# Final 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**

## August 2026

**Lead Federal Agency:** United States (U.S.) Department of Energy (DOE), Office of Nuclear Energy

**Title:** Final Supplemental Environmental Impact Statement for the Civil Nuclear Credit Program Proposed Award of Credits to Pacific Gas and Electric Company for Diablo Canyon Power Plant, San Luis Obispo County, California (DOE/EIS-0555 S1)

This final supplemental environmental impact statement (DOE SEIS) supplements the July 2023 Final Environmental Impact Statement for the Civil Nuclear Credit Program Proposed Award of Credits to Pacific Gas and Electric Company for Diablo Canyon Power Plant; San Luis Obispo, County California (DOE/EIS-0555).

**Reviewed Documents:** DOE relied upon the following U.S. Nuclear Regulatory Commission (NRC) National Environmental Policy Act (NEPA) documents:

- 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).

- 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).

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**Proposed Action:** DOE is proposing to award credits to Pacific Gas and Electric Company (PG&E) under the Civil Nuclear Credit (CNC) Program for the continued operation of Diablo Canyon Power Plant Units 1 and 2 (DCPP). DCPP is an existing commercial nuclear power plant located in San Luis Obispo County, California. If awarded credits, PG&E will be eligible to receive payments from the Federal government in the amount of the credits awarded to PG&E for the four-year award period (2023-2026), subject to PG&E's satisfaction of the applicable payment terms.

**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, also known as the Bipartisan Infrastructure 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, among other things, 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 licensing basis, which includes PG&E's Environmental Protection Plan and poses no significant safety hazards.

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 the preparation of the NRC NEPA documents.

**Review of DOE's Proposed Action:** DOE has determined that the proposed action, award of credits under the CNC Program for the continued operation of existing nuclear power reactors under their NRC licenses, is substantially the same as the proposed actions analyzed in NRC's NEPA documents. NRC has permitting (licensing) authority over the operation of DCPP, and DOE is proposing to provide financial support for the continued operation of DCPP as NRC-licensed commercial nuclear power reactors. By awarding credits to PG&E, DOE would not change the operational configuration of DCPP. On this basis, DOE has determined that these actions are substantially the same for purposes of NEPA.

DOE reviewed the regulatory agency consultations previously completed for the DCPP license as stated in the NRC EA and SEIS. As the proposed action does not change the existing operating configuration of DCPP facilities, DOE has determined that DOE's proposed action has no reasonably foreseeable impacts that would cause effects under Section 106 of the National Historic Preservation Act and have "No Potential to Cause Effects" to historic properties per 36 Code of Federal Regulations §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.

Consistent with DOE's NEPA Implementing Procedures, 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.

**Conclusion:** Based on its review, DOE finds that there is sufficient available information to complete DOE's analysis of the proposed action. DOE determined that its proposed action, award of credits under the CNC Program to support funding for the continued operation of an already-operating nuclear power plant, is substantially the same as NRC's licensing actions, including operations of the nuclear power plant, analyzed in the NRC SEIS and EA. Based upon this, and that an award under the CNC Program does not change the existing operating configuration of DCPP facilities or result in significant new circumstances or information relevant to environmental concerns, DOE finds the NEPA documentation is adequate to support award of credits to PG&E for the continued operation of DCPP.