

**UNITED STATES COURT OF APPEALS
FOR THE DISTRICT OF COLUMBIA CIRCUIT**

COMMONWEALTH OF MASSACHUSETTS,)	
)	
<i>Petitioner,</i>)	
)	
v.)	No. 19-_____
)	
UNITED STATES NUCLEAR REGULATORY COMMISSION AND UNITED STATES OF AMERICA,)	
)	
<i>Respondents.</i>)	
)	

PETITION FOR REVIEW

The Commonwealth of Massachusetts petitions this Court for review, pursuant to the Hobbs Act, 28 U.S.C. § 2341-2351, the Atomic Energy Act, 42 U.S.C. § 2239, the Administrative Procedure Act, 5 U.S.C. §§ 551-559, 701-706, and Rule 15 of the Federal Rules of Appellate Procedure and the local Circuit Rules, of the United States Nuclear Regulatory Commission’s (NRC):

1. Order Approving Direct and Indirect Transfer of License and Conforming Amendment in *In the Matter of Entergy Nuclear Generation Company, Entergy Nuclear Operations, Inc.* (Pilgrim Nuclear Power

Station), EA-19-084, Docket Nos. 50-293 and 72-1044 (Aug. 22, 2019) (effective upon issuance) (Attachment 1) (hereinafter, License Transfer Order), notice of which was published in the Federal Register on August 28, 2019, 84 Fed. Reg. 45,176 (Aug. 28, 2019) (Attachment 2);

2. Holtec Decommissioning International, LLC and Holtec Pilgrim, LLC (Pilgrim Nuclear Power Station), Amendment to Renewed Facility Operating License, Renewed License No. DPR-35, Docket No. 50-293 (Aug. 22, 2019) (effective upon issuance) (hereinafter, License Amendment) (Attachment 3), notice of which was published in the Federal Register on August 28, 2019, 84 Fed. Reg. 45,176 (Aug. 28, 2019) (Attachment 2);

3. Safety Evaluation by the Office of Nuclear Reactor Regulation Related to Request for Direct and Indirect Transfers of Control of Renewed Facility Operating License No. DPR-35 and the General License for the Independent Spent Fuel Storage Installation from Entergy Nuclear Generation Company and Entergy Nuclear Operations, Inc. to Holtec Pilgrim, LLC and Holtec Decommissioning International, LLC (Pilgrim Nuclear Power Station), Docket Nos. 50-293 and 72-1044 (Aug. 22, 2019) (hereinafter, Safety Evaluation)

(Attachment 4), notice of which was published in the Federal Register on August 28, 2019, 84 Fed. Reg. 45,176, 45,177 col.3 (Aug. 28, 2019) (Attachment 2);

4. Final No Significant Hazards Consideration for the License Amendment, which made the License Amendment immediately effective. Notice of the Final No Significant Hazards Consideration was included in the Safety Evaluation (Attachment 4, at 25);

5. Finding that the License Transfer Order and the License Amendment are categorically exempt from any review under the National Environmental Policy Act (NEPA), 42 U.S.C. §§ 4321-4347, notice of which was included in the Safety Evaluation (Attachment 4, at 27, 33);

6. Holtec Decommissioning International, LLC (Pilgrim Nuclear Power Station), Exemption, Docket No. 50-293 (Aug 22, 2019) (Attachment 5), which, effective immediately upon issuance of the License Amendment, authorizes Holtec Pilgrim and Holtec Decommissioning International, LLC to use Pilgrim's Decommissioning Trust Fund for otherwise prohibited non-decommissioning purposes (i.e., site restoration and spent nuclear fuel management). Notice of the

Exemption approval was published in the Federal Register on August 28, 2019, 84 Fed. Reg. 45,178 (Aug. 28, 2019) (Attachment 6);

7. Environmental Assessment and Finding of No Significant Impact under NEPA related to the approval of the Exemption authorizing Holtec Pilgrim and Holtec Decommissioning International, LLC to use Pilgrim's Decommissioning Trust Fund for otherwise prohibited non-decommissioning purposes (i.e., site restoration and spent nuclear fuel management), notice of which was published in the Federal Register on August 20, 2019, 84 Fed. Reg. 43,186 (Aug. 20, 2019) (Attachment 7).

The NRC acted arbitrarily and capriciously, abused its discretion, and violated the Atomic Energy Act, the Administrative Procedure Act, NEPA, the Council on Environmental Quality's NEPA regulations, and the NRC's own regulations and policies in effecting the foregoing final agency actions and failing to provide the Commonwealth with a meaningful opportunity to participate in the process as contemplated by the Atomic Energy Act and the NRC's own regulations and policies.

Venue is proper in this Court pursuant to 28 U.S.C. § 2243.

Therefore, the Commonwealth requests that this Court review the NRC's final actions identified above, vacate the NRC's orders, findings, and decisions, remand the matters to the NRC for further proceedings, and grant the Commonwealth any other further relief that the Court may deem just and proper.

Respectfully submitted,

COMMONWEALTH OF
MASSACHUSETTS

By its attorneys,

MAURA HEALEY
ATTORNEY GENERAL

/s/ Seth Schofield

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Dated: September 25, 2019

** Application for admission to
practice in this Court forthcoming.*

FED. R. APP. P. 15(c) CERTIFICATE OF SERVICE

I hereby certify that on September 25, 2019, a copy of the foregoing Petition for Review and the attachments to it was served on the entity listed below by first-class, postage prepaid and electronic mail,

Pilgrim Watch
c/o Mary E. Lampert
James B. Lampert
148 Washington Street
Duxbury, Massachusetts 02332
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I further certify that on September 25, 2019, a copy of the foregoing Petition for Review and the attachments to it was served on the entities or persons or their counsel of record by sending a copy thereof by certified first class mail, postage prepaid, return receipt requested, to:

Office of the Attorney General
of the United States
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, D.C. 20530-0001

U.S. Nuclear Regulatory
Commission
Washington, D.C. 20555-0001

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I further certify that on September 25, 2019, a courtesy copy of the foregoing Petition for Review and the attachments to it was served on the entities or persons or their counsel of record by sending a copy thereof by first class mail, postage prepaid, and electronic mail, to:

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/s/ Seth Schofield

Seth Schofield

[page added for double-sided printing]

Attachment 1

Order Approving Direct and Indirect Transfer of License and Conforming Amendment in *In the Matter of Entergy Nuclear Generation Company, Entergy Nuclear Operations, Inc.* (Pilgrim Nuclear Power Station), EA-19-084, Docket Nos. 50-293 and 72-1044 (Aug. 22, 2019)

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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)	
)	
Entergy Nuclear Generation Company)	
Entergy Nuclear Operations, Inc.)	Docket Nos.: 50-293 and 72-1044
)	License No.: DPR-35
Pilgrim Nuclear Power Station)	
EA-19-084)	

**ORDER APPROVING DIRECT AND INDIRECT TRANSFER OF LICENSE AND
CONFORMING AMENDMENT**

I.

Entergy Nuclear Operations, Inc. (ENOI) and Entergy Nuclear Generation Company (ENGCO) are the holders of Renewed Facility Operating License No. DPR-35, for the Pilgrim Nuclear Power Station (Pilgrim), and the general license for the Pilgrim Independent Spent Fuel Storage Installation (ISFSI). Pilgrim permanently ceased operations on May 31, 2019. Pursuant to Sections 50.82(a)(1)(i) and (a)(1)(ii) of Title 10 of the *Code of Federal Regulations* (10 CFR), by letter dated June 10, 2019 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML19161A033), ENOI certified to the U.S. Nuclear Regulatory Commission (NRC) that it had permanently ceased operations at Pilgrim and that all fuel had been permanently removed from the reactor. Therefore, pursuant to 10 CFR 50.82(a)(2), operations at Pilgrim are no longer authorized under the license issued under 10 CFR Part 50, "Domestic Licensing of Production and Utilization Facilities," and ENOI and ENGCO are licensed to possess, but not use or operate, Pilgrim under Renewed Facility Operating License No. DPR-35, subject to the conditions specified therein. The Pilgrim site is located in the town of Plymouth, Massachusetts, in Plymouth County on Cape Cod Bay.

II.

By letter dated November 16, 2018 (ADAMS Accession No. ML18320A031), and as supplemented by letters dated November 16, 2018, April 17, 2019, and July 29, 2019 (ADAMS Accession Nos. ML18320A040, ML19109A177, and ML19210E470, respectively), ENOI, on behalf of itself and ENGC (to be known as Holtec Pilgrim, LLC), Holtec International (Holtec), and Holtec Decommissioning International, LLC (HDI) (together, the Applicants), requested that the NRC consent to the proposed direct and indirect transfer of the Pilgrim Renewed Facility Operating License No. DPR-35 and the general license for the Pilgrim ISFSI (collectively referred to as the facility). Specifically, the Applicants requested that the NRC consent to the direct transfer of ENOI's currently licensed authority (licensed operator for decommissioning) to HDI. In addition, the Applicants requested the indirect transfer of control of ENGC's ownership interests in the facility licenses to Holtec. The Applicants also requested that the NRC approve a conforming administrative amendment to the facility licenses to reflect the proposed direct transfer of the license from ENOI to HDI, as well as a planned name change from ENGC to Holtec Pilgrim. The Applicants submitted these direct and indirect transfer requests to the NRC for approval under Section 184, "Inalienability of Licenses," of the Atomic Energy Act of 1954, as amended (AEA); 10 CFR 50.80, "Transfer of Licenses"; 10 CFR 72.50, "Transfer of Licenses"; and 10 CFR 50.90, "Application for Amendment of License, Construction Permit, or Early Site Permit."

ENOI and ENGC intend to transfer the licensed possession, maintenance, and decommissioning authorities to HDI to implement expedited decommissioning at Pilgrim. Following approval and implementation of the proposed direct transfer of control of the license, HDI would assume licensed responsibility for Pilgrim through the direct transfer of ENOI's responsibility for licensed activities at Pilgrim to HDI. If the proposed indirect transfer of control is approved, ENGC would change its name to Holtec Pilgrim, LLC (Holtec Pilgrim), but

the same legal entity would continue to exist before and after the proposed transfer. Holtec Pilgrim would also enter into an operating agreement with HDI, which provides for HDI to act as Holtec Pilgrim's agent and for HDI to pay Holtec Pilgrim's costs of operation, including all decommissioning costs. Holtec Pilgrim would own the Pilgrim facility as well as its associated assets and real estate, including its nuclear decommissioning trust fund, title to spent nuclear fuel, and rights pursuant to the terms of its Standard Contract for Disposal of Spent Nuclear Fuel and/or High-Level Radioactive Waste with the U.S. Department of Energy. Upon the proposed license transfer, HDI would assume responsibility for compliance with the current licensing basis, including regulatory commitments that exist at the closing of the transaction between the Applicants, and would implement any changes under applicable regulatory requirements and practices. HDI's licensed activities will involve possessing and disposing of radioactive material, maintaining the facility in a safe condition (including handling, storing, controlling, and protecting the spent fuel), decommissioning and decontaminating the facility, and maintaining the ISFSI until it can be decommissioned, each in accordance with the license and NRC regulations.

The NRC published the notice of NRC consideration of the license transfer application in the *Federal Register* (FR) on January 31, 2019 (84 FR 816), and included an opportunity to comment, request a hearing, and petition for leave to intervene. On February 20, 2019 (ADAMS Accession No. ML19051A114), the Commonwealth of Massachusetts filed a request for a hearing and petition for leave to intervene, submitting two contentions challenging the proposed license transfer. On February 20, 2019 (ADAMS Accession No. ML19051A019), Pilgrim Watch also filed a request for a hearing and petition for leave to intervene with two contentions challenging the proposed license transfer. On April 24, 2019 (ADAMS Accession No. ML19114A519), the Commonwealth of Massachusetts filed a motion to supplement its motion to intervene and request for hearing with new information. On April 26, 2019 (ADAMS Accession No. ML19116A162) and May 9, 2019 (ADAMS Accession No. ML19129A473),

Pilgrim Watch filed motions to supplement its motion to intervene and request for hearing with new information. On July 16, 2019 (ADAMS Accession No. ML19197A330), Pilgrim Watch submitted a motion to file a new contention. On August 1, 2019 (ADAMS Accession No. ML19213A313), the Commonwealth of Massachusetts filed a motion to stay the license transfer proceeding for 90 days to permit the completion of settlement negotiations. These requests are currently pending before the Commission. The NRC also received public comments on this application for license transfer, which are summarized in the safety evaluation for this license transfer request.

The NRC staff notes, in Enclosure 2 of the application dated November 16, 2018, in support of the license transfer request, that the Applicants submitted a request for an exemption to 10 CFR 50.82(a)(8)(i)(A) to allow Holtec Pilgrim and HDI to make withdrawals from the Pilgrim decommissioning trust fund for spent fuel management and site restoration activities. The staff approved the exemption request on August 22, 2019 (ADAMS Accession No. ML19192A083). The NRC is issuing the exemption to Holtec Pilgrim and HDI simultaneously with this Order.

Pursuant to 10 CFR 50.80, no license for a production or utilization facility, or any right thereunder, shall be transferred, either voluntarily or involuntarily, directly or indirectly, through transfer of control of the license to any person, unless the Commission gives its consent in writing. Upon review of the information in the application and other information before the Commission, and relying upon the representations and agreements contained in the application, the NRC staff has determined that Holtec Pilgrim and HDI are qualified to be the holders of the licenses, and that the direct and indirect transfer of the licenses, as described in the application, is otherwise consistent with the applicable provisions of law, regulations, and orders issued by the Commission pursuant thereto, subject to the condition set forth below.

Upon review of the application for a conforming amendment to the Pilgrim license to reflect the direct and indirect transfer of the Pilgrim licenses, the NRC staff determined the following:

- (1) The application for the proposed license amendment complies with the standards and requirements of the Atomic Energy Act of 1954, as amended, and the Commission's rules and regulations set forth in 10 CFR Chapter I, "Nuclear Regulatory Commission."
- (2) There is reasonable assurance that the activities authorized by the proposed license amendment can be conducted without endangering public health and safety and that such activities will be conducted in compliance with the Commission's regulations.
- (3) The issuance of the proposed license amendment will not be inimical to the common defense and security or to public health and safety.
- (4) The issuance of the proposed license amendment is in accordance with 10 CFR Part 51, "Environmental Protection Regulations for Domestic Licensing and Related Regulatory Functions," of the Commission's regulations, and all applicable requirements have been satisfied.

The findings set forth above are supported by an NRC safety evaluation dated August 22, 2019, which is available at ADAMS Accession No. ML19170A250.

III.

Accordingly, pursuant to Sections 161b, 161i, 161o, and 184 of the Atomic Energy Act of 1954, as amended; 42 U.S.C. Sections 2201(b), 2201(i), 2201(o), and 2234; and 10 CFR 50.80, 10 CFR 72.50, and 10 CFR 50.90, IT IS HEREBY ORDERED that the application for the direct and indirect transfer of the licenses, as described herein, is approved for Pilgrim and the ISFSI, subject to the following conditions:

- (1) Prior to the closing of the license transfer, Holtec Pilgrim and HDI shall provide the Directors of NRC's Office of Nuclear Material Safety and Safeguards (NMSS) and Office of Nuclear Reactor Regulation (NRR) satisfactory documentary evidence that they have obtained the appropriate amount of insurance required of a licensee under 10 CFR 140.11(a)(4) and 10 CFR 50.54(w) of the Commission's regulations.
- (2) The NRC staff's approval of this license transfer is subject to the Commission's authority to rescind, modify, or condition the approved transfer based on the outcome of any post-effectiveness hearing on the license transfer application. For example, if the Commission overturns the NRC staff's approval of this license transfer, this Order and any conforming amendments reflecting this transfer, will be rescinded, and the Applicants must return the plant ownership to the status quo ante and revert to the conditions existing before the transfer.

IT IS FURTHER ORDERED that, consistent with 10 CFR 2.1315(b), the license amendment that makes changes, as indicated in Enclosure 2 to the cover letter forwarding this Order, to conform the license to reflect the subject direct and indirect license transfer, is approved. The amendment shall be issued and made effective within 30 days of the date when the proposed direct and indirect license transfer action is completed.

IT IS FURTHER ORDERED that Holtec Pilgrim and HDI shall, at least 2 business days prior to closing, inform the Directors of NMSS and NRR in writing of the date of closing of the license transfer for Pilgrim and the ISFSI. Should the transfer of the license not be completed within 1 year of this Order's date of issuance, this Order shall become null and void; provided, however, that upon written application and for good cause shown, such date may be extended by order.

This Order is effective upon issuance.

For further details with respect to this Order, see the initial application dated November 16, 2018, as supplemented by letters dated November 16, 2018, April 17, and July 29, 2019, and the associated NRC safety evaluation dated August 22, 2019, which are available for public inspection at the Commission's Public Document Room, located at One White Flint North, 11555 Rockville Pike (first floor), Rockville, Maryland. Publicly available documents are accessible electronically through ADAMS in the NRC Library at <http://www.nrc.gov/reading-rm/adams.html>. Persons who encounter problems with ADAMS should contact the NRC's Public Document Room reference staff by telephone at 1-800-397-4209 or 301-415-4737 or by e-mail to pdr.resource@nrc.gov.

Dated at Rockville, Maryland this 22nd day of August, 2019.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Ho K. Nieh, Director,
Office of Nuclear Reactor Regulation.

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Attachment 2

Direct and Indirect Transfer of License; Order
84 Fed. Reg. 45,176 (Aug. 28, 2019)

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three calendar years in order to verify royalty payments. SoundExchange must first file with the Judges a notice of intent to audit a licensee and deliver the notice to the licensee. *See, e.g.*, 37 CFR 380.6(c).

On July 29, 2019, SoundExchange filed with the Judges a notice of intent to audit Sirius XM Radio Inc.'s Commercial Webcaster service, Preexisting Satellite Digital Audio Radio Service, New Subscription Service, and Business Establishment Service for transmissions terminating in the United States for the year 2018.¹ The Judges must publish notice in the **Federal Register** within 30 days of receipt of a notice announcing the Collective's intent to conduct an audit. *See id.* Today's notice fulfills this requirement with respect to SoundExchange's notice of intent to audit filed July 29, 2019.

Dated: August 23, 2019.

Jesse M. Feder,

Chief Copyright Royalty Judge.

[FR Doc. 2019-18549 Filed 8-27-19; 8:45 am]

BILLING CODE 1410-72-P

NUCLEAR REGULATORY COMMISSION

[Docket Nos. 50-293 and 72-1044; NRC-2018-0279]

In the Matter of Entergy Nuclear Generation Company, Entergy Nuclear Operations, Inc., Holtec Pilgrim, LLC, Holtec Decommissioning International, LLC, and Pilgrim Nuclear Power Station

AGENCY: Nuclear Regulatory Commission.

ACTION: Direct and indirect transfer of license; order.

SUMMARY: The U.S. Nuclear Regulatory Commission (NRC) is issuing an Order approving the direct transfer of Renewed Facility Operating License No. DPR-35 for the Pilgrim Nuclear Power Station (Pilgrim), and its general license for the Pilgrim Independent Spent Fuel Storage Installation, from the currently licensed operator, Entergy Nuclear Operations, Inc. (ENOI), to Holtec Decommissioning International, LLC (HDI). This Order also approves the indirect transfer of control of Entergy Nuclear Generation Company's (ENGC) ownership interests in the facility to Holtec International (Holtec). The NRC is also issuing a conforming amendment for the facility operating license for

administrative purposes to reflect the direct transfer of the license from ENOI to HDI and the planned name change for ENGC, from ENGC to Holtec Pilgrim, LLC (Holtec Pilgrim).

DATES: The Order was issued on August 22, 2019, and is effective for one year.

ADDRESSES: Please refer to Docket ID NRC-2018-0279 when contacting the NRC about the availability of information regarding this document. You may obtain publicly-available information related to this document using any of the following methods:

- *Federal Rulemaking Website:* Go to <https://www.regulations.gov> and search for Docket ID NRC-2018-0279. Address questions about NRC docket IDs in *Regulations.gov* to Jennifer Borges; telephone: 301-287-9127; email: Jennifer.Borges@nrc.gov. For technical questions, contact the individual listed in the **FOR FURTHER INFORMATION CONTACT** section of this document.

- *NRC's Agencywide Documents Access and Management System (ADAMS):* You may obtain publicly available documents online in the ADAMS Public Documents collection at <https://www.nrc.gov/reading-rm/adams.html>. To begin the search, select "Begin Web-based ADAMS Search." For problems with ADAMS, please contact the NRC's Public Document Room (PDR) reference staff at 1-800-397-4209, 301-415-4737, or by email to pdr.resource@nrc.gov. The license transfer Order, the NRC safety evaluation supporting the staff's findings, and the conforming license amendment are available in ADAMS Package Accession No. ML19170A147.

