

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION
BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

In the Matter of
Entergy Corporation
Pilgrim Nuclear Power Station
License Transfer Agreement Application

Docket No. 50-293 & 72-1044 LT

**PILGRIM WATCH MOTION TO SUPPLEMENT ITS MOTION TO INTERVENE AND
REQUEST FOR HEARING**

Pilgrim Watch requests to supplement its Motion to Intervene and Request for Hearing filed February 20, 2019 and its Reply to Petitioners filed April 1, 2019 with new and significant information.

The substance of Pilgrim Watch's contentions were that the two "new" licensees, Holtec Pilgrim and Holtec Decommissioning International ("HDI") have *not* demonstrated the required financial assurance, e.g., that either has, or will have, sufficient funds to decommission Pilgrim, nor performed the environmental review needed to assess and remediate onsite contamination. Additionally, the applicants are inexperienced having no experience operating a reactor or decommissioning nuclear reactors. We provided the bases and factual support for our fear that the Commonwealth would be the payer of last resort and left with a dirty site.

Our concerns are exacerbated by the announcement by Entergy to sell Indian Point 1,2 and 3 to Holtec International, disclosed in its Press Release April 16, 2019. (Attachment A) If approved Holtec, that has never decommissioned a reactor site before, will be responsible for the

essentially simultaneous decommissioning of six reactors at four nuclear stations located in Massachusetts, New York, New Jersey and Michigan. At essentially the same time, Holtec plans to build a Consolidated Spent Fuel storage site in New Mexico. We fear that they have bitten off far more than they can chew, negatively impacting the quality of oversight and attention to properly decommission Pilgrim Station.

In March 21, 2019 NRC Staff issued a RAI to Pilgrim- Application for Order Consenting to Direct and Indirect Transfers of Control of Licenses and Approving Conforming License Amendment. (NRC Electronic Library, Adams Accession NO. ML19086A349) It supports our concerns. The RAI questioned whether HDI was capable of decommissioning two sites, Pilgrim and Oyster Creek, at the same time. The RAI asked.

RAI-IRAB-1 Should both license transfers be approved, HDI will be responsible for conducting licensed activities at two sites simultaneously (Pilgrim and Oyster Creek), including possession and disposition of radioactive material, maintenance of the facilities in a safe condition (including storage, control, and maintenance of the spent fuel), decommissioning and decontamination of the facilities, and maintenance of the Independent Spent Fuel Storage Installations until they can be decommissioned. Provide additional information that justifies that HDI's management and technical support organization will have sufficient resources (i.e. corporate structure, management and technical support organization staff capacities, internal procedures, etc.) to conduct licensed activities at multiple sites.

If the NRC was concerned about HDI decommissioning two sites simultaneously, that concern is magnified many times over with HDI planning to decommission not two, but six, sites in addition to planning, building and operating what may be the first and only one of the nation's spent fuel interim sites.

For example, it is not hard to imagine significant delays in schedules. Delays cost money. (PW Motion, 21) Petitioners showed HDI is short of money; its projected "rainy day" fund was a

mere \$3.6 million and would be eaten up quickly; (PW Motion, 81) and the PSDAR reported HDI will have spent its contingency fund, providing no extra monies there. (PW Motion 17)

The RAI underscored our concern that a great deal of focused management, technical support and resources are required to properly decommission Pilgrim. Decommissioning is a highly complex operation to dispose of radioactive material, maintain the facilities in a safe condition (including storage, control, and maintenance of the spent fuel), decommission and decontaminate the facilities, and maintain the Independent Spent Fuel Storage Installations until it can be decommissioned. A heretofore inexperienced company stretched too thin provides little confidence.

Also, Holtec plans on partnering with SNC-Lavalin and contract with Comprehensive Decommissioning International (CDI) to decommission Indian Point. This will further draw the resources of SNC-Lavalin and CDI away from Pilgrim. At the same time SNC-Lavalin is embroiled in yet another ethical controversy, this time in Canada, that will divert its attention.¹

The new information is material to the outcome of this proceeding. The new information impacts whether the license transfer application should be granted or denied. *In the Matter of Dominion Nuclear Connecticut, Inc.* (Millstone Nuclear Power Station, Units 2 and 3) Docket Nos. 50-336-LR, 50-423-LR ASLBP No. 04-824-01-LR July 28, 2004, p. 7. Bases and fact support the motion.

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

¹ https://www.washingtonpost.com/world/2019/02/13/why-criminal-case-canada-is-roiling-justin-trudeau-s-government/?utm_term=.39ba481c9a86

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 26, 2019, only tendays later.

Pilgrim Watch conferred with the Applicants on April 25, 2019. Counsel for the Applicants indicated that they oppose this Motion. Pilgrim Watch also conferred with the Commonwealth. A representative of the Commonwealth consented to the Motion.

For the above reasons, Pilgrim Watch requests that the Commission grant this Motion and consider this new information in connection with its consideration of the Pilgrim Watch's pending Petition and Reply filed in order to best protect the public health, safety and financial interests of the Commonwealth.

Date: April 26, 2019

Signed (electronically) by

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APPENDIX A

For Immediate Release

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

04/16/2019

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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.

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.entergy.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 International

Comprehensive

Decommissioning

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.

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CERTIFICATION OF SERVICE

Pursuant to 10 C.F.R. § 2.305, I certify that copies of Pilgrim Watch's Motion to Supplement Its Motion to Intervene and Request for Hearing has been served upon the Electronic Information Exchange, the NRC's e-filing system, in the above-captioned proceeding, on April 26, 2019.

Date: April 26, 2019

Signed (electronically) by

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