

**UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION**

BEFORE THE COMMISSION

In the Matter of)	
)	
ENTERGY NUCLEAR OPERATIONS, INC.,)	
ENTERGY NUCLEAR GENERATION)	
COMPANY, AND HOLTEC)	Docket Nos. 50-293 & 72-1044
DECOMMISSIONING INTERNATIONAL,)	
LLC; CONSIDERATION OF APPROVAL OF)	
TRANSFER OF LICENSE AND)	
CONFORMING AMENDMENT)	
)	
(Pilgrim Nuclear Power Station))	

**MOTION OF THE COMMONWEALTH OF MASSACHUSETTS TO
SUPPLEMENT ITS PETITION WITH NEW INFORMATION**

Petitioner, the Commonwealth of Massachusetts (Commonwealth or Massachusetts), respectfully requests that the Nuclear Regulatory Commission (NRC or Commission) accept the new information described below as additional support for the Commonwealth’s Petition for Leave to Intervene and Hearing Request, Docket Nos. 50-293 & 72-1044, filed on February 20, 2019 (Petition) and Reply in Support of Petition for Leave to Intervene and Hearing Request, Docket Nos. 50-293 & 72-1044, filed on April 1, 2019 (Reply).¹ Specifically, on April 16, 2019, Entergy Corporation (Entergy) announced its plan to sell Indian Point Units 1, 2, and 3 (Indian Point) to Holtec International (Holtec). According to Entergy, Entergy and Holtec plan to close the transaction in 2021 and Holtec would then begin decommissioning the Units if it receives all necessary regulatory approvals. If effectuated, Holtec could be responsible for decommissioning as many as six reactors at four nuclear power stations (Pilgrim Nuclear Power Station (Pilgrim),

¹ While it is not clear that 10 C.F.R. § 2.309(c) specifically applies in this instance, in an abundance of caution, the Commonwealth explains in this Motion why this motion satisfies 10 C.F.R. § 2.309(c)’s requirements if that provision applies.

Oyster Creek Nuclear Generating Station (Oyster Creek), Palisades Nuclear Generating Station, and Indian Point) at the same time and managing spent nuclear fuel at each of those facilities for an indefinite period.

This new information is relevant to points the Commonwealth made in its Petition and its subsequent Reply. In particular, as the Commonwealth stated in its Reply, Holtec plans to decommission Pilgrim on an expedited schedule never before achieved, Reply 19-20, 28, despite the fact that Holtec has never owned and decommissioned any nuclear power station. Reply 19. As the Commonwealth also explained, Holtec's accelerated decommissioning timeframe for Pilgrim and the risk of cost overruns in connection with that effort is already exacerbated by the fact that Holtec is planning to simultaneously purchase and decommission a second nuclear power station, Oyster Creek, Reply, 19-20, Pet. 23-24—a concern that the Commission appears to share, Reply 20 (citing NRC, *Request for Additional Information, License Transfer Request, Entergy Nuclear Operating, Inc., Pilgrim Nuclear Power Station*, at 3 (Mar. 21, 2019) (ADAMS Accession No. ML19086A349) (requesting additional information demonstrating Holtec's ability "to conduct licensed activities at multiple sites"). Now, Holtec hopes to own and decommission *three* nuclear power stations in the same timeframe, which reinforces the Commonwealth's concern about Holtec's financial, managerial, and technical capacity to safely decommission multiple sites at the same time (and with an already incredibly thin margin at Pilgrim).² In further support of this Motion, the Commonwealth states as follows:

1. This matter concerns the Commonwealth's Petition under 10 C.F.R. § 2.309 on the Applicants' License Transfer Application (Application or LTA), Holtec's unconditioned Exemption Request to use Pilgrim's Decommissioning Trust Fund for site restoration and spent

² Reply 7-8; Brewer Decl. ¶ 5.

fuel management costs (incorporated into the LTA by LTA Enclosure 2), and Holtec's Revised Post-Shutdown Decommissioning Activities Report (PSDAR) and Site-Specific Cost Estimate (incorporated into the LTA by LTA Attachment D). On February 20, 2019, the Commonwealth filed its Petition. On March 18, 2019, the Applicants filed their Answer Opposing the Commonwealth's Petition. On April 1, 2019, the Commonwealth filed its Reply.