- *NRC's PDR:* You may examine and purchase copies of public documents at the NRC's PDR, Room O1-F21, One White Flint North, 11555 Rockville Pike, Rockville, Maryland 20852.

FOR FURTHER INFORMATION CONTACT:

Scott P. Wall, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001; telephone: 301-415-2855, email: Scott.Wall@nrc.gov.

SUPPLEMENTARY INFORMATION: The text of the Order is attached.

Dated at Rockville, Maryland, this 22nd day of August, 2019.

For the Nuclear Regulatory Commission.

Scott P. Wall,

Senior Project Manager, Plant Licensing Branch III, Division of Operator Reactor Licensing, Office of Nuclear Reactor Regulation.

Attachment—

Order Approving the Direct and Indirect Transfer of Licenses.

NUCLEAR REGULATORY COMMISSION

[Docket Nos. 50-293 and 72-1044; NRC-2018-0279]

In the Matter of Entergy Nuclear Generation Company and Entergy Nuclear Operations, Inc. Pilgrim Nuclear Power Station

ORDER APPROVING DIRECT AND INDIRECT TRANSFER OF LICENSE AND CONFORMING AMENDMENT

I.

Entergy Nuclear Operations, Inc. (ENOI) and Entergy Nuclear Generation Company (ENGC) are the holders of Renewed Facility Operating License No. DPR-35, for the Pilgrim Nuclear Power Station (Pilgrim), and the general license for the Pilgrim Independent Spent Fuel Storage Installation (ISFSI). Pilgrim permanently ceased operations on May 31, 2019. Pursuant to Sections 50.82(a)(1)(i) and (a)(1)(ii) of Title 10 of the *Code of Federal Regulations* (10 CFR), by letter dated June 10, 2019 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML19161A033), ENOI certified to the U.S. Nuclear Regulatory Commission (NRC) that it had permanently ceased operations at Pilgrim and that all fuel had been permanently removed from the reactor. Therefore, pursuant to 10 CFR 50.82(a)(2), operations at Pilgrim are no longer authorized under the license issued under 10 CFR part 50, "Domestic Licensing of Production and Utilization Facilities," and ENOI and ENGC are licensed to possess, but not use or operate, Pilgrim under Renewed Facility Operating License No. DPR-35, subject to the conditions specified therein. The Pilgrim site is located in the town of Plymouth, Massachusetts, in Plymouth County on Cape Cod Bay.

II.

By letter dated November 16, 2018 (ADAMS Accession No. ML18320A031), and as supplemented by letters dated November 16, 2018, April 17, 2019, and July 29, 2019 (ADAMS Accession Nos. ML18320A040, ML19109A177, and ML19210E470, respectively), ENOI, on behalf of itself and ENGC (to be known as Holtec Pilgrim, LLC), Holtec International (Holtec), and Holtec Decommissioning International, LLC (HDI) (together, the Applicants), requested that the NRC consent to the proposed direct and indirect transfer of the Pilgrim Renewed Facility Operating License No. DPR-35 and the general license for the Pilgrim ISFSI (collectively referred to as the facility). Specifically, the Applicants requested

¹ The notice does not include an intent to audit statutory license payments made by Pandora Media, LLC or its predecessor company, Pandora Media, Inc.

that the NRC consent to the direct transfer of ENOI's currently licensed authority (licensed operator for decommissioning) to HDI. In addition, the Applicants requested the indirect transfer of control of ENGC's ownership interests in the facility licenses to Holtec. The Applicants also requested that the NRC approve a conforming administrative amendment to the facility licenses to reflect the proposed direct transfer of the license from ENOI to HDI, as well as a planned name change from ENGC to Holtec Pilgrim. The Applicants submitted these direct and indirect transfer requests to the NRC for approval under Section 184, "Inalienability of Licenses," of the Atomic Energy Act of 1954, as amended (AEA); 10 CFR 50.80, "Transfer of Licenses"; 10 CFR 72.50, "Transfer of Licenses"; and 10 CFR 50.90, "Application for Amendment of License, Construction Permit, or Early Site Permit."

ENOI and ENGC intend to transfer the licensed possession, maintenance, and decommissioning authorities to HDI to implement expedited decommissioning at Pilgrim. Following approval and implementation of the proposed direct transfer of control of the license, HDI would assume licensed responsibility for Pilgrim through the direct transfer of ENOI's responsibility for licensed activities at Pilgrim to HDI. If the proposed indirect transfer of control is approved, ENGC would change its name to Holtec Pilgrim, LLC (Holtec Pilgrim), but the same legal entity would continue to exist before and after the proposed transfer. Holtec Pilgrim would also enter into an operating agreement with HDI, which provides for HDI to act as Holtec Pilgrim's agent and for HDI to pay Holtec Pilgrim's costs of operation, including all decommissioning costs. Holtec Pilgrim would own the Pilgrim facility as well as its associated assets and real estate, including its nuclear decommissioning trust fund, title to spent nuclear fuel, and rights pursuant to the terms of its Standard Contract for Disposal of Spent Nuclear Fuel and/or High-Level Radioactive Waste with the U.S. Department of Energy. Upon the proposed license transfer, HDI would assume responsibility for compliance with the current licensing basis, including regulatory commitments that exist at the closing of the transaction between the Applicants, and would implement any changes under applicable regulatory requirements and practices. HDI's licensed activities will involve possessing and disposing of radioactive material, maintaining the facility in a safe condition (including

handling, storing, controlling, and protecting the spent fuel), decommissioning and decontaminating the facility, and maintaining the ISFSI until it can be decommissioned, each in accordance with the license and NRC regulations.

The NRC published the notice of NRC consideration of the license transfer application in the **Federal Register** (FR) on January 31, 2019 (84 FR 816), and included an opportunity to comment, request a hearing, and petition for leave to intervene. On February 20, 2019 (ADAMS Accession No. ML19051A114), the Commonwealth of Massachusetts filed a request for a hearing and petition for leave to intervene, submitting two contentions challenging the proposed license transfer. On February 20, 2019 (ADAMS Accession No. ML19051A019), Pilgrim Watch also filed a request for a hearing and petition for leave to intervene with two contentions challenging the proposed license transfer. On April 24, 2019 (ADAMS Accession No. ML19114A519), the Commonwealth of Massachusetts filed a motion to supplement its motion to intervene and request for hearing with new information. On April 26, 2019 (ADAMS Accession No. ML19116A162) and May 9, 2019 (ADAMS Accession No. ML19129A473), Pilgrim Watch filed motions to supplement its motion to intervene and request for hearing with new information. On July 16, 2019 (ADAMS Accession No. ML19197A330), Pilgrim Watch submitted a motion to file a new contention. On August 1, 2019 (ADAMS Accession No. ML19213A313), the Commonwealth of Massachusetts filed a motion to stay the license transfer proceeding for 90 days to permit the completion of settlement negotiations. These requests are currently pending before the Commission. The NRC also received public comments on this application for license transfer, which are summarized in the safety evaluation for this license transfer request.

The NRC staff notes, in Enclosure 2 of the application dated November 16, 2018, in support of the license transfer request, that the Applicants submitted a request for an exemption to 10 CFR 50.82(a)(8)(i)(A) to allow Holtec Pilgrim and HDI to make withdrawals from the Pilgrim decommissioning trust fund for spent fuel management and site restoration activities. The staff approved the exemption request on August 22, 2019 (ADAMS Accession No. ML19192A083). The NRC is issuing the exemption to Holtec Pilgrim and HDI simultaneously with this Order.

Pursuant to 10 CFR 50.80, no license for a production or utilization facility,

or any right thereunder, shall be transferred, either voluntarily or involuntarily, directly or indirectly, through transfer of control of the license to any person, unless the Commission gives its consent in writing. Upon review of the information in the application and other information before the Commission, and relying upon the representations and agreements contained in the application, the NRC staff has determined that Holtec Pilgrim and HDI are qualified to be the holders of the licenses, and that the direct and indirect transfer of the licenses, as described in the application, is otherwise consistent with the applicable provisions of law, regulations, and orders issued by the Commission pursuant thereto, subject to the condition set forth below.

Upon review of the application for a conforming amendment to the Pilgrim license to reflect the direct and indirect transfer of the Pilgrim licenses, the NRC staff determined the following:

(1) The application for the proposed license amendment complies with the standards and requirements of the Atomic Energy Act of 1954, as amended, and the Commission's rules and regulations set forth in 10 CFR Chapter I, "Nuclear Regulatory Commission."

(2) There is reasonable assurance that the activities authorized by the proposed license amendment can be conducted without endangering public health and safety and that such activities will be conducted in compliance with the Commission's regulations.

(3) The issuance of the proposed license amendment will not be inimical to the common defense and security or to public health and safety.

(4) The issuance of the proposed license amendment is in accordance with 10 CFR part 51, "Environmental Protection Regulations for Domestic Licensing and Related Regulatory Functions," of the Commission's regulations, and all applicable requirements have been satisfied.

The findings set forth above are supported by an NRC safety evaluation dated August 22, 2019, which is available at ADAMS Accession No. ML19170A250.

III.

Accordingly, pursuant to Sections 161b, 161i, 161o, and 184 of the Atomic Energy Act of 1954, as amended; 42 U.S.C. Sections 2201(b), 2201(i), 2201(o), and 2234; and 10 CFR 50.80, 10 CFR 72.50, and 10 CFR 50.90, IT IS HEREBY ORDERED that the application for the direct and indirect transfer of the licenses, as described herein, is

approved for Pilgrim and the ISFSI, subject to the following conditions:

(1) Prior to the closing of the license transfer, Holtec Pilgrim and HDI shall provide the Directors of NRC's Office of Nuclear Material Safety and Safeguards (NMSS) and Office of Nuclear Reactor Regulation (NRR) satisfactory documentary evidence that they have obtained the appropriate amount of insurance required of a licensee under 10 CFR 140.11(a)(4) and 10 CFR 50.54(w) of the Commission's regulations.

(2) The NRC staff's approval of this license transfer is subject to the Commission's authority to rescind, modify, or condition the approved transfer based on the outcome of any post-effectiveness hearing on the license transfer application. For example, if the Commission overturns the NRC staff's approval of this license transfer, this Order and any conforming amendments reflecting this transfer, will be rescinded, and the Applicants must return the plant ownership to the status quo ante and revert to the conditions existing before the transfer.

IT IS FURTHER ORDERED that, consistent with 10 CFR 2.1315(b), the license amendment that makes changes, as indicated in Enclosure 2 to the cover letter forwarding this Order, to conform the license to reflect the subject direct and indirect license transfer, is approved. The amendment shall be issued and made effective within 30 days of the date when the proposed direct and indirect license transfer action is completed.

IT IS FURTHER ORDERED that Holtec Pilgrim and HDI shall, at least 2 business days prior to closing, inform the Directors of NMSS and NRR in writing of the date of closing of the license transfer for Pilgrim and the ISFSI. Should the transfer of the license not be completed within 1 year of this Order's date of issuance, this Order shall become null and void; provided, however, that upon written application and for good cause shown, such date may be extended by order.

This Order is effective upon issuance.

For further details with respect to this Order, see the initial application dated November 16, 2018, as supplemented by letters dated November 16, 2018, April 17, and July 29, 2019, and the associated NRC safety evaluation dated August 22, 2019, which are available for public inspection at the Commission's Public Document Room, located at One White Flint North, 11555 Rockville Pike (first floor), Rockville, Maryland. Publicly available documents are accessible electronically through ADAMS in the NRC Library at <http://www.nrc.gov/>

[reading-rm/adams.html](#). Persons who encounter problems with ADAMS should contact the NRC's Public Document Room reference staff by telephone at 1-800-397-4209 or 301-415-4737 or by e-mail to pdr.resource@nrc.gov.

Dated at Rockville, Maryland this 22nd day of August, 2019.

FOR THE NUCLEAR REGULATORY COMMISSION

Ho K. Nieh,

Director, Office of Nuclear Reactor Regulation.

[FR Doc. 2019-18506 Filed 8-27-19; 8:45 am]

BILLING CODE 7590-01-P

NUCLEAR REGULATORY COMMISSION

[NRC-2019-0001]

Sunshine Act Meetings

TIME AND DATE: Weeks of August 26, September 2, 9, 16, 23, 30, 2019.

PLACE: Commissioners' Conference Room, 11555 Rockville Pike, Rockville, Maryland.

STATUS: Public and Closed.

MATTERS TO BE CONSIDERED:

Week of August 26, 2019

There are no meetings scheduled for the week of August 26, 2019.

Week of September 2, 2019—Tentative

There are no meetings scheduled for the week of September 2, 2019.

Week of September 9, 2019—Tentative

Monday, September 9, 2019

10:00 a.m. NRC All Employees Meeting (Public Meeting), Marriott Bethesda North Hotel, 5701 Marinelli Road, Rockville, MD 20852

Tuesday, September 10, 2019

10:00 a.m. Briefing on NRC International Activities (Closed—Ex. 1 & 9)

Week of September 16, 2019—Tentative

There are no meetings scheduled for the week of September 16, 2019.

Week of September 23, 2019—Tentative

There are no meetings scheduled for the week of September 23, 2019.

Week of September 30, 2019—Tentative

There are no meetings scheduled for the week of September 30, 2019.

CONTACT PERSON FOR MORE INFORMATION:

For more information or to verify the status of meetings, contact Denise McGovern at 301-415-0681 or via email at Denise.McGovern@nrc.gov. The

schedule for Commission meetings is subject to change on short notice.

The NRC Commission Meeting Schedule can be found on the internet at: <http://www.nrc.gov/public-involve/public-meetings/schedule.html>.

The NRC provides reasonable accommodation to individuals with disabilities where appropriate. If you need a reasonable accommodation to participate in these public meetings or need this meeting notice or the transcript or other information from the public meetings in another format (e.g., braille, large print), please notify Kimberly Meyer-Chambers, NRC Disability Program Manager, at 301-287-0739, by videophone at 240-428-3217, or by email at Kimberly.Meyer-Chambers@nrc.gov. Determinations on requests for reasonable accommodation will be made on a case-by-case basis.

Members of the public may request to receive this information electronically. If you would like to be added to the distribution, please contact the Nuclear Regulatory Commission, Office of the Secretary, Washington, DC 20555 (301-415-1969), or by email at Wendy.Moore@nrc.gov or Tyesha.Bush@nrc.gov.

The NRC is holding the meetings under the authority of the Government in the Sunshine Act, 5 U.S.C. 552b.

Dated at Rockville, Maryland, this 26th day of August, 2019.

For the Nuclear Regulatory Commission.

Denise L. McGovern,

Policy Coordinator, Office of the Secretary.

[FR Doc. 2019-18702 Filed 8-26-19; 4:15 pm]

BILLING CODE 7590-01-P

NUCLEAR REGULATORY COMMISSION

[Docket No. 50-293; NRC-2019-0152]

Entergy Nuclear Operations, Inc.; Pilgrim Nuclear Power Station

AGENCY: Nuclear Regulatory Commission.

ACTION: Exemption; issuance.

SUMMARY: The U.S. Nuclear Regulatory Commission (NRC) is issuing an exemption in response to a November 16, 2018, request from Entergy Nuclear Operations, Inc. (ENOI), on behalf of Entergy Nuclear Generation Company (to be renamed Holtec Pilgrim, LLC) and Holtec Decommissioning International, LLC (HDI). The exemption permits Holtec Pilgrim, LLC and HDI to use funds from the Pilgrim decommissioning trust fund for management of spent fuel and site restoration activities. By Order dated

[page added for double-sided printing]

Attachment 3

Holtec Decommissioning International, LLC and
Holtec Pilgrim, LLC (Pilgrim Nuclear Power Station),
Amendment to Renewed Facility Operating License,
Renewed License No. DPR-35, Docket No. 50-293
(Aug. 22, 2019)

[page added for double-sided printing]



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

HOLTEC DECOMMISSIONING INTERNATIONAL, LLC

HOLTEC PILGRIM, LLC

PILGRIM NUCLEAR POWER STATION

DOCKET NO. 50-293

AMENDMENT TO RENEWED FACILITY OPERATING LICENSE

Amendment No. XXX
Renewed License No. DPR-35

1. The U.S. Nuclear Regulatory Commission (the Commission) has found that:
 - A. The application for amendment filed by Entergy Nuclear Operations, Inc. (ENOI), on behalf of itself and Entergy Nuclear Generation Company (ENGCO) (to be known as Holtec Pilgrim, LLC), Holtec International (Holtec), and Holtec Decommissioning International, LLC (HDI), dated November 16, 2018, as supplemented by letters dated November 16, 2018, April 17, and July 29, 2019, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I;
 - B. The facility will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission;
 - C. There is reasonable assurance: (i) that the activities authorized by this amendment can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations;
 - D. The issuance of this amendment will not be inimical to the common defense and security or to the health and safety of the public; and
 - E. The issuance of this amendment is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.

2. Accordingly, Renewed Facility Operating License No. DPR-35 is amended as indicated in the attachment to this license amendment.
3. This license amendment is effective as of its date of issuance and shall be implemented within 30 days from that date.

FOR THE NUCLEAR REGULATORY COMMISSION

Ho K. Nieh, Director
Office of Nuclear Reactor Regulation

Attachment:
Changes to Renewed Facility
Operating License No. DPR-35,
Technical Specifications, and
Appendix B, Additional Conditions

Date of Issuance:

ATTACHMENT TO LICENSE AMENDMENT NO. XXX

PILGRIM NUCLEAR POWER STATION

RENEWED FACILITY OPERATING LICENSE NO. DPR-35

DOCKET NO. 50-293

Replace the following pages of the Renewed Facility Operating License; Appendix A, Technical Specifications, and Appendix B, Additional Conditions, with the attached revised pages. The revised pages are identified by amendment number and contain vertical lines indicating the areas of change.

Renewed Facility Operating License No. DPR-35

REMOVE

INSERT

1
2
3
4
5

1
2
3
4
5

Appendix A, Technical Specifications

REMOVE

INSERT

Title page
4.0-1

Title page
4.0-1

Appendix B, Additional Conditions

REMOVE

INSERT

1

1

HOLTEC PILGRIM, LLC
And HOLTEC DECOMMISSIONING INTERNATIONAL
(PILGRIM NUCLEAR POWER STATION)
DOCKET NO. 50-293
RENEWED FACILITY OPERATING LICENSE
Renewed License No. DPR-35

The Nuclear Regulatory Commission (the Commission) has found that:

- a. Except as stated in condition 5, construction of the Pilgrim Nuclear Power Station (the facility) has been substantially completed in conformity with the application, as amended, the Provisional Construction Permit No. CPPR-49, the provisions of the Atomic Energy Act of 1954, as amended (the Act), and the rules and regulations of the Commission as set forth in Title 10, Chapter 1, CFR; and
- b. The facility will operate in conformity with the application, as amended, the provisions of the Act, and the rules and regulations of the Commission; and
- c. There is reasonable assurance (i) that the activities authorized by the renewed operating license can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the rules and regulations of the Commission; and
- d. Holtec Pilgrim, LLC (Holtec Pilgrim) is financially qualified and Holtec Decommissioning International, LLC (HDI) is technically and financially qualified to engage in the activities authorized by this renewed operating license, in accordance with the rules and regulations of the Commission; and
- e. Holtec Pilgrim and HDI have satisfied the applicable provisions of 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements" of the Commission's regulations; and
- f. The issuance of this renewed operating license will not be inimical to the common defense and security or to the health and safety of the public; and
- g. After weighing the environmental, economic, technical, and other benefits of the facility against environmental costs and considering available alternatives, the issuance of this renewed operating license (subject to the condition for protection of the environment set forth herein) is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements of said regulations have been satisfied; and
- h. Actions have been identified and have been or will be taken with respect to (1) managing the effects of aging during the period of extended operation on the functionality of structures and components that have been identified to require review under

10 CFR 54.21(a)(1); and (2) time-limited aging analyses that have been identified to require review under 10 CFR 54.21(c), such that there is reasonable assurance that the activities authorized by the renewed operating license will continue to be conducted in accordance with the current licensing basis, as defined in 10 CFR 54.3, for the facility, and that any changes made to the facility's current licensing basis in order to comply with 10 CFR 54.29(a) are in accordance with the Act and the Commission's regulations.

