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PG&E Letter DCL-21-073

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Washington, DC 20555-0001

10 CFR 50.82(a)(7)
10 CFR 50.54(bb)

Docket No. 50-275, OL-DPR-80
Docket No. 50-323, OL-DPR-82
Diablo Canyon Units 1 and 2

Notification of Changes to Post-Shutdown Decommissioning Activities Report, Site-Specific Decommissioning Cost Estimate, and Irradiated Fuel Management Plan for Diablo Canyon Power Plant, Units 1 and 2

References:

1. PG&E Letter DCL-19-077, "Diablo Canyon Power Plant, Units 1 and 2 – Post-Shutdown Decommissioning Activities Report," dated December 4, 2019 (ML19338F173)
2. PG&E Letter DCL-19-082, "Diablo Canyon Power Plant, Units 1 and 2 – Site-Specific Decommissioning Cost Estimate," dated December 4, 2019 (ML19345D344 and ML19345D345)
3. PG&E Letter DCL-19-081, "Diablo Canyon Power Plant, Units 1 and 2 Irradiated Fuel Management Plan," dated December 4, 2019 (ML19338F260)
4. Application No. 18-07-013, "Joint Motion for Adoption of Settlement Agreement Among Pacific Gas and Electric Company (U 39 E), The Utility Reform Network, Public Advocates Office at the California Public Utilities Commission, Alliance for Nuclear Responsibility, County of San Luis Obispo, yak tityu tityu yak tilhini Northern Chumash Cultural Preservation Kinship, and Women's Energy Matters," Filed with the California Public Utilities Commission on January 10, 2020

Dear Commissioners and Staff:

In References 1, 2 and 3 (initial submittals), Pacific Gas and Electric Company (PG&E) submitted the Post-Shutdown Decommissioning Activities Report (PSDAR), Site-Specific Decommissioning Cost Estimate (SSDCE) and Irradiated Fuel

Management Plan (IFMP) for Diablo Canyon Power Plant (DCPP), Units 1 and 2. In accordance with 10 CFR 50.82(a)(7) and 10 CFR 50.54(bb), the purpose of this letter is to inform the NRC of significant changes to the decommissioning plans for DCPP Units 1 and 2, which impact the information provided in the initial submittals.

PG&E prepared an SSDCE that was submitted to the California Public Utilities Commission (CPUC) in the 2018 Nuclear Decommissioning Cost Triennial Proceeding (NDCTP) on December 13, 2018. The initial submittals provided to the NRC were consistent with the costs and schedule included in the 2018 NDCTP. On January 10, 2020, PG&E and several interested parties to the 2018 NDCTP filed a settlement agreement (Reference 4) which was approved by the CPUC on September 9, 2021. The settlement agreement and additional planning efforts have resulted in changes to the decommissioning plans for DCPP Units 1 and 2.

PG&E made the decision to retire DCPP Units 1 and 2 many years in advance of expiration of the current operating licenses. PG&E is using this unique opportunity to streamline the decommissioning effort, accelerate the decommissioning schedule, and reduce overall decommissioning costs by proceeding with decommissioning planning activities. The significant changes identified in this submittal result in a cumulative reduction in decommissioning project duration and costs without any negative impact to NRC oversight. Plans will continue to evolve as DCPP Units 1 and 2 progress closer to permanent cessation of operations.

The significant changes to the decommissioning plans are summarized below:

Spent Nuclear Fuel (SNF) Cooling Time

PG&E has a site-specific license for the Diablo Canyon (DC) Independent Spent Fuel Storage Installation (ISFSI). As described in the initial submittals, PG&E conducted an assessment for expediting SNF offload to the DC ISFSI. The results of this study demonstrated that there are alternate dry cask storage systems available (as compared to those currently approved for use in the DC ISFSI site-specific license) that may reduce the cooling time required in the spent fuel pools (SFPs) prior to transfer to the DC ISFSI. PG&E sent out a request-for-proposal (RFP) for a new or modified dry cask storage system. PG&E is in the process of evaluating the resultant proposals. PG&E will work with the yet to be chosen dry cask storage vendor to perform all work necessary to implement the new or modified dry cask storage system to shorten the required cooling time for SNF to be no more than four years from each unit's shutdown at DCPP, including any licensing and permitting actions.

In the initial submittals, PG&E assumed the SNF could be transferred to the DC ISFSI within seven years of the expiration of the Unit 2 operating license with implementation of a new or modified dry cask storage design. Therefore, the schedule and costs included in the initial submittals assumed that all SNF would be

transferred to the DC ISFSI within seven years after expiration of the Unit 2 operating license. PG&E is revising the decommissioning plans to reflect all SNF transferred to the DC ISFSI within four years of the shutdown of each Unit. This assumed reduction in cooling time improves the schedule for major decommissioning work and results in a significant reduction in costs. Eliminating the spent fuel pool island, reducing the scope of cold and dark power modifications, and reducing the scope of security modifications are examples of reductions in costs resulting from the reduced cooling period for SNF in the SFPs.

Breakwater and Intake Removal

References 1 and 2 included removal of the breakwater and intake structure at DCP. PG&E's revised decommissioning plan assumes retention of the intake structure and breakwater for potential future use by PG&E throughout decommissioning and then ultimate transfer to a third party. This revision to the plans results in significant cost savings since the volume of material that informs the breakwater is greater than or equal to all material used to construct the power plant facility. Finally, the breakwater is now home to federally endangered black abalone (*Haliotis cracherodii*). Avoiding this disturbance preserves the artificial-like reef qualities of the breakwater for this and other species.