2. On April 16, 2019, Holtec and Entergy issued a Press Release announcing an agreement "to sell [Entergy's] subsidiaries that own Indian Point Units 1, 2, and 3, located in Buchanan, N.Y., to a [Holtec] subsidiary for decommissioning."³ That Press Release is attached as Exhibit 1. Indian Point Unit 1 is already shutdown and Units 2 and 3 are expected to shutdown in 2020 and 2021, respectively, after which the transaction is targeted to close.⁴ While a Post-Shutdown Decommissioning Activities Report (PSDAR) and a Site-Specific Decommissioning Cost Estimate (DCE) have yet to be filed with the NRC, it appears that Holtec, assuming the transaction is approved by the NRC, plans to decommission Indian Point in the same expedited manner it proposes to decommission Pilgrim, i.e., using the DECON method. Indeed, Entergy stated in the Press Release that Holtec "plans to initiate decommissioning at Indian Point decades sooner than if Entergy continued to own the units."⁵ This transaction, if approved, will bring Holtec's fleet "to six reactors at four nuclear facilities and an independent spent fuel storage installation, located in Michigan, New York, New Jersey, and Massachusetts."⁶

³ Entergy Press Release: Entergy Agrees to Post-Shutdown Sale of Indian Point Energy Center to Holtec International (Apr. 16, 2018), <https://www.energynewsroom.com/news/entergy-agrees-post-shutdown-sale-indian-point-energy-center-holtec-international/>.

⁴ *Id.*

⁵ *Id.*

⁶ *Id.*

3. This new information was announced publicly after the Commonwealth filed its Reply and was thus not previously available. *See* 10 C.F.R. § 2.309(c)(1)(i).

4. This new information is material because the Indian Point transaction will further strain Holtec's managerial and technical capacity to safely decommission and restore Pilgrim and manage Pilgrim's spent nuclear fuel onsite and thus increase the risk that Holtec will encounter cost overruns at Pilgrim that will exhaust Holtec's limited financial resources and leave the Commonwealth with no clear and certain recourse. Again, if the announced Indian Point transaction is effectuated, Holtec could become responsible for simultaneously decommissioning not two, but three nuclear power stations: Pilgrim, Oyster Creek, and Indian Point. *See* 10 C.F.R. § 2.309(c)(1)(ii). And while Oyster Creek and Pilgrim are single reactor sites, Indian Point has three units, likely increasing the complexity, cost, and risk to decommission Indian Point. Holtec also intends to again partner with SNC-Lavalin and contract with Comprehensive Decommissioning International (CDI) to decommission Indian Point, which will further draw the resources of SNC-Lavalin and CDI away from Pilgrim. Decommissioning a single nuclear power station is a monumental task. Decommissioning two nuclear power stations is an even greater undertaking. Decommissioning *five* units at three nuclear power stations located hundreds of miles apart within the same timeframe may critically strain Holtec's resources in a manner not previously considered. This new information is therefore material and different, because it demonstrates an even greater need for, among other things, adequate financial assurance in connection with Holtec's request for approval to decommissioning and restore Pilgrim and manage Pilgrim's spent nuclear fuel for an indefinite period. *See Florida Power & Light Co. (Turkey Point Units 6 and 7)*, 86 N.R.C. 37, 47-48 (Jul. 31, 2017).

5. This Motion is timely. 10 C.F.R. § 2.309(c)(1)(iii). A motion for a new or amended contention is timely under 10 C.F.R. § 2.30(c)(1) if it is filed within thirty (30) days of the discovery of the basis for the motion. *DTE Electric Company* (Fermi Nuclear Power Plant, Unit 2), 2017 WL 4310358, *3 (Jan. 10, 2017) (citing *Southern Nuclear Operation Co. (Vogle Electric Generating Plan, Units 3 and 4)*, 74 N.R.C. 214, 218 n.8 (2011)). The new information became available on April 16, 2019 and this Motion is being filed on April 24, 2019, only eight days later.