Facility Operating License No. DPR-35, dated June 8, 1972, issued to the Boston Edison Company (Boston Edison) is hereby amended in its entirety, pursuant to an Initial Decision dated September 13, 1972, by the Atomic Safety and Licensing Board, to read as follows:

1. This renewed operating license applies to the Pilgrim Nuclear Power Station, a single cycle, forced circulation, boiling water nuclear reactor and associated electric generating equipment (the facility), owned by Holtec Pilgrim and maintained and operated for decommissioning by HDI. The facility is located on the western shore of Cape Cod Bay in the town of Plymouth on the Holtec Pilgrim site in Plymouth County, Massachusetts, and is described in the "Final Safety Analysis Report," as supplemented and amended.
2. Subject to the conditions and requirements incorporated herein, the Commission hereby licenses:
 - A. Pursuant to the Section 104b of the Atomic Energy Act of 1954, as amended (the Act) and 10 CFR Part 50, "Licensing of Production and Utilization Facilities," a) Holtec Pilgrim to possess, and b) HDI to possess, maintain, and decommission the facility at the designated location on the Pilgrim site;
 - B. HDI, pursuant to the Act and 10 CFR 70, to receive, possess, and use at any time special nuclear material as reactor fuel, in accordance with the limitations for storage and amounts required for reactor operation, as described in the Final Safety Analysis Report, as supplemented and amended;
 - C. HDI, pursuant to the Act and 10 CFR Parts 30, 40 and 70 to receive, possess and use at any time any byproduct, source or special nuclear material as sealed neutron sources for reactor startup, sealed sources for reactor instrumentation and radiation monitoring equipment calibration, and as fission detectors in amounts as required;
 - D. HDI, pursuant to the Act and 10 CFR Parts 30, 40 and 70, to receive, possess and use in amounts as required any byproduct, source or special nuclear material without restriction to chemical or physical form, for sample analysis or instrument calibration or associated with radioactive apparatus or components; and
 - E. HDI, pursuant to the Act and 10 CFR Parts 30 and 70, to possess, but not separate, such byproduct and special nuclear materials as may be produced by the operation of the facility.
3. This renewed operating license shall be deemed to contain and is subject to the conditions specified in the following Commission regulations; 10 CFR Part 20, Section 30.34 of 10 CFR Part 30, Section 40.41 of 10 CFR Part 40, Sections 50.54 and 50.59 of 10 CFR Part 50 and Section 70.32 of 10 CFR Part 70; and is subject to all applicable

provisions of the Act and to the rules, regulations, and orders of the Commission now or hereafter in effect; and is subject to the additional conditions specified below:

A. Maximum Power Level

HDI is authorized to operate the facility at steady state power levels not to exceed 2028 megawatts thermal.

B. Technical Specifications

The Technical Specifications contained in Appendix A, as revised through Amendment No. XXX, are hereby incorporated in the renewed operating license. The licensee shall operate the facility in accordance with the Technical Specifications.

C. Records

HDI shall keep facility operating records in accordance with the requirements of the Technical Specifications.

D. Equalizer Valve Restriction - DELETED

E. Recirculation Loop Inoperable - DELETED

F. Fire Protection

HDI shall implement and maintain in effect all provisions of the approved fire protection program as described in the Final Safety Analysis Report for the facility and as approved in the SER dated December 21, 1978 as supplemented subject to the following provision:

HDI may make changes to the approved fire protection program without prior approval of the Commission only if those changes would not adversely affect the ability to achieve and maintain safe shutdown in the event of a fire.

G. Physical Protection

The licensee shall fully implement and maintain in effect all provisions of the Commission-approved physical security, training and qualification, and safeguards contingency plans including amendments made pursuant to provisions of the Miscellaneous Amendments and Search Requirements revisions to 10 CFR 73.55 (51 FR 27817 and 27822) and to the authority of 10 CFR 50.90 and 10 CFR 50.54(p). The combined set of plans, which contain Safeguards Information protected under 10 CFR 73.21, is entitled: "Pilgrim Nuclear Power Station Physical Security, Training and Qualification, and Safeguards Contingency Plan, Revision 0" submitted by letter dated October 13, 2004, as supplemented by letter dated May 15, 2006.

The licensee shall fully implement and maintain in effect all provisions of the Commission-approved cyber security plan (CSP), including changes made pursuant to the authority of 10 CFR 50.90 and 10 CFR 50.54(p). The licensee's CSP was approved by License Amendment No. 236, as supplemented by changes approved by Amendment Nos. 238, 241, 244, and 247.

H. Post-Accident Sampling System, NUREG-0737, Item II.B.3. and
Containment Atmospheric Monitoring System, NUREG-0737, Item II.F.1(6)

The licensee shall complete the installation of a post-accident sampling system and a containment atmospheric monitoring system as soon as practicable, but no later than June 30, 1985.

I. Additional Conditions

The Additional Conditions contained in Appendix B, as revised through Amendment No. XXX, are hereby incorporated into this renewed operating license. HDI shall operate the facility in accordance with the Additional Conditions.

J. Conditions Related to the Sale and Transfer

- (1) Deleted
- (2) Deleted
- (3) Deleted
- (4) Deleted

- (5) The Decommissioning Trust agreement(s) shall be in a form which is acceptable to the NRC and shall provide, in addition to any other clauses, that:
- a) Investments in the securities or other obligations of Holtec Pilgrim, Holtec International, their affiliates, subsidiaries or associates, or their successors or assigns shall be prohibited. In addition, except for investments tied to market indexes or other non-nuclear sector mutual funds, investments in any entity owning one or more nuclear power plants is prohibited.
 - b) The Director, Office of Nuclear Reactor Regulation, shall be given 30 days prior written notice of any material amendment to the trust agreement(s).

K. Mitigation Strategy License Condition

Develop and maintain strategies for addressing large fires and explosions and that include the following key areas:

- (a) Fire fighting response strategy with the following elements:
 - 1. Pre-defined coordinated fire response strategy and guidance
 - 2. Assessment of mutual aid fire fighting assets
 - 3. Designated staging areas for equipment and materials
 - 4. Command and control
 - 5. Training of response personnel
- (b) Operations to mitigate fuel damage considering the following:
 - 1. Protection and use of personnel assets
 - 2. Communications
 - 3. Minimizing fire spread
 - 4. Procedures for implementing integrated fire response strategy
 - 5. Identification of readily-available pre-staged equipment
 - 6. Training on integrated fire response strategy
 - 7. Spent fuel pool mitigation measures
- (c) Actions to minimize release to include consideration of:
 - 1. Water spray scrubbing
 - 2. Dose to onsite responders

- L. The licensee shall implement and maintain all Actions required by Attachment 2 to NRC Order EA-06-137, issued June 20, 2006, except the last action that requires incorporation of the strategies into the site security plan, contingency plan, emergency plan and/or guard training and qualification plan, as appropriate.
- M. Upon Implementation of Amendment No. 231 adopting TSTF-448, Revision 3, the determination of control room envelope (CRE) unfiltered air inleakage required by SR 4.7.6.2.e in accordance with TS 5.5.8.c.(i), the assessment of CRE habitability as required by Specification 5.5.8.c.(ii), and the measurement

APPENDIX A
TO
FACILITY OPERATING LICENSE DPR-35
TECHNICAL SPECIFICATION AND BASES
FOR
PILGRIM NUCLEAR POWER STATION
PLYMOUTH, MASSACHUSETTS
Holtec Pilgrim, LLC and Holtec Decommissioning International, LLC

4.0 DESIGN FEATURES

4.1 Site Location

Pilgrim Nuclear Power Station is located on the western shore of Cape Cod Bay in the Town of Plymouth, Plymouth County, Massachusetts and contains approximately 517 acres owned by Holtec Pilgrim as shown on FSAR Figures 2.2-1 and 2.2-2. The site boundary is posted and a perimeter security fence provides a distinct security boundary for the protected area of the station.

The reactor (center line) is located approximately 1800 feet from the nearest property boundary.

4.2 Deleted

4.3 Fuel Storage

4.3.1 Criticality

4.3.1.1 The spent fuel storage racks are designed and shall be maintained with:

- a. Fuel assemblies having a maximum k-infinity of 1.32 for standard core geometry, calculated at the burn up of maximum bundle reactivity, and an average U-235 enrichment of 4.6 % averaged over the axial planar zone of highest average enrichment; and
- b. $K_{eff} \leq 0.99$ if fully flooded with unborated water, which includes an allowance for uncertainties as described in Section 10.3.5 of the FSAR.

(continued)

APPENDIX B

ADDITIONAL CONDITIONS

OPERATING LICENSE NO. DPR-35

Holtec Decommissioning International, LLC shall comply with the following conditions on the schedules noted below:

<u>Amendment Number</u>	<u>Additional Conditions</u>	<u>Implementation Date</u>
177	The licensee is authorized to relocate certain Technical Specifications requirements to licensee-controlled documents. Implementation of this amendment shall include relocation of various sections of the technical specifications to the appropriate documents as described in the licensee's application dated September 19, 1997, and in the staff's safety evaluation attached to this amendment.	The amendment shall be implemented within 30 days from July 31, 1998, except that the licensee shall have until the next scheduled Updated Final Safety Analysis Report (UFSAR) update to incorporate the UFSAR relocations.

[page added for double-sided printing]

Attachment 4

Safety Evaluation by the Office of Nuclear Reactor Regulation Related to Request for Direct and Indirect Transfers of Control of Renewed Facility Operating License No. DPR-35 and the General License for the Independent Spent Fuel Storage Installation from Entergy Nuclear Generation Company and Entergy Nuclear Operations, Inc. to Holtec Pilgrim, LLC and Holtec Decommissioning International, LLC (Pilgrim Nuclear Power Station), Docket Nos. 50-293 and 72-1044
(Aug. 22, 2019)

[page added for double-sided printing]



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

SAFETY EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION
RELATED TO REQUEST FOR DIRECT AND INDIRECT TRANSFERS OF CONTROL OF
RENEWED FACILITY OPERATING LICENSE NO. DPR-35 AND THE GENERAL LICENSE
FOR THE INDEPENDENT SPENT FUEL STORAGE INSTALLATION
FROM ENTERGY NUCLEAR GENERATION COMPANY AND
ENTERGY NUCLEAR OPERATIONS, INC.
TO HOLTEC PILGRIM, LLC AND HOLTEC DECOMMISSIONING INTERNATIONAL, LLC
PILGRIM NUCLEAR POWER STATION
DOCKET NOS. 50-293 AND 72-1044

1.0 INTRODUCTION

By application dated November 16, 2018 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML18320A031), as supplemented by letters dated November 16, 2018, April 17, and July 29, 2019 (ADAMS Accession Nos. ML18320A040, ML19109A177, and ML19210E470, respectively), Entergy Nuclear Operations, Inc. (ENOI), on behalf of itself and Entergy Nuclear Generation Company (ENGCO) (to be known as Holtec Pilgrim, LLC), Holtec International (Holtec), and Holtec Decommissioning International, LLC (HDI), (hereinafter referred to as "Applicants"), requested that the U.S. Nuclear Regulatory Commission (NRC) consent to the following actions:

- (1) the direct transfer of ENOI's operating authority to HDI, and
- (2) the indirect transfer of control of the Renewed Facility Operating License No. DPR-35 for the Pilgrim Nuclear Power Station (Pilgrim), as well as the general license for the Pilgrim Independent Spent Fuel Storage Installation (ISFSI), to Holtec.

The Applicants also requested that the NRC approve a conforming administrative amendment to the facility licenses, to reflect the proposed direct transfer of the licenses from ENOI to HDI and the planned name change for ENGCO, from ENGCO to Holtec Pilgrim, LLC (Holtec Pilgrim). The supplements dated April 17, and July 29, 2019, provided additional information that clarified the application and did not expand the scope of the application as originally noticed in the *Federal Register* (FR) on January 31, 2019 (84 FR 816).

2.0 REGULATORY EVALUATION

2.1 Background

By letter dated November 10, 2015 (ADAMS Accession No. ML15328A053), ENOI notified the NRC of its intent to permanently cease operations at Pilgrim no later than June 1, 2019. By letter dated June 10, 2019 (ADAMS Accession No. ML19161A033), ENOI certified to the NRC that power operations ceased at Pilgrim on May 31, 2019, and fuel was permanently removed from the reactor vessel and placed in the spent fuel pool (SFP) on June 9, 2019. Pursuant to 10 CFR 50.82(a)(2), upon docketing of the certifications of permanent cessation of power operations and permanent removal of fuel from the reactor vessel in accordance with Title 10 of the *Code of Federal Regulations* (10 CFR) 50.82(a)(1)(i) and (ii), and the license under 10 CFR Part 50, "Domestic Licensing of Production and Utilization Facilities," no longer authorizes operation of the reactor or emplacement or retention of fuel in the reactor vessel.

By letter dated November 16, 2018, ENOI submitted the Pilgrim Post-Shutdown Decommissioning Activities Report (PSDAR) (ADAMS Accession No. ML18320A034), which describes ENOI's plan to utilize the SAFSTOR method for decommissioning. In accordance with ENOI's SAFSTOR decommissioning approach, license termination would occur in 2079 and site restoration would be completed by 2080. The Applicants stated that the license transfer is being sought to effectuate a transaction under which Holtec Pilgrim will own the Pilgrim facility, including the ISFSI, pursuant to the terms of the Equity Purchase and Sale Agreement (EPSA), and HDI will assume the licensed responsibility for maintaining and decommissioning the facility, as the decommissioning operator of Pilgrim. The Applicants further stated that the transfer is desirable, because it will result in the prompt decommissioning of Pilgrim, consistent with the DECON method for decommissioning, as described in HDI's revised PSDAR, dated November 16, 2018 (ADAMS Accession No. ML18320A040). In accordance with HDI's DECON decommissioning approach, the release of all portions of the site other than the ISFSI will occur on an accelerated schedule, within approximately 8 years of the license transfer.

2.2 Pilgrim License Transfer and Equity Sale

According to the Applicants, approval of both the direct and indirect transfers is being sought pursuant to a transaction under which 100 percent of the equity interests in ENGCO will be transferred to Holtec based upon the terms of an EPSA, dated July 30, 2018 (the nonproprietary, publicly available version can be found as Attachment B at ADAMS Accession No. ML18320A031). Holtec Pilgrim will own the Pilgrim nuclear facility pursuant to the terms of the EPSA, and will have responsibility for Pilgrim as its licensed owner. Holtec Pilgrim will enter into an agreement for decommissioning services with HDI, with HDI acting as Holtec Pilgrim's agent and with Holtec Pilgrim paying for all HDI expenses related to decommissioning, spent fuel management, and site restoration. Accordingly, HDI will become the licensed operator for decommissioning.

HDI will contract with Comprehensive Decommissioning International, LLC (CDI), a company jointly formed and owned by Holtec and SNC-Lavalin Group, as the decommissioning general contractor. CDI will perform day-to-day activities at the site, including decommissioning activities, subject to HDI's direct oversight and control as the licensed decommissioning operator. Pursuant to the terms of the EPSA, closing of the transaction cannot occur until the satisfaction of several conditions, including ENOI's certification pursuant to 10 CFR 50.82(a)(1)(ii) that fuel has been permanently removed from the reactor vessel, which,

as noted above, was submitted to the NRC on June 10, 2019, shortly after permanent cessation of operations. Attachments 1A and 1B, "Corporate Structure - Pilgrim License Transfer and Equity Sale," of the application include simplified organization charts reflecting the current and post-transfer organizations.

2.3 Revised Post-Shutdown Decommissioning Activities Report

In support of its license transfer application, Holtec submitted to the NRC a revised PSDAR for Pilgrim on November 16, 2018 (ADAMS Accession No. ML18320A040), to notify the NRC of changes in the actions and schedules previously described in the ENOI PSDAR. The revised PSDAR updates the information previously provided by ENOI on November 16, 2018 (ADAMS Accession No. ML18320A034), as required by 10 CFR 50.82(a)(7). The revised PSDAR is based and contingent upon NRC approval of this license transfer, and ENGCO being acquired by Holtec, pursuant to the terms of the EPSA. On December 17, 2018 (ADAMS Accession No. ML18333A240), the NRC notified ENOI that the staff is treating the revised PSDAR submittal, dated November 16, 2018, as a supplement to the Pilgrim license transfer application, also dated November 16, 2018, until such time as the NRC makes a regulatory decision on the Pilgrim license transfer application. The NRC staff reviewed the revised PSDAR only to determine whether Holtec Pilgrim and HDI are financially and technically qualified to hold the license for Pilgrim and the general license for the Pilgrim ISFSI, as described in the application, and to engage in the proposed maintenance and decommissioning activities associated with the Pilgrim site.

2.4 Regulations and Guidance

As described in the application, the proposed transaction constitutes a direct transfer of authority to conduct licensed activities at Pilgrim to HDI and the indirect transfer of control of the Renewed Facility Operating License No. DPR-35 for Pilgrim as well as the general license for the Pilgrim ISFSI, to Holtec, which requires prior NRC approval. For transfers of control of a license, the NRC must find that the transfer of the license is otherwise consistent with the applicable provisions of the law, NRC regulations, and orders issued by the Commission.

The request for approval of the transfers of the Pilgrim licenses was made pursuant to 10 CFR 50.80(a), which states, in part:

No license for a production or utilization facility..., or any right thereunder, shall be transferred, assigned, or in any manner disposed of, either voluntarily or involuntarily, directly or indirectly, through transfer of control of the license to any person, unless the Commission gives its consent in writing.

In addition, the regulations in 10 CFR 50.80(b) and (c) apply. The regulation at 10 CFR 50.80(b) states, in part:

- (1) An application for transfer of a license shall include:
 - (i) For a construction permit or operating license under this part, as much of the information described in §§ 50.33 and 50.34 of this part with respect to the identity and technical and financial qualifications of the proposed transferee as would be required by those sections if the application were for an initial license.

In addition, 10 CFR 50.80(c) states, in part:

...the Commission will approve an application for the transfer of a license, if the Commission determines: (1) That the proposed transferee is qualified to be the holder of the license; and (2) That transfer of the license is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission pursuant thereto.

In 10 CFR 50.40, "Common Standards," the NRC states, in part:

In determining that a construction permit or operating license in this part...will be issued to an applicant, the Commission will be guided by the following considerations:

...
(b) The applicant for a construction permit, operating license...is technically and financially qualified to engage in the proposed activities in accordance with the regulations in this chapter.

In 10 CFR 50.34(b)(6), the NRC requires that applicants provide certain information on facility operation. It requires, in part, that the information provided by the applicants include the following:

- (i) The applicant's organizational structure, allocations or responsibilities and authorities, and personnel qualification requirements.
- (ii) Managerial and administrative controls to be used to assure safe operation.

In 10 CFR 50.34(b)(7), the NRC requires applicants for an operating license to provide the following information in the final safety analysis report:

The technical qualifications of the applicant to engage in the proposed activities in accordance with the regulations in this chapter.

With respect to the requested conforming amendment, 10 CFR 50.90, "Application for Amendment of License, Construction Permit, or Early Site Permit," states, in part:

Whenever a holder of a license, including a construction permit and operating license under this part..., desires to amend the license or permit, application for an amendment must be filed with the Commission..., fully describing the changes desired, and following as far as applicable, the form prescribed for original applications.

Furthermore, 10 CFR 2.1315 states the following, in part:

- (a) Unless otherwise determined by the Commission with regard to a specific application, the Commission has determined that any amendment to the license of a utilization facility or the license of an Independent Spent Fuel Storage Installation which does no more than conform the license to reflect the transfer action, involves respectively, "no significant hazards consideration"

- (b) Where administrative license amendments are necessary to reflect an approved transfer, such amendments will be included in the order that approves the transfer.

In 10 CFR 50.33(a) through (d), the NRC requires applicants to provide information including the name of the applicant, address of the applicant, description of the business or occupation, corporate structure of the applicant, citizenship of the applicant, and foreign ownership and control of the applicant, as applicable.

In addition, 10 CFR 50.33(f) states, in part:

Except for an electric utility applicant for a license to operate a utilization facility of the type described in § 50.21(b) or § 50.22, [each application shall state] information sufficient to demonstrate to the Commission the financial qualification of the applicant to carry out, in accordance with regulations in this chapter, the activities for which the permit or license is sought.

The NRC staff applies guidance in NUREG-1577, Revision 1, "Standard Review Plan on Power Reactor Licensee Financial Qualifications and Decommissioning Funding Assurance," issued February 1999 (ADAMS Accession No. ML013330264), to evaluate the financial qualifications of applicants to carry out the activities for which the permit or license is sought.

In 10 CFR 50.54(bb), the NRC requires, in part, that a licensee submit, for NRC review and preliminary approval, the program by which the licensee intends to manage and provide funding for the management of all irradiated fuel, also known as spent fuel, at the reactor following permanent cessation of operation of the reactor until title to the spent fuel and possession of the fuel is transferred to the Secretary of Energy for its ultimate disposal in a repository.

In accordance with 10 CFR 50.2, "Definitions," the term "decommission" means to remove a facility or site safely from service and reduce residual radioactivity to a level that permits (1) release of the property for unrestricted use and termination of the license, or (2) release of the property under restricted conditions and termination of the license.

