



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D.C. 20555-0001

December 31, 2018

LICENSEE: Pacific Gas and Electric Company

FACILITY: Diablo Canyon Nuclear Power Plant, Units 1 and 2

SUBJECT: SUMMARY OF NOVEMBER 29, 2018, PUBLIC MEETING WITH PACIFIC GAS AND ELECTRIC COMPANY TO DISCUSS THE PROPOSED EXEMPTION REQUEST TO WITHDRAW FUNDS FROM THE NUCLEAR DECOMMISSIONING TRUSTS TO FUND DECOMMISSIONING PLANNING ACTIVITIES AT DIABLO CANYON NUCLEAR POWER PLANT, UNITS 1 AND 2 (EPID L-2018-LRM-0074)

On November 29, 2018, a Category 1 public meeting was held between the U.S. Nuclear Regulatory Commission (NRC) staff and representatives of Pacific Gas and Electric Company (PG&E, the licensee). The purpose of the meeting was to discuss the proposed exemption request to withdraw funds from Nuclear Decommissioning Trusts (NDTs) to fund decommissioning planning activities at Diablo Canyon Nuclear Power Plant, Units 1 and 2 (DCPP). The meeting notice and agenda are located in the Agencywide Documents Access and Management System (ADAMS) at Accession No. ML18311A187. A copy of the presentation slides is located at ADAMS Accession No. ML18333A109. Enclosed is a list of attendees.

The licensee provided the following brief description of the proposed exemption request:

- PG&E currently plans to operate DCPP until expiration of the current operating licenses (November 2024 for Unit 1 and August 2025 for Unit 2), which provides a long lead time of approximately 6 years to plan the decommissioning activities.
- Based on a 2017 decommissioning cost estimate, PG&E believes that planning activities executed prior to permanent shutdown will cost approximately \$187.8 million. Additionally, PG&E asserts that early planning would reduce the duration of decommissioning and also cost by approximately \$166.1 million. The planning activities will include NRC licensing actions, permitting, engineering design, procurement, and detailed executable work plans.
- According to PG&E, the funds collected in the NDTs are intended to cover decommissioning costs required by Title 10 of the *Code of Federal Regulations* (10 CFR), Section 50.75, "Reporting and recordkeeping for decommissioning planning," 10 CFR 50.54(bb), and applicable California law, specifically:
  - NRC license termination costs (including decommissioning planning activities) (10 CFR 50.75);
  - Spent fuel management costs (10 CFR 50.54(bb)); and
  - Site restoration costs (pursuant to applicable California law).

- PG&E stated that, as of December 2017, the total customer-funded DCPD NDTs total approximately \$3.17 billion. The NRC regulation at 10 CFR 50.82(a)(8)(ii) limits the use of NDT funds for radiological decommissioning planning activities to 3 percent of the generic minimum decommissioning amount, which totals approximately \$37.2 million. This amount cannot be used for spent fuel management or site restoration activities, including planning, necessitating the need for an exemption.
- PG&E described the special circumstances and stated that the proposed exemption request will meet the requirements of 10 CFR 50.12, "Specific exemptions." PG&E also stated that the delayed decommissioning planning will result in increased cost to PG&E customers.
- PG&E intends to request the approval of the exemption request by June 2019.

The NRC staff clarified the following related to the exemption request:

- While PG&E states that funding for radiological decommissioning, spent fuel management, and site restoration have been collected and are comingled in the DCPD NDTs, based on the apparent method of NDT accounting and the information provided to the NRC in prior decommissioning funding status reports, an exemption request is required to use DCPD NDT funds for any purpose other than radiological decommissioning.
- Based on the review of the 2017 DCPD decommissioning funding status reports, and in consideration of NDT aggregate total provided in the presentation, the DCPD NDTs appear to be fully funded to cover the costs associated with radiological decommissioning of the facility.
- The NRC staff reiterated and PG&E confirmed that decommissioning planning does not include physical work.
- The exemption request should clearly identify the purpose of the NDT funds, and, specify that the purpose of the exemption request is only for the withdrawal of funds for decommissioning planning activities, including planning associated with spent fuel management and site restoration. A separate exemption will be needed for withdrawing DCPD NDT funds for any purpose other than radiological decommissioning.

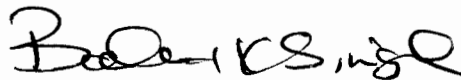
### Public Comments

Bruce Lacy, a consultant on nuclear decommissioning, made the following comments on behalf of The Utility Reform Network (TURN) and stated that TURN supports PG&E's proposed decommissioning exemption request for DCPD and encourages the NRC to favorably review the request. As an organization representing consumer interests, TURN believes adequate and appropriate advance planning before final shutdown and commencement of decommissioning can materially improve both cost and schedule performance of decommissioning with the benefit of better use of decommissioning funds. Mr. Lacy stated that experience at other sites supports this view.

PG&E's proposal is to change the timing, not the amount, of spending on planning and preparation for decommissioning. This change in timing provides the opportunity to reduce the ultimate total cost of decommissioning. The opportunity for this change in timing is made possible by the advance notice of final shutdown, an opportunity not to be wasted. Mr. Lacy further stated that in parallel with supporting PG&E's decommissioning exemption request to the NRC, TURN is supporting a request by PG&E before the California Public Utilities Commission (CPUC) to establish special accounting to track these planning and preparation costs and subject them to regular reasonableness reviews by the CPUC.

No Public Meeting Feedback forms were received.

Please direct any inquiries to me at 301-415-3016 or via e-mail at [Balwant.Singal@nrc.gov](mailto:Balwant.Singal@nrc.gov).



Balwant K. Singal, Senior Project Manager  
Plant Licensing Branch IV  
Division of Operating Reactor Licensing  
Office of Nuclear Reactor Regulation

Docket Nos. 50-275 and 50-323

Enclosure:  
List of Attendees

cc: Listserv

LIST OF ATTENDEES

NOVEMBER 29, 2018, PUBLIC MEETING WITH

PACIFIC GAS AND ELECTRIC COMPANY

TO DISCUSS PROPOSED EXEMPTION REQUEST

TO WITHDRAW FUNDS FROM NUCLEAR DECOMMISSIONING TRUSTS FOR

DECOMMISSIONING PLANNING ACTIVITIES AT

DIABLO CANYON NUCLEAR POWER PLANT, UNITS 1 AND 2

U.S. Nuclear Regulatory Commission

Angel Moreno, Office of Congressional Affairs\*

John Hickman, Office of Nuclear Material Safety and Safeguards

Anthony Bowers, Office of Nuclear Reactor Regulation (NRR)

Shawn Harwell, NRR

Kosmas Lois, NRR

John Lamb, NRR

Balwant Singal, NRR

Licensee Attendees

Philippe Soenen, Pacific gas and Electric Company (PG&E)

Brian Ketelsen, PG&E

Jennifer Post, PG&E

Brandy Lopez, PG&E\*

Eric Nelson, PG&E\*

Members of the Public

Carlyn Greene, Spend Fuel Uranium Exchange Company\*

David Weisman, Alliance for Nuclear Responsibility\*

Bruce Lacy, Lacy Consulting Group\*

\*Participated via phone

Enclosure

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**ADAMS Accession Nos.: Meeting Notice: ML18311A187; Summary: ML18348A420.** \*via e-mail

OFFICE	NRR/DORL/LPL4/PM	NRR/DORL/LPL4/LA	NRR/DLP/PFPB/BC
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OFFICE	NRR/DORL/LPL4/BC	NRR/DORL/LPL4/PM	
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DATE	12/28/18	12/31/18	

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