6. The Commonwealth conferred with the Applicants regarding this Motion on April 23, 2019. Counsel for the Applicants indicated that they oppose this Motion. The Commonwealth also conferred with Petitioner Pilgrim Watch regarding this motion on April 23, 2019. A representative of Pilgrim Watch indicated that Pilgrim Watch consents to this Motion.

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For the foregoing reasons, and for good cause shown, the Commonwealth requests that the Commission grant this Motion and consider this new information in connection with the Commission's consideration of the Commonwealth's pending Petition and Reply.

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Respectfully submitted this 24th day of April, 2019,

COMMONWEALTH OF MASSACHUSETTS

By their attorneys,

MAURA HEALEY
ATTORNEY GENERAL

Signed (electronically) by

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CERTIFICATION OF SERVICE

Pursuant to 10 C.F.R. § 2.305, I certify that copies of the Commonwealth of Massachusetts's Motion to Amend its Contention I with New Information have been served upon the Electronic Information Exchange, the NRC's e-filing system, in the above-captioned proceeding this 24th day of April 2019.

Signed (electronically) by _____
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Dated: April 24, 2019

EXHIBIT 1



Indian Point Energy Center
450 Broadway
Buchanan, NY 10511

Date: April 16, 2019

For Release: Immediately

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Entergy Agrees to Post-Shutdown Sale of Indian Point Energy Center to Holtec International

BUCHANAN, N.Y. – Entergy Corp. (NYSE: ETR) has agreed to sell the subsidiaries that own Indian Point Units 1, 2, and 3, located in Buchanan, N.Y., to a Holtec International subsidiary for decommissioning. The sale, which will be effective after Unit 3 has been shut down and permanently defueled, includes the transfer of the licenses, spent fuel, decommissioning liabilities, and Nuclear Decommissioning Trusts (NDT) for the three units.

“The sale of Indian Point to Holtec is expected to result in the completion of decommissioning decades sooner than if the site were to remain under Entergy’s ownership,” said Entergy Chairman and Chief Executive Officer Leo Denault. “With its deep experience and technological innovations, Holtec’s ability to decommission Indian Point will benefit stakeholders in the surrounding community.”

With this agreement to sell Indian Point, Entergy has now announced the sale of its entire remaining merchant nuclear fleet for decommissioning.

News Release: **Entergy Agrees to Post-Shutdown Sale of Indian Point Energy Center to Holtec International**

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Following regulatory approvals and transaction close, Holtec plans to initiate decommissioning at Indian Point decades sooner than if Entergy continued to own the units. A more defined timetable will be developed in connection with Holtec's preparation of its Post-Shutdown Decommissioning Activities Report (PSDAR) and Site-Specific Decommissioning Cost Estimate (DCE). Holtec will submit those reports to the U.S. Nuclear Regulatory Commission (NRC), likely in the fourth quarter of 2019. The transaction closing is targeted for the third quarter of 2021.

The transaction is subject to closing conditions, including approval from the NRC. The companies also plan to seek an order from the New York State Public Service Commission (PSC) disclaiming jurisdiction, or alternatively, approving the transaction. Closing is also conditioned on obtaining from the NYS Department of Environmental Conservation (DEC) an agreement confirming Holtec's decommissioning plans as being consistent with applicable standards.

Entergy remains committed to the safe and reliable operation of Indian Point Unit 2 and Unit 3 until their permanent shutdowns in 2020 and 2021, respectively.

With the acquisition of the Indian Point Energy Center, Holtec's fleet is expected to grow to six reactors at four nuclear facilities and an independent spent fuel storage installation, located in Michigan, New York, New Jersey, and Massachusetts. Oyster Creek (N.J.) and Pilgrim (Mass.) License Transfer Application requests are pending at the NRC, with anticipated closings in 2019, subject to NRC approval. Holtec and its affiliates specializing in demolition and decommissioning will deploy operating processes and methods that enable them to expedite site clean-up and minimize occupational dose to workers. Minimizing any

incidental disruption of the land, water, and air at and around the IPEC site is an overarching undertaking that is a part of Holtec's core expertise.