In 10 CFR 50.33(k)(1), the NRC requires that applicants provide information, in the form of a report, as described in 10 CFR 50.75, "Reporting and Recordkeeping for Decommissioning Planning," indicating how reasonable assurance will be provided that funds will be available to decommission the facility.

10 CFR 50.75 specifies how a licensee will provide reasonable assurance that funds will be available for the decommissioning process. Specifically, 10 CFR 50.75(b) requires that each power reactor applicant for an operating license submit a decommissioning report, as required by 10 CFR 50.33(k). 10 CFR 50.75(b) also requires decommissioning financial assurance be provided in an amount not less than the minimum formula amount in 50.75(c). In 10 CFR 50.75(e), the NRC includes the methods acceptable to the agency for providing decommissioning financial assurance. Finally, 10 CFR 50.75(h) provides additional requirements on the management of decommissioning trust funds (DTFs).

In 10 CFR 50.82(a)(8)(i), the NRC states that licensees may use DTFs under the following conditions:

- (A) The withdrawals are for expenses for legitimate decommissioning activities consistent with the definition of decommissioning in § 50.2;
- (B) The expenditure would not reduce the value of the decommissioning trust below an amount necessary to place and maintain the reactor in a safe storage condition if unforeseen conditions or expenses arise and;
- (C) The withdrawals would not inhibit the ability of the licensee to complete funding of any shortfalls in the decommissioning trust needed to ensure the availability of funds to ultimately release the site and terminate the license.

In 10 CFR 50.82(a)(8)(v), the NRC requires power reactor licensees that have permanently ceased operations to provide to the NRC annually, by March 31, a decommissioning financial assurance status report.

In addition, 10 CFR 50.82(a)(8)(vii) provides, in part, for the licensee's annual submittal to the NRC, a report on the status of its funding for managing spent fuel.

In addressing foreign ownership, control, or domination (FOCD) issues, Section 103d of the Atomic Energy Act of 1954, as amended (AEA), provides for the following, in relevant part:

No license may be issued to...any corporation or other entity if the Commission knows or has reason to believe it is owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government.

The NRC's regulation in 10 CFR 50.38, "Ineligibility of Certain Applicants," is the regulatory provision that implements the FOCD provision of the AEA. Specifically, 10 CFR 50.38 states, in part:

[A]ny corporation, or other entity which the Commission knows or has reason to believe is owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government, shall be ineligible to apply for and obtain a license.

The NRC staff evaluates license transfer applications in a manner consistent with the guidance provided in the "Final Standard Review Plan on Foreign Ownership, Control, or Domination," as published in the *Federal Register* on September 28, 1999 (64 FR 52357), to determine whether the applicant is owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government.

The NRC staff also reviews information that relates to nuclear onsite property damage insurance requirements under 10 CFR 50.54(w) and the Price-Anderson insurance and indemnity requirements under Section 170 of the AEA and 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements."

With respect to the transfer of control of a license for an ISFSI, 10 CFR 72.50(a) states as follows:

No license or any part included in a license issued under this part for an ISFSI or MRS [monitored retrievable storage facility] shall be transferred, assigned, or in any manner disposed of, either voluntarily or involuntarily, directly or indirectly, through transfer of control of the license to any person, unless the Commission gives its consent in writing.

The NRC staff considered the following regulatory guidance in its review of the proposed transfer:

- NUREG-0800, “Standard Review Plan for the Review of Safety Analysis Reports for Nuclear Power Plants: LWR Edition,” Chapter 13, “Conduct of Operations,” Section 13.1.1, “Management and Technical Support Organization,” Revision 6, issued August 2016 (ADAMS Accession No. ML15005A449), provides guidance for the review of changes to the technical organization or personnel qualifications proposed as a result of an operating license transfer. Specifically, Section I.4, “Review of Operating License Transfers,” states that the applicant for transfer of an operating license should provide a description of the organization to support plant operations, which should include (1) organizational charts of the corporate-level management and technical support organizations, emphasizing the changes to be made as a result of the transfer, (2) the relationship of the nuclear-oriented parts of the organization to the rest of the corporate organization, and (3) description of the specific provisions which have been made for uninterrupted technical support for operations.
- NUREG-0800, Chapter 13, Section 13.1.2–13.1.3, “Operating Organization,” Revision 7, issued August 2017 (ADAMS Accession No. ML15007A296), provides guidance for the review of a changes to the operating organization proposed as a result of an operating license transfer.
- NUREG-1713, “Standard Review Plan for Decommissioning Cost Estimates for Nuclear Power Reactors” (ADAMS Accession No. ML043510113), provides a list of items for which decommissioning trust funds can be used. The bases for NUREG-1713 can be found in two NUREGs that reference decommissioning at a pressurized water reactor and a boiling water reactor: NUREG/CR-5884, “Revised Analyses of Decommissioning for the Reference Pressurized Water Reactor Power Station (ADAMS Accession No. ML14008A187) and NUREG/CR-6174, “Revised Analyses of Decommissioning for the Reference Boiling Water Reactor Power Station” (ADAMS Accession No. ML14008A186). The Pilgrim facility employed a General Electric boiling-water reactor nuclear steam supply system. As such, NUREG/CR-6174 applies.

3.0 TECHNICAL EVALUATION

3.1 Financial Qualifications

In complying with the general corporate information requirements of 10 CFR 50.33, “Contents of Applications; General Information” (sections a through d), the Applicants state that Holtec Pilgrim (the proposed licensed owner after the license transfer and equity sale) will be a direct, wholly owned subsidiary of Nuclear Asset Management Company, LLC, (NAMCo), which will be a direct, wholly owned subsidiary of Holtec Power, Inc. (Holtec Power). HDI will be a direct,

wholly owned subsidiary of Holtec Power, and Holtec Power will be a direct, wholly owned subsidiary of Holtec. CDI, although jointly formed and owned by Holtec and SNC-Lavalin Group as previously discussed, will be the decommissioning general manager after the license transfer and equity sale and will have no direct or indirect ownership or licensing authority at Pilgrim.

Figures 1 and 2 of the application dated November 16, 2018, reflect the corporate ownership structure, including identification of the licensed owner and licensed operator, before and after the license transfer and equity sale. In summary, upon completion of the license transfer and equity sale transaction, Holtec Pilgrim will be the licensed owner of Pilgrim and HDI will be the licensed operator of Pilgrim.

The general corporate information required by 10 CFR 50.33(d)(3) includes identification of principal officers and directors of the Applicants, including those of Holtec, Holtec Power, NAMCo, Holtec Pilgrim, and HDI. Holtec will be the ultimate parent company of the proposed licensed entities. Holtec is a privately held corporation and is controlled by its Board of Directors, all of whom are U.S. citizens. It is owned by its shareholders as follows: (1) The Great Banyan Trust, 36.33-percent ownership interest, and (2) Multi-Decades Trust, 63.67-percent ownership interest. Dr. Krishna Singh of Holtec controls these trusts. As previously noted, by letter dated November 10, 2015, in accordance with 10 CFR 50.82(a)(1)(i) and (ii), the current licensee, ENOI, stated that Pilgrim will permanently cease operations no later than June 1, 2019. On May 31, 2019, ENOI permanently ceased operations at Pilgrim. The current licensee, ENOI, submitted a letter dated June 10, 2019 (ADAMS Accession No. ML19161A033), certifying the permanent cessation of operations and permanent removal of fuel from the reactor vessel.

HDI (proposed licensed operator for decommissioning) will not be authorized under the facility license to operate or load fuel in the reactor pursuant to the terms of 10 CFR 50.82(a)(2) and will not conduct reactor operations contemplated by the financial qualifications provisions of 10 CFR 50.33(f)(2). Rather, all of HDI's licensed activities will involve possession of radioactive material in connection with maintaining the safe condition of the plant, radiological decommissioning of the Pilgrim site (including the ISFSI), license termination, and operational responsibilities associated with spent fuel management. Thus, following the proposed direct and indirect transfers, Holtec Pilgrim (the proposed licensed owner) will maintain the existing DTF and will be responsible for funding all the expenses associated with radiological decommissioning and operational costs for spent fuel management. Accordingly, as described in this safety evaluation, the NRC staff's review of HDI and Holtec Pilgrim's financial qualifications and decommissioning financial assurance pursuant to 10 CFR 50.33(f), 10 CFR 50.33(k)(1), 10 CFR 50.75, and 10 CFR 50.82(a), includes an analysis of the projected costs for decommissioning the facility and terminating the license, and managing spent fuel until the U.S. Department of Energy (DOE) takes title and possession of the fuel.

For a facility in decommissioning, a licensee is required to execute financial plans for spent fuel management under 10 CFR 50.54(bb) and report annually on the status of funding dedicated towards radiological decommissioning and spent fuel management under 10 CFR 50.82(a)(8)(v) to (vii).

As stated in the application, Holtec Pilgrim will provide the financial assurance required by 10 CFR 50.75, 10 CFR 50.82(a)(8)(vi), and 10 CFR 72.30(b) and (c) for decommissioning Pilgrim, including the ISFSI, using the prepayment method in accordance with 10 CFR 50.75(e)(1)(i) and 10 CFR 72.30, "Financial Assurance and Recordkeeping for Decommissioning." Holtec Pilgrim will retain the Pilgrim DTF, which, as of October 31, 2018,

contained \$1,051,722,466 (as documented in the Pilgrim Updated Spent Fuel Management Plan submitted by ENOI on November 16, 2018). Under the terms of the EPSA, the after-tax market value of the DTF must be no less than \$1.030 billion at closing, subject to an adjustment that will not impact Holtec Pilgrim's or HDI's financial qualifications, as discussed in the EPSA. Accordingly, staff's evaluation of the adequacy of the Applicants' financial qualifications considered the more conservative value of \$1.030 billion. Further analysis of the Applicants' decommissioning funding resources is provided in the next section.

3.2 Radiological Decommissioning

As noted above, pursuant to 10 CFR 50.2, "decommission" means to remove a facility or site safely from service and reduce residual radioactivity to a level that permits (1) release of the property for unrestricted use and termination of the license, or (2) release of the property under restricted conditions and termination of the license. The existing DTF for Pilgrim was created in compliance with 10 CFR 50.75, and the funds within the trust were collected while the facility was operating. As described below, the NRC staff's review of decommissioning financial assurance assesses whether the Applicants have provided reasonable assurance that funds will be available to cover estimated costs for radiological decommissioning of Pilgrim and its ISFSI.

Separate from and in parallel with this application, the Applicants submitted the HDI revised PSDAR¹ reflecting plans for decommissioning and spent fuel management following the proposed transfer of the licenses. Specifically, the HDI revised PSDAR contains the following:

- a description of the planned decommissioning activities along with a schedule for their accomplishment;
- a discussion that provides the reasons for concluding that the environmental impacts associated with site-specific decommissioning activities will be bounded by previously issued environmental impact statements; and
- a site-specific decommissioning cost estimate (DCE), including the costs for projected spent fuel management, license termination, and site restoration.

The HDI revised PSDAR reflects HDI's plan to complete the immediate and accelerated decommissioning of the non-ISFSI portions of the Pilgrim site within approximately 8 years after the proposed transfer is approved. The ENOI PSDAR reflected the current licensee's decommissioning plan for Pilgrim to be completed by ENOI and ENGC within a 60-year period using the SAFSTOR method. The HDI revised PSDAR also contains the most recent decommissioning cost estimate and spent fuel management plans pursuant to 10 CFR 50.82, "Termination of License."

Under the HDI revised PSDAR, as compared to the ENOI PSDAR, the proposed change in decommissioning method from SAFSTOR to DECON results in an approximate 50-year acceleration of the site closure, and a site-specific DCE that reflects reductions in license termination costs of approximately \$595 million, and an increase in spent fuel management costs of approximately \$81 million.

¹ The staff notes that the NRC does not review the PSDAR for approval; however, for the purpose of this license transfer request, the staff relied on the revised PSDAR as a reference for the HDI's decommissioning plans and site-specific decommissioning cost estimate.

Following partial site release scheduled for 2025, and removal of spent fuel and GTCC waste from the site, HDI plans to decommission the ISFSI, terminate its NRC license, and release the site for unrestricted use in 2063. In accordance with the specific requirements of 10 CFR 72.30 for ISFSI decommissioning, the cost estimate for decommissioning the ISFSI reflects: 1) the cost of HDI's decommissioning contractor performing the decommissioning activities; 2) a contingency allowance of 25%; and 3) the cost of meeting the criteria for unrestricted use. The cost summary for decommissioning the ISFSI is presented in Appendix A of the HDI revised PSDAR.

As part of its review of the application, the staff reviewed the revised site-specific DCE for Pilgrim included with the HDI revised PSDAR to ensure that it contains the appropriate information. Pursuant to NUREG-1713, "Standard Review Plan for Decommissioning Cost Estimates for Nuclear Power Reactors," for decommissioning planning purposes, this information includes:

- A description of the decommissioning cost estimating methodology
- A description of the overall decommissioning project annual expenses
- A summary decommissioning cost estimate by major activity and phase
- A schedule of the major decommissioning activities
- A summary of the radiological D&D management with support staff levels
- An estimate of the radioactive waste volume

NUREG-1713 also states that if the amount of the site-specific cost estimate is less than the certification formula amount, a licensee must provide adequate justification for the difference.

In its evaluation of HDI's site-specific DCE, the staff noted that the DCE relies on estimated Pilgrim site-specific radiological decommissioning costs of \$592,553,000, which is lower than the 10 CFR 50.75(c) minimum formula amount of \$633,267,558, as reported by ENOI in its March 28, 2019, decommissioning funding status report (ADAMS Accession No. ML19087A318). The application dated November 16, 2018, states that the required DTF value at closing (\$1.030 billion) exceeds the minimum financial assurance required by 10 CFR 50.75(b)—which, in turn, requires decommissioning financial assurance be provided in an amount not less than the minimum formula amount in 50.75(c).² However, the application did not provide any explanation for the difference in funding levels for radiological decommissioning costs between the site-specific DCE and the 10 CFR 50.75(c) minimum formula amount. Therefore, the staff sought supplemental information from the Applicants in a request for additional information (RAI) dated July 26, 2019, (ADAMS Accession No. ML19207B366). The RAI requested, among other things, that the Applicants provide justification for using a site-specific radiological decommissioning cost estimate value of \$592,553,000 that is less than the 10 CFR 50.75(c) minimum formula amount of \$633,267,558.

By letter dated July 29, 2019 (ADAMS Accession No. ML19210E470), the Applicants provided their justification for using a total site-specific radiological decommissioning cost estimate value that is less than the minimum formula amount. Specifically, HDI stated that the HDI site-specific DCE is a more reliable and precise estimate of decommissioning costs because it is based on

² Throughout this SE, the staff refers to the amount specified in the table of minimum amounts in 10 CFR 50.75(c) as the 10 CFR 50.75(c) minimum formula amount.

Pilgrim site-specific plant data and historical information, actual site conditions, regulatory requirements applicable to Pilgrim, and actual pricing information, as compared to the 10 CFR 50.75(c) formula amount, which is based on generic inputs. Additionally, in both the November 16, 2018, application and the July 29, 2019, supplement, the Applicants stated that the HDI Pilgrim site-specific DCE was reviewed against the estimates of costs associated with license termination (radiological decommissioning) in NUREG/CR-6174, benchmarked against nine comparable decommissioning projects, and compared with costs for similar radioactive decommissioning activities at seven boiling water reactors.

As part of its review of the Applicants' justification for relying on estimated site-specific radiological decommissioning costs of \$592,553,000, the staff compared the Pilgrim site-specific radiological decommissioning costs with the estimated activities of the four periods associated with the DECON decommissioning method as outlined in NUREG/CR-6174, "Revised Analyses of Decommissioning for the Reference Boiling Water Reactor Power Station":

- 1) Pre-shutdown planning/engineering and regulatory reviews,
- 2) Plant deactivation and preparation for storage,
- 3) A period of plant safe storage with concurrent operations in the spent fuel pool until the pool inventory is zero, and
- 4) Decontamination and dismantlement of the radioactive portions of the plant, leading to license termination.

The NRC staff also compared the Pilgrim site-specific estimated radiological decommissioning costs of \$592,553,000 with the site-specific costs of comparable decommissioning projects.

Based on the review of the Pilgrim site-specific radiological decommissioning costs of \$592,553,000, as compared to NUREG/CR-6174, the staff concludes that the Applicants' method for developing the Pilgrim site-specific radiological decommissioning cost estimate is reasonable. Further, when compared to radiological decommissioning costs associated with similar decommissioning projects, the staff finds that the Applicants' Pilgrim site-specific radiological decommissioning costs of \$592,553,000 is reasonable.

Therefore, based on (1) its review of the Applicants' justification for relying on a site-specific DCE that is less than the minimum formula amount, (2) its review of the HDI site-specific DCE, in accordance with NUREG-1713 and NUREG/CR-6174, and (3) a comparison to the original ENOI PSDAR and site-specific DCE, the staff finds that HDI's site-specific DCE, which uses \$592,553,000 for the estimated site-specific radiological decommissioning costs for Pilgrim, is reasonable. As such, the staff used the value of \$592,553,000 for radiological decommissioning costs when it conducted its independent cash flow analysis, as described below.

3.2.1 Decommissioning Funding Assurance

ENOI's March 28, 2019, annual report on the status of decommissioning funding for Pilgrim reports a DTF balance of approximately \$1.028 billion as of December 31, 2018, and approximately \$1.043 billion as of February 28, 2019. The cash flow analysis in Table 1 of the November 16, 2018, application is based on a beginning DTF balance of \$1.030 billion

(following closure of the equity sale in 2019),³ as well as estimated costs for radiological decommissioning, spent fuel management, and site restoration of Pilgrim, all to be funded using the DTF. HDI stated that this beginning DTF balance reflects the fund value post-closure of the asset sale. Furthermore, the application states that the 2019 HDI costs include estimated pre-closure and post-closure costs.

In their application dated November 16, 2018, the Applicants provided financial projections for the duration of the Pilgrim decommissioning project, including the amount of the decommissioning trust funds in the DTF. The application also included a cash flow analysis that assumes a DTF balance of approximately \$1.030 billion, as well as estimated costs for radiological decommissioning, including the Pilgrim ISFSI (~\$592 million), spent fuel management (~\$501 million), and site restoration of Pilgrim (~\$40 million), all to be funded using the DTF. With respect to the adequacy of funding for the radiological decommissioning of Pilgrim and the Pilgrim ISFSI, the staff reviewed the application, including the HDI site-specific DCE for the facility, planned decommissioning activities, the opening DTF balance of \$1.030 billion, and projected trust growth. The staff used the opening DTF balance of \$1.030 billion based on the terms of the EPSA, which states that the after-tax market value of the DTF must be no less than \$1.030 billion at time of transaction closing. As discussed above, the staff used \$592,553,000 for radiological decommissioning costs. As allowed by 10 CFR 50.75(e)(1)(ii), the staff began its cost analysis using a 2% real-rate of return on annual balances. In its application dated November 16, 2018, the Applicants stated they also used a 2% real-rate of return. However, in Table 1 of the November 16, 2018, application, the Applicants noted that the Year Ending DTF Balance is after-taxes. Therefore, in its cost analysis, the staff found that Table 1 reflects an actual real-rate of return of 1.42%. The staff notes that this is conservative to the 2% annual real rate of return allowed by 10 CFR 50.75(e)(1)(ii). To be consistent in validating the HDI's site-specific DCE, the staff used the more conservative 1.42% real-rate of return. These considerations were included in the staff's independent cash flow analysis, which is contained in Attachment 1 to this safety evaluation.

As noted above, HDI's site-specific DCE relies on estimated radiological decommissioning costs of \$592,553,000, which is lower than the 10 CFR 50.75(c) minimum formula amount of \$633,267,558. In its RAI dated July 26, 2019, the staff requested a justification for this lower amount and, in case the Applicants' failed to provide sufficient justification, the staff also requested that the Applicants provide a revised decommissioning cash flow analysis using the minimum formula amount of \$633,267,558. In Attachment 1 of the July 29, 2019, supplement, the Applicants provided the requested revised cash flow analysis. Although the staff completed a separate, independent cash flow analysis to validate this revised cash flow analysis, ultimately, as noted above, the staff determined that HDI's site-specific DCE, which uses \$592,553,000 for the estimated site-specific radiological decommissioning costs for Pilgrim, is reasonable and sufficiently justified. Therefore, for purposes of this safety evaluation, the staff relies on the cash flow analysis in Attachment 1 to support its finding that the funds in the DTF are expected to be available and sufficient to cover the estimated costs of \$592,553,000 for the radiological decommissioning of the facility (including the ISFSI).

