 and authorized under NRC licenses DPR-80 and DPR-82.

Basis for Decision

Approval of credits responds to the DOE purpose and need pursuant to the IIJA, which authorizes the Secretary of Energy to provide credits for nuclear reactors that meet certain minimum requirements: (1) a determination that the nuclear reactor is projected to close for economic reasons; (2) a determination that pollutants would increase if the nuclear reactor were to cease operations and be replaced with other types of power generation; and (3) that the NRC has reasonable assurance that the nuclear reactor will continue to be operate in accordance with its current license and poses no significant safety hazards (42 U.S.C. 18753). DOE also considered the environmental impacts as analyzed by the NRC when making its decision.

Mitigation Measures

The project for which DOE has decided to issue credits includes all mitigation measures, terms, and conditions applied by the NRC in licenses DPR-80 and DPR-82. The mitigation measures, terms, and conditions represent practicable means by which to avoid or minimize environmental impacts from operation of DCPP. The NRC is responsible for ensuring compliance with all adopted mitigation measures, terms, and conditions for the project set forth by the NRC in licenses DPR-80 and DPR-82. DOE's form credit award agreement for the CNC Program, which is publicly available, also contains mitigation and monitoring measures.

Finally, the award agreement requires recipients to comply with all applicable laws, including environmental laws, in all material respects at the time of award agreement and each time the awardee requests payment. Environmental laws include any laws in effect as of the date of the award agreement and in the future that regulate or impose obligations relating to environmental impacts and necessarily include any associated environmental mitigation measures in the terms of NRC licenses DPR-80 and DPR-82 and associated mitigation measures. Future requirements imposed by the NRC would also be required by the credit award agreement for the project. A recipient's misstatement or omission in representation of its compliance with all applicable laws may constitute an event of default, upon which DOE would have the right to exercise remedies, including withholding the payment of any credits.

Signed in Washington, DC, on July 17, 2026

Theodore J. Garrish
Assistant Secretary for Nuclear Energy