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June 21, 2016

PG&E Letter DCL-16-066

U.S. Nuclear Regulatory Commission  
ATTN: Document Control Desk  
Washington, DC 20555-0001

Docket No. 50-275, OL-DPR-80  
Docket No. 50-323, OL-DPR-82  
Diablo Canyon Power Plant Units 1 and 2  
Request to Suspend NRC Review of Diablo Canyon Power Plant License Renewal Application

Dear Commissioners and Staff:

By Pacific Gas and Electric Company (PG&E) Letter DCL-09-079, "License Renewal Application," dated November 23, 2009, PG&E submitted an application to the Nuclear Regulatory Commission (NRC) for the renewal of Facility Operating Licenses DPR-80 and DPR-82, for Diablo Canyon Power Plant (DCPP) Units 1 and 2, respectively.

As part of the NRC process for review of PG&E's License Renewal Application, PG&E is required to obtain approvals from the California State Lands Commission and the California Coastal Commission. Based on discussions with various stakeholders involved in these state approval processes, PG&E has reached an agreement in principle not to proceed with license renewal for DCPP. In support of the state's policy preference to meet California's future electricity needs with renewable generation resources, energy efficiency, or storage, PG&E will continue to operate DCPP until expiration of the current operating licenses in 2024 and 2025, for Units 1 and 2 respectively.

The agreement in principle is subject to approval by the California Public Utilities Commission (CPUC). PG&E anticipates filing this agreement with the CPUC within the next 60 days and will be requesting CPUC approval by December 31, 2017. In light of this contingency, PG&E believes it prudent to suspend the DCPP license renewal application at this time. If the agreement is approved by the CPUC, PG&E will withdraw the license renewal application.

PG&E therefore requests that the NRC suspend activity on the DCPP license renewal application. PG&E will keep the NRC fully informed of future developments. PG&E would appreciate the NRC's formal response to this request.



PG&E makes no new or revised regulatory commitments (as defined by NEI 99-04) in this letter.

Please contact Mr. Thomas P. Jones, Director, Strategic Initiatives, at (805) 595-6340 with any questions about this letter.

Executed on June 21, 2016.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Ed Halpin', with a long horizontal flourish extending to the right.

Edward D. Halpin  
*Senior Vice President, Generation and Chief Nuclear Officer*

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cc: Marc L. Dapas, NRC Region IV Administrator  
Richard Plasse, NRC Project Manager, License Renewal  
John P. Reynoso, NRC Acting Senior Resident Inspector  
Balwant K. Singal, NRC Project Manager  
Michael J. Wentzel, NRC Project Manager, License Renewal (Environmental)  
Diablo Distribution