In Enclosure 2 of the November 16, 2018 application, pursuant to 10 CFR 50.12, "Specific exemptions," the Applicants requested an exemption from 10 CFR 50.82(a)(8)(i)(A) to allow Holtec Pilgrim and HDI to use of a portion of the funds from the Pilgrim DTF for the management of spent fuel and site restoration activities. The staff's analysis of this regulatory

³ The terms of the Equity Purchase and Sales Agreement describes the after-tax market value of the DTF must be no less than \$1.030 billion at time of transaction closing.

exemption (ADAMS Accession No. ML19192A083) was performed separate from this safety evaluation and, on August 22, 2019, the staff approved the exemption request. This exemption is being issued simultaneously with this license transfer; it will only apply to Holtec Pilgrim and HDI after the Applicants have completed the license transfer transaction and the NRC has issued the conforming amendment reflecting the license transfers.

In its review of the exemption, the NRC staff concluded that reasonable assurance exists that adequate funds will be available in the DTF to complete radiological decommissioning. The NRC staff considered its findings from its evaluation of the exemption in its analysis of this proposed license transfer, which supports the NRC staff's conclusion that the Applicants' use of the DTF for activities associated with spent fuel management and site restoration, will not negatively impact availability of funding for radiological decommissioning. The NRC staff's independent cash flow analysis, as contained in Attachment 1 to this safety evaluation, supports these findings.

3.2.2 Radiological Decommissioning Conclusion

Based on this review, in consideration of the above analysis and the NRC staff's independent cash flow analysis in the Attachment 1 to this safety evaluation, the NRC staff finds that the Applicants have provided reasonable assurance of obtaining the funds necessary to cover estimated costs for decommissioning Pilgrim and its ISFSI in accordance with the requirements of 10 CFR 50.33(f), 10 CFR 50.33(k)(1), 10 CFR 50.75, and 10 CFR 50.82(a).

3.3 Spent Fuel Management

After the closing of the proposed transaction, Holtec Pilgrim will continue to hold title to the spent nuclear fuel at Pilgrim and will continue to maintain the DOE Standard Contract, including all rights and obligations under that contract (see Section 3.5, "Standard Contract for Disposal of Spent Nuclear Fuel," of this safety evaluation, for further discussion on this topic).

With regard to spent fuel removal from the Pilgrim site, HDI indicated in its PSDAR that its plan for spent fuel removal is consistent with ENOI's previously submitted spent fuel management plan (ADAMS Accession No. ML18320A036), as approved by the NRC staff (ADAMS Accession No ML19122A199), in that fuel is expected to be removed beginning in 2030. This plan remains dependent upon the DOE's ability to remove spent fuel from the site in a timely manner. According to the Pilgrim spent fuel management plan, assuming the DOE's generator allocation/receipt schedules are based upon the oldest fuel receiving the highest priority and that the DOE begins removing spent fuel from commercial facilities in 2025 with an annual capacity of 3,000 metric tons of uranium, spent fuel is projected to remain at the Pilgrim site for approximately 43 years after the termination of operations in 2019. Any delay in transfer of fuel to DOE or decrease in the rate of acceptance will correspondingly prolong the transfer process and result in spent fuel remaining at the site longer than anticipated. Accordingly, in Section 3.2 of Enclosure 1, "PNPS Site-Specific Decommissioning Cost Estimate," of HDI's Pilgrim PSDAR, HDI based its cost assumptions on fuel removal from Pilgrim in 2030 through 2062. The NRC staff accepts these assumptions with regard to the final disposition of Pilgrim spent fuel as DOE, according to the Nuclear Waste Policy Act of 1982, is authorized to ultimately enter into contracts with owners and generators of commercial spent nuclear fuel to begin taking title to (legal ownership of) spent nuclear fuel. Spent fuel storage operations will continue at the site, independent of decommissioning operations, until the transfer of the fuel to DOE is complete.

In its license transfer application, the Applicants provided their funding plan for spent fuel management costs, which included using excess DTFs for spent fuel management. The NRC staff discusses its review of the Applicants' funding plan for spent fuel management costs below.

3.3.1 Exemption To Use Decommissioning Trust Fund for Spent Fuel Management

Because Holtec Pilgrim and HDI will rely on the DTF to provide funding for spent fuel management and site restoration costs, the Applicants requested an exemption from 10 CFR 50.82(a)(8)(i)(A) to allow Holtec Pilgrim and HDI to use funds from the DTF for these activities. As mentioned above, the staff's analysis of this regulatory exemption was performed separate from this safety evaluation and, on August 22, 2019 (ADAMS Accession No. ML19192A083), the NRC approved this exemption for Holtec Pilgrim and HDI. This exemption is being issued simultaneously with this license transfer; it will only apply to Holtec Pilgrim and HDI after the Applicants have completed the license transfer transaction and the NRC has issued the conforming amendment reflecting the license transfers.

In its review of the exemption, the NRC staff concluded that reasonable assurance exists that adequate funds will be available in the DTF to complete radiological decommissioning. The NRC staff considered its findings from its evaluation of the exemption in its analysis of this proposed license transfer, which supports the NRC staff's conclusion that the use of the DTF for activities associated with spent fuel management will not negatively impact availability of funding for radiological decommissioning. The NRC staff's independent cash flow analysis, as shown in Attachment 1 to this safety evaluation, supports these findings.

Therefore, based on its evaluation, the staff finds that the use of excess funds from the DTF for spent fuel management provides a reasonable source of funding to cover the costs associated with spent fuel management.

3.3.2 Spent Fuel Management Conclusion

The staff reviewed estimates for major spent fuel management activities and funding requirements. Based on its review, the staff concludes that the activities and associated costs of the Pilgrim spent fuel management plan appear reasonable, and as noted above, the staff accepts the assumptions in the Pilgrim spent fuel management plan with regard to the final disposition of Pilgrim's spent fuel by DOE. In addition, the staff does not have new information that challenges the preliminary approval of the Pilgrim spent fuel management plan previously granted by the NRC.

Pertaining to the HDI's plan to fund spent fuel management activities from the DTF, the NRC staff reviewed HDI's site-specific DCE for the facility, planned decommissioning activities and funding associated with those activities, and use of the DTF for spent fuel management (about \$501 million) through 2063. With an opening DTF balance of \$1.030 billion (2019\$), and a projected DTF growth rate of 1.42-percent real rate of return on annual balances as assumed by HDI, the NRC staff finds that funds are expected to be available to pay for the radiological decommissioning of the facility (including the ISFSI), spent fuel management, and site restoration, as allowed by the approval of the regulatory exemption. Attachment 1 to this safety evaluation report contains the NRC staff's independent cash flow analysis.

The NRC staff notes that Holtec Pilgrim expects to recover spent fuel management costs it will incur from the DOE through litigation or settlement of its claims. Holtec Pilgrim did not declare

DOE reimbursements for consideration in this license application. As such, the staff did not factor in potential DOE reimbursements as part of its independent cash flow analysis.

Based on its review, and in consideration of the above analysis describing the Applicants' financial plans for managing spent fuel, the NRC staff finds that the Applicants have reasonable assurance of obtaining the funds necessary to cover estimated costs for spent fuel management in accordance with 10 CFR 50.33(f) and 10 CFR 50.54(bb).

3.4 Financial Qualifications Conclusion

As described above, the NRC staff reviewed the application in its evaluation of the Applicants' financial qualifications, funding for the decommissioning of Pilgrim, and funding for spent fuel management at Pilgrim. Based on its evaluation as described above and shown in its independent cash flow analysis in Attachment 1, the NRC staff concludes that the funds in the DTF are expected to be available and sufficient to cover the estimated costs for the radiological decommissioning of the facility (including the ISFSI). Therefore, the NRC staff concludes that the Applicants have provided reasonable assurance of obtaining the funds necessary to cover estimated costs for decommissioning Pilgrim in accordance with the requirements of 10 CFR 50.33(f), 10 CFR 50.33(k)(1), 10 CFR 50.75, and 10 CFR 50.82(a).

In addition, based on its evaluation above of the Applicants' funding plans for managing spent fuel, including the exemption to use DTF for spent fuel management, as supported by the NRC staff's independent cash flow analysis in Attachment 1, the NRC staff finds that the Applicants have provided reasonable assurance of obtaining the funds necessary to cover estimated costs for spent fuel management in accordance with the requirements of 10 CFR 50.33(f) and 10 CFR 50.54(bb).

Accordingly, considering the foregoing evaluation, the NRC staff finds that Holtec Pilgrim and HDI are financially qualified to hold the Pilgrim License No. DPR-35, and the general license for the Pilgrim ISFSI, as proposed.

3.5 Standard Contract for Disposal of Spent Nuclear Fuel

As stated by the Applicants, Holtec Pilgrim will continue to hold title to the spent nuclear fuel at Pilgrim and will continue to maintain the DOE Standard Contract, including all rights and obligations under that contract. The previous owner, Boston Edison Company, and the United States of America, represented by the DOE, entered into this Standard Contract, No. DE-CR01-83NE44368, dated June 17, 1983, to govern the disposal of the spent nuclear fuel generated at Pilgrim.

3.6 Antitrust Review

The AEA does not require or authorize antitrust reviews of post-operating license transfer applications (Kansas Gas and Electric Co., et al. (Wolf Creek Generating Station, Unit 1), CLI-99-19, 49 NRC 441 (1999)). This application postdates the issuance of the operating license for the unit under consideration in this safety evaluation and, therefore, no antitrust review is required or authorized.

3.7 Foreign Ownership, Control, or Domination

Sections 103d and 104d of the AEA prohibit the NRC from issuing a license for a nuclear power plant to “any corporation or other entity if the Commission knows or has reason to believe it is owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government.” The NRC’s regulation, 10 CFR 50.38, contains language to implement this prohibition.

According to the Applicants, Holtec is a privately held corporation and is controlled by its Board of Directors, all of whom are U.S. citizens. The directors are ultimately appointed by Holtec’s owners, who are trust companies organized in the State of Florida and are controlled by U.S. citizens. Holtec has been U.S.-owned since its inception in 1986 without any non-U.S. control or domination. Holtec Power, NAMCo, Holtec Pilgrim, and HDI are all directly or indirectly under Holtec’s control, and all of the directors and executive committee members as identified in Attachment C to the application are U.S. citizens. Although Holtec performs work in foreign countries, the contractual arrangements to provide products and services do not result in any FOCD of the Holtec organization or its subsidiaries or contracts. The activities conducted in foreign countries are ultimately controlled by U.S. citizens.

Further, the Applicants state that, as the licensed entity with possession of and responsibility for direct oversight, control, and decommissioning of Pilgrim, HDI will act for itself and on behalf of Holtec Pilgrim, as its agent. Neither HDI nor Holtec Pilgrim is acting as the agent or representative of any other entity in the proposed transfer of the licenses. The Applicants also state that CDI is jointly owned by HDI and SNC-Lavalin. HDI, as the majority owner of CDI, controls CDI. SNC-Lavalin, a company based in Montreal, Quebec, Canada, is a publicly traded company on the Toronto Stock Exchange. CDI’s role is defined as the decommissioning general contractor under a contract between HDI and CDI. CDI will not be the licensed owner or operator of the plant and will not have direct access to the Pilgrim DTFs. CDI will perform decommissioning activities pursuant to its contract with HDI, subject to HDI’s direct oversight and control. There is no prohibition against a company with foreign minority ownership performing licensed activities at U.S. nuclear reactors. Therefore, notwithstanding CDI’s foreign minority ownership and engagement as the decommissioning operations contractor, Holtec and the licensee entities proposed for Pilgrim will not be owned, controlled, or dominated by any foreign person.

Based on this information, the NRC staff finds that the direct and indirect transfer of the facility licenses to Holtec, Holtec Pilgrim, and HDI, as proposed in the application, does not raise any issues related to FOCD within the meaning of the AEA and NRC regulations. In light of the above and pursuant to Sections 103d and 104d of the AEA and 10 CFR 50.38, the NRC staff concludes that it does not know, or have reason to believe, that any of the Applicants or their respective owners will be owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government, as a result of the direct or indirect license transfers.

3.8 Nuclear Insurance and Indemnity

Pursuant to the requirements of the Price-Anderson Act (Section 170 of the AEA) and the NRC’s implementing regulations in 10 CFR Part 140, the current indemnity agreement must be modified to reflect that, after the proposed license transfers take effect, Holtec Pilgrim (licensed owner) and HDI (licensed operator for decommissioning) will be the sole licensees for Pilgrim for purposes of decommissioning the site. Consistent with NRC practice, the NRC staff will require Holtec Pilgrim and HDI to provide and maintain onsite property insurance as specified in 10 CFR 50.54(w). Holtec Pilgrim and HDI are also required to provide evidence that they have

obtained the appropriate amount of insurance in accordance with 10 CFR 140.11(a)(4), which will be effective concurrent with the date of the license transfers and amended indemnity agreement. Therefore, the order approving the transfer will be conditioned as follows:

Prior to the closing of the license transfer, Holtec Pilgrim and HDI shall provide the Directors of NRC's Office of Nuclear Material Safety and Safeguards (NMSS) and Office of Nuclear Reactor Regulation (NRR) satisfactory documentary evidence that they have obtained the appropriate amount of insurance required of a licensee under 10 CFR 140.11(a)(4) and 10 CFR 50.54(w) of the Commission's regulations.

Based on the above, the NRC staff concludes that the proposed license transfer, as conditioned, satisfies the nuclear insurance and indemnity requirements of 10 CFR Part 140 and 10 CFR Part 50.

3.9 Financial Conclusions

Based on the foregoing, and subject to the conditions described herein, the NRC staff concludes that Holtec Pilgrim and HDI are financially qualified to be the holders of the Pilgrim license as owner and decommissioning operator, respectively, and of the general license for the Pilgrim ISFSI, as described in the application, and to engage in the proposed maintenance and decommissioning activities associated with the Pilgrim site. The NRC staff has concluded, based on the considerations discussed above, that (1) the proposed transferees are financially qualified to be the holders of license DPR-35 and (2) the proposed direct and indirect license transfers are otherwise consistent with the applicable provisions of law, regulations, and orders issued by the Commission pursuant thereto.

Additionally, the NRC staff finds that the Applicants have satisfied the NRC's decommissioning funding assurance requirements and the applicable onsite and offsite insurance requirements as conditioned. Further, the NRC staff finds that the Applicants are not owned, controlled, or dominated by a foreign entity.

3.10 Management and Technical Support Organization

By application dated November 16, 2018, the Applicants requested that the NRC consent to the license transfer for the purpose of implementing expedited decommissioning at Pilgrim. Figure 2 of the application shows the planned ownership structure following the proposed transfer. Holtec International is the ultimate parent company of Holtec Pilgrim and HDI. Holtec Power is a direct, wholly owned subsidiary of Holtec International. Holtec Pilgrim will be a direct, wholly owned subsidiary of NAMCo, which, in turn, is a direct, wholly owned subsidiary of Holtec Power. HDI is also a direct, wholly owned subsidiary of Holtec Power.

As stated in the application, following NRC approval of the transfers, 100 percent of the equity interests in ENG C will be transferred to Holtec pursuant to the terms of an EPSA. ENG C will change its name to Holtec Pilgrim, but the same legal entity will continue to exist before and after the proposed transfer. After the closing of the transaction and license transfer, ENG C, renamed Holtec Pilgrim, will continue to own Pilgrim, as well as its associated assets and title to spent nuclear fuel. Upon closing the proposed transaction, HDI will assume licensed responsibility as the decommissioning operator of Pilgrim, and Holtec Pilgrim will assume licensed responsibility as the owner of Pilgrim. Holtec Pilgrim will enter into a decommissioning operator services agreement with HDI, which will provide for HDI to act as Holtec Pilgrim's

agent and for Holtec Pilgrim to pay HDI's costs for post-shutdown operations, including decommissioning, spent fuel management, and site restoration costs. HDI's licensed activities will involve possessing and disposing of radioactive material, maintaining the facility in a safe condition (including handling, storing, controlling, and maintaining the spent fuel), decommissioning and decontaminating the facility, and maintaining the ISFSI until it can be decommissioned.

The Applicants further stated, in Sections 2 and 5.C of Enclosure 1 to the application dated November 16, 2018, that HDI will contract with CDI, a company jointly formed and owned by Holtec and SNC-Lavalin, as the decommissioning general contractor, subject to HDI's direct oversight and control as the decommissioning licensed operator. HDI will become Pilgrim's licensed operator for decommissioning, and CDI will perform day-to-day licensed activities at the site, including decommissioning activities, pursuant to the Decommissioning General Contractor Agreement between HDI and CDI, subject to HDI's direct oversight and control as the decommissioning licensed operator. The application further specified that CDI will subcontract with industry vendors who have "demonstrated expertise in dismantlement and decommissioning in the nuclear field." HDI and CDI will select subcontractors using an industry vendor evaluation and selection vetting process, with key criteria for selection that include recent experience, technical capability to perform tasks, safety record, prior record of adherence to quality, and history of any adverse NRC notices, such as notices of violation or confirmatory action letters.

Section 5.B of the application described HDI's responsibilities as the licensed operator, to include the following:

- meeting all duties and obligations of the decommissioning operator licensee, including continuing compliance with the ISFSI Certificate of Compliance, licensing basis, and regulatory commitments and requirements
- possessing and disposing of radioactive material
- maintaining the facility in a safe condition, including the storage, control, and protection of the spent fuel in the pool and on the ISFSI, until the ISFSI is decommissioned
- establishing and implementing processes to ensure compliance with the licenses and NRC regulations, and retaining decisionmaking authority for any issues related to compliance with the licenses and NRC regulations
- overseeing the development and submittal of licensing actions required to support ongoing decommissioning activities
- making necessary modifications to the emergency preparedness and security plans and responses to NRC orders on security
- performing the functions necessary to fulfill the quality assurance requirements of the Pilgrim technical specifications (TS) and as specified in the Pilgrim Quality Assurance Program Manual (QAPM) in place at the time of license transfer
- providing oversight of CDI, including quality assurance, safety, and security

The application described HDI as being structured in a manner that is similar to the corporate organization that exists in many current nuclear industry utilities with a fleet of operating units, including the current Pilgrim structure. HDI plans to fill the onsite HDI position of Pilgrim Site Vice President with an incumbent Pilgrim senior manager.

The Applicants provided a combined organizational chart of the Pilgrim organization in Figure A-1 of the application, depicting the relationships between HDI as the decommissioning licensed operator and CDI and the decommissioning general contractor. Further, Sections 5.B and 5.C of Enclosure 1 to the application, dated November 16, 2018, contain information about the roles and responsibilities of HDI and CDI senior management, respectively. The planned HDI senior management organization will comprise Holtec personnel and will include the following:

- The HDI President and Chief Nuclear Officer (CNO) will report directly to the Holtec Executive Committee. The HDI President and CNO will be responsible for overseeing the safety, operation, and decommissioning of nuclear sites maintained by HDI, including Pilgrim.
- The HDI Vice President for Quality Assurance and Nuclear Oversight will report to the HDI President and CNO and will be responsible for providing quality assurance oversight for nuclear sites maintained by HDI, including Pilgrim. The responsibilities of the HDI Vice President for Quality Assurance and Nuclear Oversight include quality assurance oversight for the movement of fuel and the transportation of radioactive waste.
- The HDI Senior Vice President and Chief Operating Officer (COO) will report to the HDI President and CNO and will be responsible for providing oversight of the decommissioning activities performed by CDI at nuclear sites maintained by HDI, including fuel management, security, and emergency preparedness.
- The HDI Pilgrim Site Vice President will report to the HDI Senior Vice President and COO and will be responsible for providing day-to-day onsite leadership and direction of safe decommissioning activities at the site. In addition, the HDI Pilgrim Site Vice President will be responsible for assuring compliance with the licenses, including the TS, ISFSI Certificate of Compliance, and any other regulatory requirements and commitments.
- The HDI Vice President for Licensing will report to the HDI Senior Vice President and COO and will be responsible for providing licensing oversight for the decommissioning of nuclear sites maintained by HDI, including Pilgrim.
- The HDI Vice President for Technical Support will report to the HDI Senior Vice President and COO and will be responsible for providing technical support in the areas of health and safety, the environment, radiation protection, and decommissioning improvements at nuclear sites maintained by HDI, including Pilgrim.
- The CDI Pilgrim Decommissioning General Manager will report to the HDI Pilgrim Site Vice President; will lead the CDI team; and will maintain responsibility for overall management, performance, nuclear safety, quality assurance, and employee safety. The CDI Pilgrim Decommissioning General Manager will also report to the CDI Vice President for Corporate Operations, who, in turn, reports directly to the CDI Chief Executive Officer. The following organizations and their respective managers will be

reporting to the CDI Pilgrim Decommissioning General Manager: Decommissioning Deputy General Manager, Regulatory Affairs Manager, Spent Fuel Manager, Radiation Protection Manager, Waste Manager, Decommissioning Projects Manager, and Project Controls Manager. In addition, the incumbent ENOI Pilgrim Decommissioning Organization personnel at the time of license transfer who accept offers of employment will be integrated into the CDI site organization. They will continue to be located at Pilgrim and will include staff from the plant operations, emergency planning, and security organizations, with their roles and responsibilities based largely on their pretransfer roles and responsibilities. Incumbent staffing levels will be based on the permanent shutdown and defueled status of Pilgrim immediately before the license transfer.