Cultural Resources

In Section 5.1.14 of Reference 1, PG&E evaluated the impacts of decommissioning activities on Cultural, Historical, and Archaeological Resources and concluded that impacts to cultural and historical resources from decommissioning activities within the DCP operational area are small and bounded by the Decommissioning Generic Environmental Impact Statement (GEIS).

PG&E has responsibly managed significant cultural resources within the DC lands for more than 40 years. Land-disturbing activities at DCP are reviewed in accordance with DCP Land Stewardship guidance and the DCP Archaeological Resources Management Plan to ensure the conservation of significant cultural resources. The DCP Land Stewardship Committee's guidance emphasizes preserving significant cultural resources in-place and avoiding damage to the maximum extent feasible. Complete impact avoidance is the preferred approach for National and California Register-eligible resources, as well as those with undetermined status. In instances where effects are unavoidable, PG&E has implemented prudent treatment measures to conserve the values associated with the affected resources, in consultation with affiliated communities, tribal groups, and appropriate agencies.

PG&E is committed to continuing to responsibly manage significant cultural resources into decommissioning. However, based on the number of known cultural resources within the operational area and subsequent review of proposed

decommissioning activities, PG&E identified the potential to have large (significance level as defined in the NRC's Decommissioning GEIS) impacts on cultural, historical and archaeological resources, which would not be bounded by a previously issued environmental impact statement. As PG&E is currently in the planning phase, decommissioning plans continue to evolve. In accordance with 10 CFR 50.82(a)(4)(i), as more detailed plans are developed, PG&E will verify that decommissioning activities that impact cultural, historical, and archaeological resources are bounded by previously issued environmental impact statements or seek appropriate regulatory approval if needed prior to performing the activity.

Offsite Power Supply Modifications

In References 1 and 2, PG&E was considering implementing a new 12kV power supply system to provide long-term power for site facilities and decommissioning activities. The system would have made use of the existing electrical infrastructure and would have repurposed the existing 230kV transmission corridor to a lower voltage. Subsequent planning eliminated bringing in additional 12kV power into the site due to cost and environmental impacts. Plans are being updated to reflect continued use of the existing 230kV transmission lines and 230kV switchyard for supplying electrical power to the decommissioning project. Retaining the 230kV switchyard will provide the electrical power for decommissioning and any remaining structures and allow for connectivity to the electrical grid for potential new electrical generators. The elimination of the offsite power supply modifications reduces the overall cost for decommissioning.

Shipment of Waste Via Railyard

In References 1 and 2, PG&E described potential improvements to the Offsite Pismo Beach Rail Yard to support Decommissioning. The plans included modification to the facility to enable the transfer of waste material containers to gondola rail cars staged at a rail spur located onsite. The impacts to the facility were not reviewed as part of the environmental evaluation included in Section 5 of Reference 1. However, PG&E did state that in accordance with 10 CFR 50.82(a)(4)(i), decommissioning activities for the Pismo Beach Rail Yard improvements would be verified to be bounded by previously issued environmental impact statements or appropriate regulatory approvals would be obtained, if needed.

The updated plans include consideration of the Offsite Pismo Beach Rail Yard as a contingency facility for possible transport of non-radiological and non-hazardous wastes via rail from the facility. Based on the updated potential use of the facility as contingency only, the previously identified scope of improvements is not needed. Instead, PG&E will only be performing maintenance activities to support contingency use. Therefore, there are no decommissioning activities in the current plans that will have an environmental impact on the Pismo Beach Rail Yard.

Waste Transportation

References 1 and 2 included plans for transporting all the waste generated during decommissioning offsite using truck and rail transport. PG&E has determined that a plan which uses a “blended” approach of barges and trucks is best for the shipment of bulk waste from DCP. Barge transport enables the transport of large volumes of demolition waste in a short period of time to support major work in the Building Demolition phase of the project. Barges will be moored directly to the existing Intake Structure and materials loaded via a mobile crane off the Intake Structure. The relatively small volumes of bulk waste that will not be shipped by barge, can be transported by truck directly to the disposal facility. This “blended” approach to transportation significantly reduces risk and environmental impact while also reducing total overall costs for transporting waste during decommissioning.

The items summarized above include significant changes in PG&E's decommissioning plans for DCP Units 1 and 2, that impact the initial submittals. As PG&E is currently in the decommissioning planning phase, plans will continue to evolve as DCP Units 1 and 2 progress closer to permanent cessation of operations. As described in Reference 1, in response to public input, PG&E will provide the NRC an updated PSDAR within six months following submittal of each NDCTP. PG&E currently plans to file the 2021 NDCTP in fourth quarter 2021 and will provide the NRC an updated PSDAR to reflect all the changes in the decommissioning plans within six months following the filing. These updates will also capture potential changes to the final decision in the 2018 NDCTP issued on September 9, 2021, resulting from the 30-day period following the decision in which an appeal may be filed. In addition, PG&E will continue to provide the NRC notification of significant changes as required by 10 CFR 50.82(a)(7) and 10 CFR 50.54(bb).

There are no new or revised regulatory commitments (as defined in NEI 99-04) in this letter.

If you have any questions or require additional supporting documentation for this submittal, please contact Mr. Philippe Soenen at 805-459-3701.

Sincerely,



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Vice President, Generation Business and Technical Services

October 19, 2021

Date

cc: Diablo Distribution
cc/enc: Samson S. Lee, NRR Project Manager
Scott A. Morris, NRC Region IV Administrator
Gonzalo L. Perez, California Department of Health Services
Winston C. Smith, NRC Acting Senior Resident Inspector