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June 28, 2022

Office of Nuclear Energy  
U.S. Department of Energy  
1000 Independence Avenue, SW  
Washington, DC 20585

Re: Response to the Department of Energy's Proposed Amendment to the Guidance for the Civil Nuclear Credit Program

Pacific Gas and Electric Company (PG&E) respectfully submits these comments in response to the U.S. Department of Energy's June 17, 2022 proposed amendment to the Guidance for the Civil Nuclear Credit (CNC) Program. PG&E, a subsidiary of PG&E Corporation, is a combined natural gas and electric utility serving more than 16 million people across 70,000 square miles in Northern and Central California.

PG&E appreciates the Department of Energy's efforts to support the continued operation of U.S. nuclear reactors through the Civil Nuclear Credit Program. PG&E is the operator of the Diablo Canyon Power Plant (DCPP) Units 1 and 2 that are slated to retire at the expiration of their current licenses in 2024 and 2025. However, in April 2022, California Governor Gavin Newsom indicated interest in re-evaluating the role of Diablo Canyon as the state continues its transition to a clean energy future. In light of this development and at the Governor's request, PG&E began assessing the option to extend operations of DCPP. As part of this assessment, PG&E evaluated the Guidance released by the Department of Energy for the first award cycle of its CNC Program as well as the proposed amendment to that Guidance.

PG&E agrees with the Department of Energy and the Office of the Governor of California that there are circumstances that were not contemplated in the Guidance where a reactor both receives cost-of-service rate recovery and also sells into an organized wholesale market, but nevertheless could still incur operating losses that threaten the reactor's ability to continue operations. If DCPP extends its operations beyond its currently planned decommissioning date, it will incur significant transition costs which are not recoverable through existing cost-of-service regulation and thus, those costs will be considered operating losses. Given these circumstances, PG&E supports the Department of Energy's proposed amendment to the CNC Program Guidance for the first award cycle.

PG&E also requests that, if the Guidance is amended, DOE provide a 75-day extension of the deadline for submission of certification application and sealed bid for the first award cycle under the Civil Nuclear Credit Program. The application requires a significant amount of detailed information and given the recent direction from the Governor, an extension is needed to provide PG&E the time to collect and analyze the information and prepare an application.

Thank you in advance for your consideration of PG&E's comments. Please contact me at [Yvonne.McIntyre@pge-corp.com](mailto:Yvonne.McIntyre@pge-corp.com) with any questions or to obtain additional information.

Sincerely,

A handwritten signature in black ink, appearing to read 'Yvonne', with a long, sweeping horizontal line extending to the right.

Yvonne A. McIntyre