By letter dated August 31, 2018 (ADAMS Accession No. ML18243A489), Exelon Generation Company, LLC (Exelon Generation), Oyster Creek Environmental Protection, LLC, and HDI submitted an application for order approving direct transfer of the operating license for Oyster Creek Nuclear Generating Station (Oyster Creek) from Exelon Generation to Oyster Creek Environmental Protection as the licensed owner and to HDI as the licensed decommissioning operator, for NRC's approval. The application stated that HDI, as licensed operator, will provide the overall management of decommissioning activities at Oyster Creek. The NRC approved the license transfer request for Oyster Creek on June 20, 2019 (ADAMS Accession No. ML19095A454). HDI became the licensed decommissioning operator for Oyster Creek on July 1, 2019 (ADAMS Accession No. ML19164A157).

During its review of the instant license transfer application, the NRC staff noted that, should the license transfer for Pilgrim be approved, HDI would 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 ISFSIs until they can be decommissioned. Therefore, by letter dated March 21, 2019 (ADAMS Accession No. ML19086A349), the NRC staff submitted a request for additional information, asking that the Applicants provide 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) to conduct licensed activities at multiple sites. By letter dated April 17, 2019 (ADAMS Accession No. ML19109A177), HDI responded that it would use a fleet model to manage and conduct the decommissioning of its shutdown nuclear power plants. The fleet model will provide for efficiency by establishing standard processes, procedures, and approaches at the corporate level and at the decommissioning sites, similar to the model used by many operating fleets. In addition, each of HDI's decommissioning sites will have a dedicated leadership reporting to the same HDI corporate executive team and sufficient technical support from the CDI site organizations, mostly made up of experienced incumbents and supplemented as needed by additional Holtec and SNC-Lavalin resources. HDI further stated that it will implement governance procedures at both the HDI corporate level and at the site level. As decommissioning progresses at the sites, HDI will make changes to the site governance documents, with the overall goal of standardizing such documents across the HDI fleet as much as practicable, to allow efficiency in oversight and the application of site-specific lessons learned and operating experience to other sites in the HDI fleet. The executive leadership team at the HDI corporate level will oversee the safety, operation, and decommissioning at the Oyster Creek and Pilgrim sites. The executive leadership team consists of the HDI Vice President for Licensing, Treasurer and Nuclear Decommissioning Trust Fund Management, Vice President for Technical Support, Senior Vice President and COO, Vice President for Quality Assurance and Nuclear Oversight, President and CNO, and the Holtec

Executive Committee. HDI stated that the corporate HDI and CDI executive team is structured and staffed in anticipation of supporting planning and decommissioning activities at multiple sites, with the capacity to expand as needed.

The Applicants further stated in the application dated November 16, 2018, that CDI will support HDI's responsibility to maintain the facility in compliance with the licenses and NRC regulations by performing licensed activities and decommissioning safely and securely. HDI will retain ultimate decision-making authority and will provide direct governance and oversight of CDI's performance, thereby fulfilling its licensed responsibilities as the decommissioning licensed operator. Holtec senior staff will manage HDI to provide the requisite managerial capabilities and decision-making authority within the licensed organization, while a combination of Holtec and Atkins personnel (see below) who have commercial nuclear experience, including experience in spent fuel handling and decommissioning, will staff CDI. As of the transaction closing, CDI will become the employer of ENO's employees in the Pilgrim decommissioning organization, with the exception of an incumbent senior manager at Pilgrim, who will be employed by HDI.

As stated in Sections 5.C, 5.D, and 8.D of Enclosure 1 to the letter, CDI will perform the day-to-day activities at the site to maintain compliance with the licenses and NRC regulations, subject to HDI's direct oversight and control as the licensed operator. After the closing of the transaction and license transfer, ENGCO, renamed Holtec Pilgrim, will continue to own Pilgrim and its associated assets that will be needed to maintain Pilgrim and the site in accordance with NRC requirements and the facility licenses. In addition to the structures and equipment, these assets will include the necessary books, records, safety and maintenance manuals, and engineering construction documents. HDI plans to adopt the current NRC-approved ENO programs, procedures, and work instructions applicable to Pilgrim, and HDI and CDI will continue to work in accordance with those documents following the license transfer. The existing Pilgrim programs and procedures at the time of transfer, including the emergency plan, physical security and cybersecurity plans, fire protection program, radiological protection, certified fuel handler training, and quality assurance program will also be implemented by HDI and CDI, after license transfer. Upon closing of the transaction, HDI will assume authority and responsibility for the functions necessary to fulfill the quality assurance requirements of the Pilgrim TS and as specified in the Pilgrim QAPM in place at the time of license transfer. The Pilgrim QAPM will be added as an appendix to the Holtec quality assurance program and specified as applicable to the Pilgrim site.

3.10.1 Strategic Partner Experience and Expertise

As stated in the application, HDI will draw on the experience and expertise of its parent company, Holtec, and its contractor, CDI. Under HDI's direct oversight and control, CDI will perform the day-to-day licensed activities at the site, including decommissioning the plant, pursuant to a Decommissioning General Contractor Agreement between HDI and CDI. A combination of Holtec and SNC-Lavalin personnel who have commercial nuclear experience, including experience in spent fuel handling and decommissioning, will staff CDI. In addition to employees transferred from Holtec and SNC-Lavalin, CDI staffing will include ENO's Pilgrim decommissioning organization incumbent staff who, at the time of the license transfer, will be integrated into the CDI decommissioning organization, in a manner consistent with their experience and previous positions at Pilgrim.

The information below briefly describes the experience and expertise of HDI and each of its strategic partners.

HDI is an indirect, wholly owned subsidiary of Holtec. The senior management of HDI comprises Holtec personnel. HDI is structured to serve as a fully resourced organization to directly oversee and manage licensed decommissioning operations and the dismantlement of a nuclear power plant that has ceased operation. HDI has the expertise to oversee all licensed activities following reactor defueling, including the transfer of spent fuel from the SFP to the ISFSI, security, and emergency preparedness.

Holtec has extensive experience in designing, manufacturing, and installing capital equipment, as well as providing services to operating commercial power plants. Holtec also possesses in-house capabilities to design, engineer, analyze, construct, and deploy spent fuel. Holtec possesses both technical resources and experience with nuclear decommissioning, spent fuel handling equipment, transport of nuclear fuel, and wet and dry spent fuel storage systems and components.

CDI is a company jointly owned by HDI and Kentz USA Inc., an SNC-Lavalin subsidiary. HDI owns the majority of CDI. As stated in the application, the CDI staff will comprise a combination of Holtec and SNC-Lavalin personnel who have commercial nuclear experience, including experience in spent fuel handling and decommissioning, and enhanced by the addition of incumbents from the ENOI Pilgrim decommissioning organization who will transition to HDI following the license transfer. The CDI staff will also include Atkins personnel who have decommissioning expertise and experience.

SNC-Lavalin, one of CDI's joint owners, is an engineering and construction company. SNC-Lavalin is also the current owner and the original equipment manufacturer of CANDU reactor technology. SNC-Lavalin acquired Atkins in July 2017, which then became a wholly owned subsidiary of SNC-Lavalin. Atkins is a design, engineering, and project management consultancy company, based in the United Kingdom. Atkins has been involved in the nuclear cleanup, decommissioning, and environmental remediation of nuclear waste storage sites since the late 1980s, working with Sellafield Ltd (formerly British Nuclear Fuels Limited) and managing the fleet of 22 Magnox reactors, through operation and into decommissioning in the United Kingdom. In addition, in 2016, Atkins acquired the EnergySolutions' Projects, Products, and Technology (PP&T) division, which was responsible for decommissioning the Zion Nuclear Generating Station. In addition, British Nuclear Fuels Limited, which is now owned by Atkins through its acquisition of EnergySolutions PP&T, had a significant role in the decommissioning of Big Rock Point, including the removal of the large components and reactor vessel.

3.10.2 Management and Technical Support Organization Conclusion

The Applicants provided organizational charts of the corporate-level management and technical support organizations and described changes they will make as a result of the proposed transfer. The Applicants described the relationship of the nuclear-oriented parts of the organization to the rest of the corporate organization. The Applicants explained that HDI will be using a fleet model approach to ensure that the management and technical support organizations will have sufficient resources to conduct licensed activities at multiple sites. The Applicants described several provisions that they will make for uninterrupted support of technical operations, which include (1) plans to adopt the current NRC-approved ENOI policies, programs, procedures, and work instructions applicable to Pilgrim, and to continue to work in accordance with those documents following the license transfer, and (2) plans for the decommissioning general contractor, CDI, to employ the ENOI Pilgrim decommissioning organization's incumbent staff.

Based on its review of the application for license transfer, the NRC staff finds that the Applicants provided reasonable assurance that the requirements of 10 CFR 50.34(b)(7) and 10 CFR 50.80 regarding the technical qualifications of HDI to engage in the proposed activities have been met. In addition, the staff finds that HDI is technically qualified to be the holder of the license and that the transfer of the license is otherwise consistent with the applicable provisions of law, regulations, and orders issued by the Commission. Accordingly, the staff concludes that the proposed HDI management and technical support organization will adequately support the proposed maintenance and decommissioning activities at Pilgrim.

3.11 Operating Organization

As stated in the application, CDI will establish a site decommissioning organization. CDI plans to employ ENOI's Pilgrim decommissioning organization personnel at the site at the time of the transaction closing, with the exception of one incumbent senior manager, who will become an HDI employee as the Site Vice President in charge of the site-based organization.

The application stated that staffing levels at the time of transfer will be fully compliant with the requirements of facility licenses and NRC regulations. HDI will ensure that vacated positions previously filled by incumbent employees are backfilled with qualified personnel, subject to a determination of the need to fill the position. In all cases, the individuals will be qualified for Pilgrim's programs and procedures.

The staffing and qualification requirements for the current operating organization at Pilgrim were previously found to be acceptable, as approved in Amendment No. 246 to Renewed Facility Operating License No. DPR-35 (ADAMS Accession No ML17066A130), consistent with the permanent cessation of operations and permanent removal of fuel from the reactor vessel. These staffing and qualification requirements detailed, among others, the responsibilities of a plant manager and a control room supervisor and stipulated that the minimum shift crew composition include at least one control room supervisor, who must be a Certified Fuel Handler, and one Non-Certified Operator. In addition, the facility staff qualifications are required to be maintained as stated in Section 5.3 of the TS. The proposed changes to the license as described in Enclosure 1, Attachment A, to the application letter do not affect the staffing or qualifications requirements as approved in Amendment No. 246.

In Enclosure 1, Attachment C, to the letter, the Applicants provided résumés of several key personnel with responsibilities of regulatory significance, including, among others, those of the HDI President and CNO, HDI Senior Vice President and COO, HDI Vice President for Quality Assurance and Nuclear Oversight, HDI Vice President for Licensing, and HDI Vice President for Technical Support. The résumés provided information on the experience of individuals who will occupy the aforementioned key positions in the areas of spent fuel management, decommissioning, nuclear safety, licensing and regulatory affairs, engineering and operations, and quality assurance.

3.11.1 Operating Organization Conclusion

Based on its evaluation, the NRC staff concludes that the onsite organization will adequately support the proposed maintenance and decommissioning activities at Pilgrim in accordance with 10 CFR 50.34(b)(7) that requires Applicants to provide the technical qualifications to engage in the proposed activities, and 10 CFR 50.80(c) that requires the proposed license transferee to be

qualified to be the holder of the license, and is otherwise consistent with the applicable provisions of law, regulations, and orders issued by the Commission.

3.12 Technical Qualification Conclusion

The Applicants have described the management and technical support organization, as well as the onsite operating organization, that would be responsible for the maintenance and decommissioning of Pilgrim after the proposed transfer of licensed authority to HDI. Based on its evaluation as described above, the NRC staff concludes that (1) HDI will have an acceptable management organization, (2) HDI will retain an onsite organization capable of safely conducting decommissioning activities, and (3) HDI will have the technically qualified resources and experience to support the safe maintenance and decommissioning of the Pilgrim site after the transfer of licensed authority from ENOI to HDI. The staff also determined that the Applicants provided reasonable assurance that they have met the relevant requirements of 10 CFR 50.34(b)(7) and 10 CFR 50.80 to engage in the proposed activities. Accordingly, in light of the foregoing evaluation, the staff finds that HDI is technically qualified to hold Pilgrim License No. DPR-35, and the general license for the Pilgrim ISFSI, as proposed.

3.13 Conforming License Amendment

3.13.1 Technical Specifications

The Applicants requested a conforming amendment to Renewed Facility Operating License No. DPR-35 for Pilgrim. The NRC staff notes that TS page 4.0-1 is in effect with an administrative change to Section 4.1, "Site Location," and recognizes that Section 4.3, "Fuel Storage," is also on the same TS page. On April 7, 2016, the NRC issued Generic Letter (GL) 2016-01, "Monitoring of Neutron-Absorbing Materials in Spent Fuel Pools" (ADAMS Accession No. ML16097A169), to address the degradation of neutron-absorbing materials in wet storage systems for reactor fuel at power and nonpower reactors. The generic letter requested that licensees provide information to allow the NRC staff to verify continued compliance through effective monitoring to identify and mitigate any degradation or deformation of neutron-absorbing materials credited for criticality control in SFPs.

By letter dated November 3, 2016 (ADAMS Accession No. ML16319A131), as supplemented by letter dated February 8, 2018 (ADAMS Accession No. ML18039A843), Entergy responded to GL 2016-01 for Pilgrim. In Entergy's response to GL 2016-01, as supplemented, the licensee also noted that 2016 testing on the Boraflex installed in the SFP at Pilgrim showed that some of the Boraflex was no longer bounded by the nuclear criticality safety analysis of record. This resulted in the licensee implementing corrective actions to manage Boraflex degradation and maintain subcriticality in the SFP. On September 26, 2018, the NRC issued a letter to Entergy on the closeout of GL 2016-01. The letter states that the NRC staff found interim corrective actions taken to be adequate and that the licensee-identified nonconservative TS would be resolved in accordance with Administrative Letter 98-10, "Dispositioning of Technical Specifications That Are Insufficient to Assure Plant Safety," dated December 29, 1998 (ADAMS Accession No. ML031110108). The GL 2016-01 issue affects TS Section 4.3.

By letter dated September 13, 2018 (ADAMS No. ML18260A085), as supplemented by letters dated January 10, February 8, and March 14, 2019 (ADAMS Nos. ML19016A135, ML19044A574, and ML19079A158), ENOI submitted a license amendment request to revise the Pilgrim Renewed Facility Operating License and associated TS to permanently defueled TS consistent with the permanent cessation of reactor operation and permanent defueling of the

reactor. The NRC staff is addressing changes to TS Section 4.3 as part of its review of the license amendment request, dated September 13, 2018.

As described in the November 16, 2018, application, HDI will assume licensed responsibility for Pilgrim through a direct transfer of ENOI's responsibility for licensed activities at Pilgrim to HDI. Upon closing of the proposed license transfer and issuance of the conforming amendment, HDI would assume responsibility for compliance with the current licensing basis, including regulatory commitments that exist at the closing of the transaction between the Applicants, and would implement any changes under applicable regulatory requirements and practices. Additionally, HDI would assume responsibility for open licensing actions previously submitted by ENOI. As stated previously, the NRC staff determined that HDI will be technically qualified to support the safe maintenance and decommissioning of the Pilgrim site; this includes issues pertaining to the SFP.

3.13.2 Final No Significant Hazards Consideration

Under the Atomic Energy Act of 1954, as amended, and the NRC's regulations, the NRC staff may issue and make an amendment immediately effective, notwithstanding the pendency before the Commission of a request for a hearing from any person, in advance of the holding and completion of any required hearing, where it has made a final determination that no significant hazards consideration is involved.

On February 20, 2019 (ADAMS Accession No. ML19051A114), the Commonwealth of Massachusetts filed a request for a hearing and petition for leave to intervene challenging the proposed license transfer. On February 20, 2019 (ADAMS Accession No. ML19051A019), Pilgrim Watch also filed a request for a hearing and petition for leave to challenging the proposed license transfer. On April 24, 2019 (ADAMS Accession No. ML19114A519), the Commonwealth of Massachusetts filed a motion to supplement its motion to intervene and request for hearing with new information. On April 26, 2019 (ADAMS Accession No. ML19116A162) and May 9, 2019 (ADAMS Accession No. ML19129A473), Pilgrim Watch filed motions to supplement its motion to intervene and request for hearing with new information. On July 16, 2019 (ADAMS Accession No. ML19197A330), Pilgrim Watch submitted a motion to file a new contention. On August 1, 2019 (ADAMS Accession No. ML19213A313), the Commonwealth of Massachusetts filed a motion to stay the license transfer proceeding for 90 days to permit the completion of settlement negotiations. These requests are currently pending before the Commission.

As provided in 10 CFR 2.1315, unless otherwise determined by the Commission with regard to a specific application, the Commission has determined that any amendment to the license of a utilization facility or to the license of an ISFSI, which does no more than conform the license to reflect the transfer action involves no significant hazards consideration. No contrary determination has been made with respect to this specific application.

3.13.3 Conforming License Amendment Conclusion

The conforming amendment requested by the Applicants does not affect TS Section 4.3. Further, the Applicants requested no physical or operational changes to the facility. The proposed conforming amendment only reflects the proposed license transfer action. The conforming amendment involves no safety question and is administrative in nature. Accordingly, the proposed amendment is acceptable.

The Commission has concluded, based on the considerations discussed above, that (1) there is reasonable assurance that the proposed action will not endanger public health and safety, (2) there is reasonable assurance that such activities will be conducted in compliance with the Commission's regulations, and (3) the issuance of the amendment will not be inimical to the common defense and security or to public health and safety.

3.14 Public Comments

The NRC published a notice of consideration of the approval of transfer of license and conforming amendment in the *Federal Register* on January 31, 2019 (84 FR 816). The notice included an opportunity to provide written comment and stated that the NRC would participate in a public meeting at Hotel 1620 in Plymouth, Massachusetts, on January 15, 2019. The announcement also noted that NRC personnel at the public meeting would take oral or written comments on the application for the proposed license transfer and the associated proposed HDI revised PSDAR. The public meeting record (ADAMS Accession No. ML19017A173) summarizes the oral comments; the presentation slides are available in ADAMS under Accession Nos. ML19008A494, ML19009A171, and ML19009A343; and a transcript of the public meeting is available at ADAMS Accession No. ML19029A025.

The NRC received written comments from the public in response to the FR notice. These comments are publicly available in ADAMS under Accession Nos. ML19032A073, ML19046A017, ML19057A188, ML19057A190, ML19057A569, ML19059A023, ML19060A227, ML19060A228, ML19064B330, ML19064B331, ML19064B332, ML19064B345, ML19065A180, ML19065A187, ML19065A188, ML19065A192, ML19065A193, ML19065A196, ML19065A198, ML19065A257, ML19065A258, ML19070A161, ML19070A162, ML19070A164, ML19070A165, ML19070A166, ML19070A167, ML19070A168, ML19070A169, ML19070A170, ML19070A171, ML19070A172, ML19070A174, ML19070A175, ML19070A176, ML19070A177, ML19072A312, ML19072A314.

Of the comments received, 4 were out of scope, 8 favored granting the license transfer, 18 supported the hearing requests from the Commonwealth of Massachusetts and Pilgrim Watch, and 9 expressed concerns.

Several questions and comments came from the general public at the public meeting. The themes of the written questions and comments overlapped with the oral questions and comments. The questions and comments had the following themes:

- concerns about the responsibility for any decommissioning fund shortfalls and the financial integrity or other qualifications of Holtec and its partners
- use of the site after decommissioning
- concerns about continued storage of spent fuel after decommissioning, transportation of spent fuel and radioactive waste, and the destination of spent fuel once it is removed from the site
- support for the timely review and approval of the license transfer and the immediate decommissioning of the facility
- concerns that support for the license transfer is partially based on proprietary information or incomplete cost information and that the work will have proper oversight

- concerns about the potential to turn parts of the facility to rubble and bury it on site
- concerns about unknown radiation ground contamination
- concerns about climate change affecting the site
- concerns about the reduction of emergency planning
- concerns about Entergy's current use of the DTF
- NRC communications and coordination on the review process
- concerns about the dry cask incident at San Onofre

The NRC staff reviewed the questions and comments made in the public meeting, along with the written comments received during the open comment period, and considered them in the review process. This safety evaluation of the license transfer request addresses the themes of the questions and comments that were within the scope of the NRC's review, such as concerns about decommissioning fund shortfalls and the financial integrity and the financial and technical qualifications of Holtec and its partners.