Drawing on its own and its affiliates' expertise in ensuring personnel safety and its pioneering decommissioning technologies, Holtec expects to accrue tangible benefits to the local community by returning the site (excluding the site's heavily shielded storage casks on the storage pad safely storing the spent nuclear fuel) to productive use much sooner than would occur if Entergy selected the maximum SAFSTOR option under the NRC regulations. Holtec will transfer all of the used nuclear fuel to its dry fuel storage cask systems to be stored at the on-site reinforced concrete pads, which will remain under guard, monitored during shutdown and decommissioning, and subject to the NRC's oversight, until the U.S. Department of Energy removes it in accordance with its legal obligations, or until Holtec's proposed Consolidated Interim Storage (CIS) facility in New Mexico, named HI-STORE CIS, is ready to begin accepting used fuel from across the country.

"Holtec will execute the decommissioning of Indian Point with the same culture of excellence that has undergirded our company's ascent to a first-tier nuclear technology firm," said Dr. Kris Singh, President & CEO of Holtec International. "Our industry-leading expertise and deep experience permit us to complete decommissioning at Indian Point decades sooner than if Entergy remained the owner and performed decommissioning itself. The potential for the site to be released decades sooner for redevelopment could deliver significant benefits to local community stakeholders and the local economy."

"Holtec will hire Entergy's employees at Indian Point who are employed at the site at the time of the transaction and identified by Entergy as an employee whose services are required for that phase of decommissioning. Holtec looks forward to engaging with site

employees, the local community, and other stakeholders over the coming months and years as we discuss our vision for the decommissioning of Indian Point.”

Holtec and Comprehensive Decommissioning International (CDI), a U.S.-based joint venture company formed in 2018 between Holtec and SNC-Lavalin, have agreed to enter into a Decommissioning General Contractor Agreement for CDI to perform the decommissioning of the Indian Point site. CDI’s decommissioning plan is backed by decades of experience managing complex projects in both commercial and government nuclear sectors around the world. Ownership of the plants and management of the decommissioning trust funds at Indian Point will remain solely with Holtec, post-transaction.

Entergy Financial Impact

As consideration for its transfer to Holtec of its interest in Indian Point Energy Center, Entergy will receive nominal cash consideration.

The transaction is expected to result in a non-cash loss based on the difference between Entergy’s adjusted net investment in the subsidiaries at closing and the sale price net of any agreed adjustments. As of Dec. 31, 2018, Entergy’s adjusted net investment in the companies was \$265 million. Primary variables in the ultimate loss are values of the nuclear decommissioning trusts and asset retirement obligations, financial results from plant operations, and any unutilized deferred tax balances. The terms of the transaction include limitations on withdrawals from the NDTs to fund decommissioning activities and controls on how Entergy manages the investment of NDT assets between signing and closing; however, the agreement does not require a minimum level of funding in the NDTs as a condition to closing.

Entergy affirmed its expectation for Entergy Wholesale Commodities to provide positive net cash to parent from 2019 to 2022.

About Indian Point Energy Center and Entergy

Indian Point Energy Center, in Buchanan, N.Y., is home to two operating nuclear power plants, Unit 2 and Unit 3, which generate approximately 2,000 megawatts of electricity for homes, business and public facilities in New York City and Westchester County. Indian Point Unit 2 and Unit 3 are scheduled to shut down by April 30, 2020 and April 30, 2021, as part of an agreement with New York State. Indian Point Unit 1 was shut down in 1974.

Entergy Corporation is an integrated energy company engaged primarily in electric power production and retail distribution operations. Entergy owns and operates power plants with approximately 30,000 megawatts of electric generating capacity, including nearly 9,000 megawatts of nuclear power. Entergy delivers electricity to 2.9 million utility customers in Arkansas, Louisiana, Mississippi and Texas. Entergy has annual revenues of \$11 billion and nearly 13,700 employees. Additional information is available at www.energy.com.