The NRC considers concerns about the environment to be out of scope for a license transfer review. Additionally, as indicated below, the NRC staff has determined that the license transfer and conforming amendment meet the eligibility criteria for the categorical exclusion set forth in 10 CFR 51.22(c)(21). Therefore, under 10 CFR 51.22(b), no environmental impact statement or environmental assessment need be prepared in connection with the approval of the transfer application and conforming license amendment.

4.0 STATE CONSULTATION

In accordance with the Commission's regulations, the NRC notified the Commonwealth of Massachusetts official of the proposed license transfer and draft conforming amendment on August 13 and 14, 2019 (ADAMS Accession No. ML19226A396). The Commonwealth official responded on August 21, 2019 with written comments (ADAMS Accession No. ML19233A278).

As provided in 10 CFR 2.1315, unless otherwise determined by the Commission with regard to a specific application, the Commission has determined that any amendment to the license of a utilization facility or to the license of an ISFSI that does no more than conform the license to reflect the transfer action involves no significant hazards consideration. As noted above in Section 3.13.2, no contrary determination has been made with respect to this specific application. The NRC staff notes that the consultation requirements in 10 CFR 50.91(c) do not give the Commonwealth the right to veto or insist upon a postponement of the Commission's no significant hazards consideration determination. The staff has considered the comments and determined no changes to the safety evaluation were necessary.

At the request of the Commonwealth, the Commonwealth's comments are reprinted here in their entirety.

At the outset, the Commonwealth objects to the proposed action based on the procedural irregularities and disparate treatment of the Commonwealth during the consultation process as compared to other similarly situated states.

On August 13, 2019, the NRC State liaison contacted the Massachusetts Executive Office of Energy and Environmental Affairs with an offer for NRC Staff to consult with the Commonwealth about the Staff's proposed actions during a narrow two-hour window later that day. By mutual agreement, that "consultation" meeting was scheduled for 1:30 pm on August 13, 2019. Approximately twenty-minutes prior to that meeting, however, NRC Staff filed into the above referenced proceeding a "Notification," which informed the proceeding participants that Staff had notified the Commission that Staff intended to issue an order approving the license transfer application and Exemption Request on or about August 21, 2019.¹ Even though the NRC Staff had not yet consulted with the Commonwealth on that intended action, the Notification also indicated wrongly that NRC Staff had *already* notified the Commonwealth of the proposed actions. During the "consultation" call that *followed* the Notification's filing in the docket, the NRC Staff initially declined even to describe the contents of the just filed public Notification and refused to provide any details regarding what the anticipated approval Order would say or the findings underlying it in the anticipated SER. This conduct is not consistent with the NRC's state consultation requirements under, *inter alia*, 10 C.F.R. § 50.91 or the respect due to a sovereign state that has raised serious concerns about the requested actions. Nor is this a situation where an "emergency" would excuse the Staff's obligation to "make a good faith attempt to consult with" the Commonwealth of Massachusetts before NRC Staff or the Commission acts. See 10 C.F.R. § 50.91(b)(4).²

In another example of a lack of meaningful consultation, NRC Staff, on August 14, 2019, rejected the Commonwealth's request for fourteen days to provide to Staff the Commonwealth's written views on the proposed action prior to the Staff's taking any final action. Instead, in conflict with the state consultation process with the State of New Jersey for the recent transfer of Oyster Creek Nuclear Generating Station's operating license, NRC Staff informed the Commonwealth that it would have five business days (close of business on August 21, 2019) to offer any written comments to Staff on the intended actions. In support of its request for fourteen days, the Commonwealth had noted during its August 13 and August 14, 2019, conversations with NRC Staff that the Staff had just recently given the State of New Jersey fifteen days from the initial notification of the Staff's intention to approve the Oyster Creek license transfer application to submit an official written response to the Staff's proposed action.³

¹ Notification of Significant Licensing Action (NSLA) (ADAMS Accession No. ML19225D006).

² The NRC Staff also argued that its obligation to consult with the Commonwealth was limited to the *conforming amendment* sought by the Applicants. The NRC requirements, however, do not so narrowly limit the state consultation process, and, in any event, NRC Staff's approach would undermine the very purpose of state consultation to solicit state input about the *substance* of proposed NRC actions that have the potential to pose environmental and public health risks to the state and its residents.

³ *Safety Evaluation by the Office of Nuclear Reactor Regulation and Office of Nuclear Material Safety and Safeguards, Related Request for Direct Transfer of Control of Renewed Facility Operating License No. DPR-16 and the General License for the Independent Spent Fuel Storage Installation from Exelon Generation Company, LLC to*

Upon receipt of New Jersey's written response, NRC Staff then incorporated New Jersey's written response into the state consultation section of the SER.⁴ During its conversations with NRC Staff, the Commonwealth requested that it receive the same treatment as NRC Staff afforded to New Jersey just over two months earlier. After NRC Staff rejected, on August 14, 2019, the Commonwealth's request for fourteen days to submit a written response, the Commonwealth asked NRC Staff whether there were extenuating circumstances that caused the Staff to give New Jersey fifteen days to respond but to reject the Commonwealth's request to be treated similarly. NRC Staff was unable to provide any justification and could not explain why it gave New Jersey fifteen days to respond. Instead, Staff said its internal guidance—Procedures for Handling License Transfers—dictates that Staff is to provide states five business days to respond after initial consultation. Those procedures, however, are silent on the amount of time NRC Staff should give a host state to submit comments on the Staff's intention to approve a license transfer application.⁵ NRC Staff's failure to follow what appears to be the NRC's normal state consultation process and its unexplained disparate treatment of the Commonwealth as compared to the State of New Jersey renders its planned action arbitrary and capricious.

Given the NRC Staff's refusal to give the Commonwealth a reasonable amount of time to respond during the consultation process (again, at least the same amount of time it gave New Jersey), the Commonwealth incorporates by reference, as if fully set forth here, the contentions, arguments, and issues it has raised in its yet-to-be acted on Petition for Leave to Intervene and Hearing Request, Docket Nos. 50-293 & 72-1044, filed on February 20, 2019 (Petition); Reply in Support of Petition for Leave to Intervene and Hearing Request, Docket Nos. 50-293 & 72-1044, filed on April 1, 2019 (Reply); and Motion of the Commonwealth of Massachusetts to Supplement Its Petition with New Information, Docket Nos. 50-293 & 72-1044, filed on April 24, 2019. Consistent with the concerns raised in those filings, there are at least two substantive issues that require the NRC Staff to, at a minimum, re-evaluate its plan to approve the

Oyster Creek Environmental Protection, LLC and Holtec Decommissioning International, LLC (Oyster Creek Nuclear Generating Station) (Jun. 20, 2019), Docket Nos. 50-219 & 72-15, at 20 (ADAMS Accession No. ML19095A457).

⁴ *Id.* at 20.

⁵ See generally *U.S. Nuclear Regulatory Commission, Office of Nuclear Reactor Regulation, NRR Office Instruction, Change Notice: Procedures for Handling License Transfers*, LIC-107, Revision 2 (Jun. 5, 2017) (hereinafter, *Procedures for Handling License Transfers*). Another Staff action in this matter was, however, inconsistent with the actual terms of that license transfer processing Instruction. While the Instruction provides that NRC Staff must give the *Commission* at least "5 work days" to object to issuance of the Staff approval order before it is issued, *id.* at 13, the Staff sent a notice to Entergy on August 15, 2019, which stated that Pilgrim's license had *already* been "issued to [Holtec]." Encl. at 2 *in* Ltr. from Scott P. Wall, Sr. Project Manager, NRC Plan Licensing Branch III, to Brian R. Sullivan, Site Vice President, Entergy (Aug. 15, 2019) (ADAMS Accession No. ML19191A006). That notice and its statement that the license had already been "issued" to Holtec was then published in the Federal Register on August 20, 2019. 84 Fed. Reg. 43,186, 43,186 col.3 (Aug. 20, 2019).

license transfer application and Exemption Request if not deny them outright. These two issues go to the heart of this matter—Holtec’s ability to satisfy the NRC’s financial and technical requirements for license transfer approval—and should make any regulator take the time to seriously question and evaluate the veracity of Holtec’s assertions, including awaiting the completion of an adjudicatory hearing on them to ensure that all issues have been fully aired and considered.

First, Holtec’s response to the NRC Staff’s July 26, 2019 Request for Additional Information (RAI) belies any claim that Holtec has satisfied the NRC’s financial qualification and assurance requirements for either the license transfer or the Exemption Request. In fact, after Holtec’s misleading response to that request is corrected, Holtec’s cash-flow analysis shows that Holtec will suffer a funding shortfall of more than \$50 million. In its original cash-flow analysis, Holtec claimed a year ending decommissioning trust fund balance of \$3.615 million for the year 2063 (projected end of project life).⁶ In developing this analysis, Holtec used a license termination cost of \$592,553,322.⁷ In response to NRC Staff’s RAI, Holtec completed a revised cash flow analysis based on the Minimum Formula Amount (MFA), as required by 10 C.F.R. § 50.75(c).⁸ The revised MFA-based cash flow analysis increased the license termination cost by \$40,714,236 to a total of \$633,267,558.⁹ Yet, despite the \$40 million plus cost increase, and a claim that it used the same assumptions in its revised analysis that it used in its original analysis, Holtec’s recent analysis provides a positive year-end trust balance of \$11,595,232.¹⁰ In other words, despite increasing its costs, Holtec’s analysis results, inexplicably in a higher positive year-end balance. To derive this result in its revised analysis, Holtec appears to have excluded the tax impact on each year-end-earnings-balance that it accounted for in its original cash-flow analysis despite stating to NRC Staff that it included the tax impact.¹¹ When taxes are accounted for in the revised MFA-based cash-flow analysis, the analysis actually shows a funding shortfall of more than \$50 million.

Second, the misleading nature of Holtec’s RAI response appears to be part of a troubling pattern of behavior that raises serious questions about Holtec’s veracity, judgment, and technical qualifications to decommission a nuclear power

⁶ *Revised Post-Shutdown Decommissioning Activities Report and Revised Site-Specific Decommissioning Cost Estimate for Pilgrim Nuclear Power Station*, Enclosure 1, at 47 (Nov. 16, 2018) (ADAMS Accession No. ML18320A040).

⁷ *Id.*

⁸ *Response to NRC Request for Additional Information*, at E-4-5 and Enclosure (Jul. 29, 2019) (ADAMS Accession No. ML19210E470).

⁹ *Id.* Holtec stated that its lower license termination cost estimate is more accurate because it includes site-specific data to Pilgrim, but, as NRC Staff explained in its RAI, Holtec’s cash-flow analysis does not comply with the NRC’s regulations and, for that reason, cannot be “more accurate.” And Holtec’s attack on that regulation, of course, constitutes an improper challenge to an NRC regulation. Moreover, a large Boiling Water Reactor, such as Pilgrim, has never been decommissioned in the United States. Additionally, as stated in the Commonwealth’s Petition and Reply, Holtec has not provided adequate details as to how its costs are realistic or related to Pilgrim.

¹⁰ *Id.*

¹¹ *Id.*

reactor. In October 2010, for example, the Tennessee Valley Authority (TVA) temporarily debarred Holtec and required the company to pay a \$2 million “administrative fee” based on the results of a criminal investigation into an alleged Holtec contract-bribery scheme.¹² The TVA employee, who, according to the TVA Inspector General’s Report, received \$54,000 in undisclosed payments funneled to the employee from Holtec to help Holtec secure a contract with TVA, pleaded guilty in 2007.¹³ In a recorded telephone conversation between that employee and an individual who appears in the report to be a Holtec official, during which the employee asked the Holtec official for advice on how to handle the TVA Inspector General’s inquiry, the Holtec official informed the employee to tell the investigators that the employee did not “know anything about [the payments], other than the fact that your wife was in the business of doing consulting services and it was a payment retainer for that work.”¹⁴ More recently, New Jersey’s Economic Development Authority (EDA) froze a \$260 million tax break secured by Holtec when it discovered that Holtec had falsely sworn on its tax break application that the company had never “been barred from doing business with a state or federal agency,”¹⁵ even though, as noted above, TVA temporarily debarred Holtec in October 2010. On April 24, 2019, the NRC itself cited Holtec for two violations of NRC regulatory requirements.¹⁶ And, Holtec’s business “partner” for its nuclear decommissioning venture, SNC-Lavalin, which Holtec has leaned on heavily to support its claimed technical capacity to undertake multiple complex decommissioning projects at the same time,¹⁷ faces its own legal troubles having been caught-up in numerous alleged international

¹² Office of the Inspector General, TVA, Semiannual Report 18 (Apr. 1, 2015 - Sept. 30, 2015), <https://oig.tva.gov/reports/semi59.pdf>; see also Office of the Inspector General, TVA, Semiannual Report 8 (Oct. 1, 2010 - Mar. 31, 2011), <https://oig.tva.gov/reports/semi50.pdf>.

¹³ Office of Inspector General, TVA, Report of Administrative Inquiry 1 (Mar. 23, 2010), <https://www.politico.com/states/f/?id=0000016b-d7ca-d6eb-a96f-fffefba70001>; Andrew Seidman & Catherine Dunn, Holtec Funneled \$50,000 to Federal Employee in Bid to Win Contract, Inspector General Report says, *The Philadelphia Inquirer*, Jul. 9, 2019, <https://www.inquirer.com/business/holtec-tennessee-valley-authority-nj-tax-credit-investigation-20190709.html>.

¹⁴ Office of Inspector General, TVA, Report of Administrative Inquiry 4 (Mar. 23, 2010), <https://www.politico.com/states/f/?id=0000016b-d7ca-d6eb-a96f-fffefba70001>.

¹⁵ Nancy Solomon & Jeff Pillets, *Holtec’s \$260 Million Tax Break Frozen by NJ EDA*, WNYC News, June 4, 2019, <https://www.wnyc.org/story/holtecs-260-million-tax-break-frozeneda/>; see also Ryan Hutchins, *Task Force Uncovers Bombshell Report on Holtec*, Politico, Jul. 10, 2019, <https://www.politico.com/newsletters/new-jersey-playbook/2019/07/10/task-forceuncovers-bombshell-report-on-holtec-454824>.

¹⁶ Notice of Violation to Holtec International, NRC OE EA 18-51, 2019 WL 2004418 (Apr. 24, 2019) (ADAMS Accession No. ML19072A128).

¹⁷ Applicants’ Answer Opposing the Commonwealth’s Mot. to Supplement its Petition with New Information at 8 (May 2, 2019); see also Holtec Response to NRC Request for Additional Information at Encl., p.2 (Apr. 17, 2019) (ADAMS Accession No. ML19109A177). In its RAI Response, for example, Holtec relies on the size of SNC-Lavalin’s workforce to support its assertion that it will have adequate support for its planned multi-reactor decommissioning endeavor, but SNC-Lavalin is currently restructuring its business and reducing its work force. *Compare id.* at E-2, *with, e.g. infra* note 19.

bribery scandals.¹⁸ Of course, any serious criminal or regulatory actions taken against Holtec, or its partners or executives, will have the potential of further draining resources and hampering Holtec's ability to perform decommissioning in a timely, safe and fiscally responsible manner.¹⁹

Those issues would be problematic if Holtec's obligations were limited to Pilgrim. But, as NRC Staff is aware, they are not limited to Pilgrim. In fact, Holtec is planning to embark on an uncharted path of attempting to decommission six nuclear power reactors at four different nuclear generating stations in four different states. The unprecedented nature of this endeavor and the cumulative impacts on Holtec's capacity to follow through on those commitments makes this license transfer application and Exemption Request sui generis and outside, for that reason alone, the license transfer actions contemplated by the Commission when it adopted its Subpart M Procedures (10 C.F.R. sub. pt. M). Holtec's unprecedented plan exacerbates all of the issues and concerns raised above and in the Commonwealth's Petition, Reply, and Motion to Supplement, and, in connection with the history described above, demands a heightened degree of scrutiny by NRC Staff and the Commission before any final action is taken on the license transfer or Exemption requests. While Holtec may be comfortable attempting to do what has never been done before, that is cold comfort for the Commonwealth and its citizens who have to accept Holtec as its new resident and the risks that accompany it all before the Commonwealth has an opportunity to present its views in an adjudicatory hearing. That concern is made all the worse by the fact that Holtec has asked the NRC to delete a pre-existing license condition upon which the public and the Commonwealth have relied that requires the Pilgrim licensee to have access to a \$50 million contingency fund for, among other things, "safe and prompt decommissioning." Renewed License No. DPR-35 at 4, ¶ J(4). Certainly, these facts preclude any "no significant hazards consideration" finding or reliance on a National Environmental Policy Act categorical exclusion since the proposed action does much more "than [simply] conform the license to reflect the transfer action." 10 C.F.R. § 2.1315. Indeed, granting the requested actions at Pilgrim and the other power stations will materially and significantly increase the risk to public health, safety, and the environment.

¹⁸ See, e.g., Richard L. Cassin, *Former SNC-Lavalin Chief Pleads Guilty in Bribery Case*, The FPCA Blog, Feb. 4, 2019, <https://www.fcpablog.com/blog/2019/2/4/former-snc-lavalinchief-pleads-guilty-in-bribery-case.html>; *SNC-Lavalin Opts for Judge-Only Trial in Corruption Case*, CBC News, June 28, 2019, <https://www.cbc.ca/news/canada/montreal/snc-lavalin-trialcorruption-bribery-judge-1.5193975>.

¹⁹ Indeed, as the Commonwealth noted in its Reply in Support of its Motion to Supplement its Petition with New Information at 3 n.4 (May 9, 2019), SNC-Lavalin's legal troubles have had serious consequences for the company. Just recently, in fact, SNC-Lavalin made a dramatic cut to its dividend payments, lost half of its shareholder value this year, and announced a major restructuring and downsizing of its business. E.g., Shanti S. Nair, *SNC-Lavalin Cuts Dividend, Posts Wider-Than-Expected Loss as Costs Run High*, Reuters, Aug. 1, 2019, <https://www.reuters.com/article/us-snc-lavalin-results/snc-lavalin-cuts-dividend-posts-widerthan-expected-loss-as-costs-run-high-idUSKCN1UR4FQ>.

5.0 ENVIRONMENTAL CONSIDERATION

The subject application is for approval of a transfer of a license issued by the NRC and an associated conforming amendment required to reflect the approval of the transfer. Accordingly, the actions involved meet the eligibility criteria for categorical exclusion set forth in 10 CFR 51.22(c)(21). Pursuant to 10 CFR 51.22(b), no environmental impact statement or environmental assessment need be prepared in connection with the approval of the transfer application and conforming license amendment.

6.0 CONCLUSION

Based on the foregoing, and subject to the conditions described herein, the NRC staff concludes that Holtec Pilgrim and HDI are financially qualified and HDI is technically qualified to hold the license for Pilgrim and the general license for the Pilgrim ISFSI, as described in the application, and engage in the proposed maintenance and decommissioning activities associated with the Pilgrim site. The NRC staff has concluded, based on the considerations discussed above, that (1) the proposed transferees are qualified to be the direct and indirect holders of Renewed Facility Operating License No. DPR-35 and (2) the direct and indirect transfer of the license is otherwise consistent with the applicable provisions of law, regulations, and orders issued by the Commission pursuant thereto.

Additionally, the NRC staff finds that the Applicants have satisfied the NRC's decommissioning funding assurance requirements and the applicable onsite and offsite insurance requirements, as conditioned. Further, the NRC staff finds that the Applicants are not owned, controlled, or dominated by a foreign entity.

The NRC staff finds that proposed license transfer will be consistent with the requirements of the AEA and NRC regulations. The transfer of the licenses will not be inimical to the common defense and security and does not involve foreign ownership, control, or domination.