About Holtec International

Holtec International is a privately held energy technology company with operation centers in Florida, New Jersey, Ohio and Pennsylvania in the U.S., and globally in Brazil, Dubai, India, South Africa, Spain, U.K. and Ukraine. Holtec's principal business concentration is in the nuclear power industry. Holtec has played a preeminent role since the 1980s in expanding nuclear plants' wet spent fuel storage capacity at over 110 reactor units

in the U.S. and abroad. Dry storage and transport of nuclear fuel is another area in which Holtec is recognized as the foremost innovator and industry leader with a dominant market share and an active market presence at over 115 reactor units around the globe. Among the Company's pioneering endeavors is the world's first below-ground Consolidated Interim Storage Facility being developed in New Mexico and a 160-Megawatt walk away safe small modular reactor, SMR-160. The SMR-160 is developed to bring cost competitive carbon-free energy to all corners of the earth. Holtec is also a major supplier of special-purpose pressure vessels and critical-service heat exchange equipment such as air-cooled condensers, steam generators, feedwater heaters, and water-cooled condensers. Virtually all products produced by the company are built in its three large manufacturing plants in the U.S. and one in India. Thanks to a solid record of consistent profitability and steady growth since its founding in 1986, Holtec has no history of any long-term debt and enjoys a platinum credit rating from the financial markets. Nearly 100 U.S. and international patents protect the company's intellectual property from predation by its global competitors and lend predictable stability to its business base. To learn more about Holtec International, visit: www.holtecinternational.com.

About Comprehensive Decommissioning International

Comprehensive Decommissioning International, LLC (CDI) is a jointly owned company of Holtec International and SNC-Lavalin. Headquartered in Camden, New Jersey, CDI is an industry-leading general decommissioning contractor that provides comprehensive project solutions for retiring nuclear power plants. CDI brings together a legacy of expertise and technological innovation to protect the public in an environmentally responsible, safe

and ethical manner. CDI is committed to the enhancement of the communities in which it operates, employing financially sustainable business practices that ensure the upholding of obligations made as a trusted steward of legacy nuclear materials.

Cautionary Note Regarding Forward-Looking Statements

In this news release, and from time to time, Entergy Corporation makes certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include, among other things, Entergy’s plans and expectations with respect to the Indian Point Energy Center, the impact of the proposed post-shutdown sale of the Indian Point Energy Center, and other statements of Entergy’s plans, beliefs or expectations included in this news release. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this news release. Except to the extent required by the federal securities laws, Entergy undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Forward-looking statements are subject to a number of risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied in such forward-looking statements, including (a) those factors discussed elsewhere in this news release and in Entergy’s most recent Annual Report on Form 10-K, any subsequent Quarterly Reports on Form 10-Q and Entergy’s other reports and filings made under the Securities Exchange Act of 1934; (b) uncertainties associated with (1) rate proceedings, formula rate plans and other cost recovery mechanisms, including the risk that costs may not be recoverable to the extent anticipated by the utilities and (2) implementation of the

ratemaking effects of changes in law; (c) uncertainties associated with efforts to remediate the effects of major storms and recover related restoration costs; (d) risks associated with operating nuclear facilities, including plant relicensing, operating and regulatory costs and risks; (e) changes in decommissioning trust fund values or earnings or in the timing or cost of decommissioning Entergy's nuclear plant sites; (f) legislative and regulatory actions and risks and uncertainties associated with claims or litigation by or against Entergy and its subsidiaries; (g) risks and uncertainties associated with strategic transactions that Entergy or its subsidiaries may undertake, including the risk that any such transaction may not be completed as and when expected and the risk that the anticipated benefits of the transaction may not be realized; (h) effects of changes in federal, state or local laws and regulations and other governmental actions or policies, including changes in monetary, fiscal, tax, environmental or energy policies; and (i) the effects of technological changes and changes in commodity markets, capital markets or economic conditions; and (j) impacts from a terrorist attack, cybersecurity threats, data security breaches or other attempts to disrupt Entergy's business or operations, and other catastrophic events.