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Date:

Attachment:
Closing Balance Calculations in Support
of Applicants'/Transferee's PSDAR

ATTACHMENT 1: Pilgrim Nuclear Power Station
Closing Balance Calculations in Support of Applicants'/Transferee's Post-Shutdown
Decommissioning Activities Report (thousands of constant 2018 Dollars)
(reflects information from November 16, 2018, Entergy Nuclear Operations, Inc., and Holtec
Decommissioning International submissions)

Year	Opening DTF Balance	License Termination Costs ^d	Spent Fuel Management Costs	Site Restoration Costs	Interest Earned ^e	Closing Balance
2019 ^a	\$1,030,000	\$84,927	\$53,920	\$18	\$5,273	\$896,408
2020	\$896,408	\$79,292	\$84,905	\$28	\$10,397	\$742,579
2021	\$742,579	\$46,759	\$82,500	\$637	\$8,700	\$621,384
2022	\$621,384	\$103,197	\$3,332	\$23,630	\$6,975	\$498,200
2023	\$498,200	\$167,453	\$3,135	\$1,700	\$4,628	\$330,540
2024	\$330,540	\$95,694	\$3,225	\$9,236	\$3,158	\$225,543
2025 ^b	\$225,543	\$1,310	\$6,306	\$4,127	\$3,036	\$216,837
2026	\$216,837		\$5,952		\$2,995	\$213,879
2027	\$213,879		\$5,939		\$2,953	\$210,893
2028	\$210,893		\$5,952		\$2,910	\$207,851
2029	\$207,851		\$5,952		\$2,867	\$204,766
2030	\$204,766		\$7,212		\$2,805	\$200,359
2031	\$200,359		\$7,212		\$2,743	\$195,891
2032	\$195,891		\$7,212		\$2,679	\$191,358
2033	\$191,358		\$7,212		\$2,615	\$186,762
2034	\$186,762		\$7,193		\$2,550	\$182,119
2035	\$182,119		\$7,212		\$2,484	\$177,391
2036	\$177,391		\$7,230		\$2,416	\$172,577
2037	\$172,577		\$7,212		\$2,348	\$167,713
2038	\$167,713		\$7,193		\$2,279	\$162,800
2039	\$162,800		\$7,212		\$2,209	\$157,798
2040	\$157,798		\$7,212		\$2,138	\$152,724
2041	\$152,724		\$7,212		\$2,066	\$147,579
2042	\$147,579		\$7,212		\$1,993	\$142,361
2043	\$142,361		\$7,212		\$1,919	\$137,068
2044	\$137,068		\$7,212		\$1,844	\$131,701
2045	\$131,701		\$7,193		\$1,768	\$126,276
2046	\$126,276		\$7,212		\$1,691	\$120,755
2047	\$120,755		\$7,212		\$1,612	\$115,156
2048	\$115,156		\$7,230		\$1,533	\$109,458
2049	\$109,458		\$7,193		\$1,452	\$103,717
2050	\$103,717		\$7,212		\$1,370	\$97,876
2051	\$97,876		\$7,193		\$1,288	\$91,971

ATTACHMENT 1: Pilgrim Nuclear Power Station Closing Balance Calculations in Support of Applicants'/Transferee's Post-Shutdown Decommissioning Activities Report (thousands of constant 2018 dollars) <i>(reflects information from November 16, 2018, Entergy Nuclear Operations, Inc. (ENOI) and</i> <i>Holtec Decommissioning International submissions)</i>						
Year	Opening DTF Balance	License Termination Costs ^d	Spent Fuel Management Costs	Site Restoration Costs	Interest Earned ^e	Closing Balance
2052	\$91,971		\$7,230		\$1,203	\$85,944
2053	\$85,944		\$7,212		\$1,118	\$79,851
2054	\$79,851		\$7,212		\$1,031	\$73,671
2055	\$73,671		\$7,193		\$944	\$67,422
2056	\$67,422		\$7,212		\$855	\$61,065
2057	\$61,065		\$7,212		\$765	\$54,618
2058	\$54,618		\$7,212		\$673	\$48,080
2059	\$48,080		\$7,212		\$580	\$41,449
2060	\$41,449	\$4,296	\$7,212		\$425	\$30,367
2061	\$30,367	\$4,375	\$7,212		\$267	\$19,047
2062 ^c	\$19,047	\$4,358	\$7,193		\$106	\$7,602
2063	\$7,602	\$892	\$2,441	\$706	\$51	\$3,615
Total		\$592,553	\$501,467	\$40,079		

a—Reflects the value of the decommissioning trust fund (DTF) following closure of the equity sale, in 2019, from the current licensee to the Applicants, which does not include deductions for costs incurred by the current licensee, ENOI, before closure of the sale

b—Year in which the Pilgrim site meets partial site release criteria

c—Anticipated year in which the U.S. Department of Energy takes possession of spent fuel from the Pilgrim independent spent fuel storage installation (ISFSI)

d—Includes funding for ISFSI decommissioning

e—Based on Applicants' data, real rate of return applied by the Applicants is equal to approximately 1.42 percent, which considers growth of DTF net of taxes.

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Attachment 5

Holtec Decommissioning International, LLC
(Pilgrim Nuclear Power Station), Exemption,
Docket No. 50-293 (Aug 22, 2019)

[page added for double-sided printing]

NUCLEAR REGULATORY COMMISSION

Docket No. 50-293

Holtec Decommissioning International, LLC

Pilgrim Nuclear Power Station

Exemption

I. Background.

By letter dated November 10, 2015 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML15328A053), Entergy Nuclear Operations, Inc. (ENOI), submitted a notification to the U.S. Nuclear Regulatory Commission (NRC) indicating that it would permanently shut down Pilgrim Nuclear Power Station (Pilgrim) no later than June 1, 2019. By letter dated June 10, 2019 (ADAMS Accession No. ML19161A033), ENOI submitted to the NRC a certification in accordance with § 50.82(a)(1) of Title 10 of the *Code of Federal Regulations* (10 CFR), stating that Pilgrim permanently ceased power operations on May 31, 2019, and that as of June 9, 2019, all fuel had been permanently removed from the Pilgrim reactor vessel and placed in the spent fuel pool. Accordingly, pursuant to 10 CFR 50.82(a)(2), the Pilgrim renewed facility operating license no longer authorizes operation of the reactor or emplacement or retention of fuel in the reactor vessel. By letter dated November 16, 2018 (ADAMS Accession No. ML18320A036), ENOI submitted the updated Pilgrim spent fuel management plan (SFMP) pursuant to 10 CFR 50.54(bb) and preliminary decommissioning cost estimate (DCE). By letter dated November 16, 2018 (ADAMS Accession No. ML18320A034), as supplemented by letter dated January 9, 2019 (ADAMS Accession No. ML19015A020) and letter dated July 29, 2019 (ADAMS Accession No. ML19210E470), ENOI submitted a post-shutdown decommissioning activities report (PSDAR) and the site-specific DCE for Pilgrim.

By letter dated November 16, 2018 (ADAMS Accession No. ML18320A031), ENOI, on behalf of itself and Entergy Nuclear Generation Company (ENGCO) (to be known as Holtec Pilgrim, LLC (Holtec Pilgrim)), Holtec International (Holtec), and Holtec Decommissioning International (HDI) submitted a license transfer application (LTA) requesting that the NRC consent to the direct transfer of ENOI's operating authority to HDI and the indirect transfer of control of the Pilgrim Renewed Facility Operating License and the General License for the Pilgrim Independent Spent Fuel Storage Installation (ISFSI) to Holtec. By letter dated November 16, 2018 (ADAMS Accession No. ML18320A040), HDI submitted a "Notification of Revised Post-Shutdown Decommissioning Activities Report and Revised Site-Specific Decommissioning Cost Estimate for Pilgrim Nuclear Power Station" (revised PSDAR), to notify the NRC of changes to accelerate the schedule for the prompt decommissioning (i.e., the DECON method for decommissioning) of Pilgrim and unrestricted release of all portions of the site (excluding the ISFSI) within 8 years after the license transfer.

Under the proposed transfers, Holtec Pilgrim will own the Pilgrim nuclear facility and will have responsibility for Pilgrim as its licensed owner. Holtec Pilgrim will enter into an agreement for decommissioning services with HDI, with HDI acting as Holtec Pilgrim's agent and with Holtec Pilgrim paying for all HDI expenses related to decommissioning, spent fuel management, and site restoration. Accordingly, HDI will become the licensed operator for decommissioning.

II. Request/Action.

The requested exemption from 10 CFR 50.82(a)(8)(i)(A) would permit Holtec Pilgrim and HDI to use funds from the Pilgrim Decommissioning Trust Fund (DTF) for spent fuel management and site restoration activities in accordance with HDI's site-specific DCE for Pilgrim. HDI submitted a revised site-specific DCE for Pilgrim by letter dated November 16, 2018, as part of the revised PSDAR. A similar exemption request from Entergy

was approved by the NRC for Pilgrim by letter dated July 22, 2019 (ADAMS Accession No. ML19162A334).

The 10 CFR 50.82(a)(8)(i)(A) requirement restricts the use of DTF withdrawals to expenses for legitimate decommissioning activities consistent with the definition of decommissioning that appears in 10 CFR 50.2. The definition of “decommission” in 10 CFR 50.2 reads as follows:

to remove a facility or site safely from service and reduce residual radioactivity to a level that permits—

(1) Release of the property for unrestricted use and termination of the license;

or

(2) Release of the property under restricted conditions and termination of the license.

This definition does not include activities associated with spent fuel management or site restoration activities. Therefore, an exemption from 10 CFR 50.82(a)(8)(i)(A) is needed to allow Holtec Pilgrim and HDI to use funds from the DTF for spent fuel management and site restoration activities.

Similar to 10 CFR 50.82(a)(8)(i)(A), provisions of 10 CFR 50.75(h)(1)(iv) and (h)(2) dictate that with certain exceptions, disbursements from nuclear decommissioning trusts “are restricted to decommissioning expenses.” However, in accordance with 10 CFR 50.75(h)(5), these provisions do not apply to “any licensee that as of December 24, 2003, has existing license conditions relating to decommissioning trust agreements, so long as the licensee does not elect to amend those license conditions.” The operating license for Pilgrim included “existing license conditions relating to decommissioning trust agreements” on December 24, 2003, and as such, Pilgrim is exempt from the provisions of sections (h)(1) through (h)(3) of 10 CFR 50.75, pursuant to the terms of 10 CFR 50.75(h)(5).

III. Discussion.

Pursuant to 10 CFR 50.12, the Commission may, upon application by any interested person or upon its own initiative, grant exemptions from the requirements of 10 CFR Part 50 (1) when the exemptions are authorized by law, will not present an undue risk to the public health and safety, and are consistent with the common defense and security; and (2) when any of the special circumstances listed in 10 CFR 50.12(a)(2) are present. These special circumstances include, among other things:

(a) Application of the regulation in the particular circumstances would not serve the underlying purpose of the rule or is not necessary to achieve the underlying purpose of the rule; and

(b) Compliance would result in undue hardship or other costs that are significantly in excess of those contemplated when the regulation was adopted, or that are significantly in excess of those incurred by others similarly situated.

A. Authorized by Law

The requested exemption from 10 CFR 50.82(a)(8)(i)(A) would allow Holtec Pilgrim and HDI to use a portion of the funds from the DTF for spent fuel management and site restoration activities at Pilgrim in the same manner that withdrawals are made under 10 CFR 50.82(a)(8) for radiological decommissioning activities. As stated above, 10 CFR 50.12 allows the NRC to grant exemptions from the requirements of 10 CFR Part 50 when the exemptions are authorized by law. The NRC staff has determined, as explained further below, that there is reasonable assurance of adequate funding for radiological decommissioning because the Applicants' use of the DTF for activities associated with spent fuel management and site restoration will not negatively impact the availability of funding for radiological decommissioning. Accordingly, the exemption is authorized by law because granting the licensee's proposed exemption will not

result in a violation of the Atomic Energy Act of 1954, as amended, or the Commission's regulations.

B. No Undue Risk to Public Health and Safety

The underlying purpose of 10 CFR 50.82(a)(8)(i)(A) is to provide reasonable assurance that adequate funds will be available for the radiological decommissioning of power reactors and license termination. As explained in further detail in Section D below, based on NRC staff's review of HDI's revised site-specific DCE and the staff's independent cash flow analysis contained in Attachment 1 to the NRC staff's safety evaluation for the associated LTA (ADAMS Accession No. ML19170A250), the NRC staff finds that the use of the Pilgrim DTF for spent fuel management and site restoration activities at Pilgrim will not adversely impact Holtec Pilgrim and HDI's ability to terminate the Pilgrim license (*i.e.*, complete radiological decommissioning) as planned, consistent with the schedule and costs contained in the revised PSDAR.

Furthermore, withdrawals from the DTF for spent fuel management and site restoration are still constrained by the provisions of 10 CFR 50.82(a)(8)(i)(B) – (C) and are reviewable under the annual reporting requirements of 10 CFR 50.82(a)(8)(v) – (vii).

There are no new accident precursors created by using the DTF in the proposed manner. Thus, the probability of postulated accidents is not increased. Also, based on the above, the consequences of postulated accidents are not increased. No changes are being made in the types or amounts of effluents that may be released offsite. There is no significant increase in occupational or public radiation exposure. Therefore, the requested exemption will not present an undue risk to the public health and safety.

C. Consistent with the Common Defense and Security

The requested exemption would allow Holtec Pilgrim and HDI to use funds from the Pilgrim DTF for spent fuel management and site restoration activities at Pilgrim. Spent fuel management under 10 CFR 50.54(bb) is an integral part of the planned decommissioning and

license termination process and will not adversely affect Holtec Pilgrim and HDI's ability to physically secure the site or protect special nuclear material. This change to enable the use of a portion of the funds from the DTF for spent fuel management and site restoration activities has no relation to security issues. Therefore, the common defense and security is not impacted by the requested exemption.

D. Special Circumstances

Special circumstances, in accordance with 10 CFR 50.12(a)(2)(ii), are present whenever application of the regulation in the particular circumstances is not necessary to achieve the underlying purpose of the regulation.

The underlying purpose of 10 CFR 50.82(a)(8)(i)(A), which restricts withdrawals from DTFs to expenses for radiological decommissioning activities, is to provide reasonable assurance that adequate funds will be available for radiological decommissioning of power reactors and license termination. Strict application of this requirement would prohibit the withdrawal of funds from the Pilgrim DTF for spent fuel management and site restoration activities, until final radiological decommissioning at Pilgrim has been completed.

ENOI's March 28, 2019, annual report (ADAMS Accession No. ML19087A318) on the status of decommissioning funding for Pilgrim reports a DTF balance of approximately \$1.028 billion as of December 31, 2018, and approximately \$1.043 billion as of February 28, 2019. The cash flow analysis in Table 1 of the November 16, 2018, application is based on a beginning DTF balance of \$1.030 billion (following closure of the equity sale in 2019).¹ HDI states that this beginning DTF balance reflects the fund value post-closure of the asset sale. Furthermore, the application states that the 2019 costs include estimated pre-closure and post-closure costs. In the NRC staff's analysis provided in its safety evaluation for

¹ The terms of the Equity Purchase and Sales Agreement describes the after-tax market value of the DTF must be no less than \$1.030 billion at time of transaction closing.

the LTA, the staff used the opening DTF balance of \$1.030 billion as the money available to cover radiological decommissioning, spent fuel management, and site restoration costs.

The analysis in the November 16, 2018 revised PSDAR, projects the total radiological decommissioning cost of Pilgrim to be approximately \$593 million in 2018 dollars which is lower than the 10 CFR 50.75(c) minimum formula amount of approximately \$633 million. The revised PSDAR estimated decommissioning costs are consistent with the estimated costs for radiological decommissioning, including ISFSI decommissioning costs, provided in the November 16, 2018 request for exemptions. However, the LTA and the exemption request did not provide any explanation for the difference in funding levels for radiological decommissioning costs between the site-specific DCE and the 10 CFR 50.75(c) minimum formula amount. Therefore, the staff sought supplemental information from the Applicants in a request for additional information (RAI) dated July 26, 2019, (ADAMS Accession No. ML19207B366). The RAI requested, among other things, that the Applicants provide justification for using a radiological decommissioning cost estimate value that is less than the 10 CFR 50.75(c) minimum formula amount.

On July 29, 2019 (ADAMS Accession No. ML19210E470), HDI provided its justification, stating that the HDI site-specific DCE is a more reliable and precise estimate of decommissioning cost because it is based on Pilgrim-specific plant data and historical information, actual site conditions, regulatory requirements applicable to Pilgrim, and actual pricing information, as compared to the 10 CFR 50.75(c) minimum formula amount, which is based on generic inputs. Additionally, in both the November 16, 2018 application and the July 29, 2019 supplement, HDI states that its site-specific DCE was reviewed against the estimates of costs associated with license termination (radiological decommissioning) in NUREG/CR-6174, "Revised Analyses of Decommissioning for the Reference Boiling Water Reactor Power Station" (ADAMS Accession No. ML14008A186), benchmarked against nine comparable decommissioning projects, and compared with costs from similar activities at seven

boiling water reactors. Accordingly, as part of its review, the NRC staff compared the Pilgrim site-specific radiological decommissioning costs with the estimated activities of the four periods associated with the DECON decommissioning method as outlined in NUREG/CR-6174:

- 1) Pre-shutdown planning/engineering and regulatory reviews,
- 2) Plant deactivation and preparation for storage,
- 3) A period of plant safe storage with concurrent operations in the spent fuel pool until the pool inventory is zero, and
- 4) Decontamination and dismantlement of the radioactive portions of the plant, leading to license termination.

The NRC staff also compared the Pilgrim site-specific estimated radiological decommissioning costs of approximately \$593 million with the site-specific costs of similar decommissioning projects.

Based on the review of the Pilgrim site-specific radiological decommissioning costs of approximately \$593 million, as compared to NUREG/CR-6174, the staff concludes that HDI's method for developing the Pilgrim site-specific radiological decommissioning cost estimate is reasonable. Further, when compared to radiological decommissioning costs associated with similar decommissioning projects, the staff finds that the HDI's Pilgrim site-specific radiological decommissioning costs of approximately \$593 million is reasonable.

As such, the staff used the value of approximately \$593 million for radiological decommissioning costs when it conducted its independent cash flow analysis. As allowed by 10 CFR 50.75(e)(1)(ii), the staff began its cost analysis using a 2% real rate of return on annual balances. In its application dated November 16, 2018, HDI states they also used a 2% real rate of return. However, in Table 1 of the November 16, 2018, application, HDI noted that the Year Ending DTF Balance is after-taxes. Therefore, in its cost analysis, the staff found that Table 1 reflects an actual annual real rate of return of 1.42%. The staff notes that this is conservative to the 2% annual real rate of return allowed by 10 CFR 50.75(e)(1)(ii). To be consistent in

validating HDI's site-specific DCE, the staff used the more conservative 1.42% annual real rate of return. The staff's independent cash flow analysis is contained in Attachment 1 to the NRC staff's safety evaluation for the associated LTA.

As noted above, HDI's site-specific DCE relies on estimated radiological decommissioning costs of approximately \$593 million, which is lower than the 10 CFR 50.75(c) minimum formula amount of approximately \$633 million. In its RAI dated July 26, 2019, the staff requested a justification for this lower amount and, in case the Applicants' failed to provide sufficient justification, the staff also requested that the Applicants provide a revised decommissioning cash flow analysis using the higher minimum formula amount of \$633,267,558. In Attachment 1 of the July 29, 2019, supplement, HDI provided the requested revised cash flow analysis. Although the staff completed a separate, independent cash flow analysis to validate this revised cash flow analysis, ultimately, as noted above, the staff determined that HDI's site-specific DCE, which uses \$592,553,000 for the estimated site-specific radiological decommissioning costs for Pilgrim, is reasonable and sufficiently justified.

Based on its evaluation above and the cash flow analysis contained in Attachment 1 to the NRC staff's safety evaluation for the associated LTA, the staff finds that the funds in the DTF are expected to be available and sufficient to cover the estimated costs of approximately \$593 million for the radiological decommissioning of the facility (including the ISFSI). Therefore, the NRC staff finds that HDI has provided reasonable assurance that adequate funds will be available for the radiological decommissioning of Pilgrim, even with the disbursement of funds from the DTF for spent fuel management and site restoration activities. Consequently, the NRC staff concludes that application of the 10 CFR 50.82(a)(8)(i)(A) requirement that funds from the DTF only be used for radiological decommissioning activities and not for spent fuel management and site restoration activities is not necessary to achieve the underlying purpose of the rule; thus, special circumstances are present supporting approval of the exemption request.

By granting the exemption to 10 CFR 50.82(a)(8)(i)(A), withdrawals from the DTF for spent fuel management and site restoration activities, consistent with the licensee's submittal dated November 16, 2018, are authorized. As stated previously, the NRC staff has determined that there are sufficient funds in the DTF to complete radiological decommissioning activities as well as to conduct spent fuel management and site restoration activities consistent with the revised PSDAR, DCE, SFMP, and the November 16, 2018, exemption request. Pursuant to the requirements in 10 CFR 50.82(a)(8)(v) and (vii), licensees are required to monitor and annually report to the NRC the status of the DTF and the licensee's funding for managing spent fuel. These reports provide the NRC staff with awareness of, and the ability to take action on, any actual or potential funding deficiencies. Additionally, 10 CFR 50.82(a)(8)(vi) requires that the annual financial assurance status report must include additional financial assurance to cover the estimated cost of completion if the sum of the balance of any remaining decommissioning funds, plus earnings on such funds calculated at not greater than a 2% real rate of return, together with the amount provided by other financial assurance methods being relied upon, does not cover the estimated cost to complete the decommissioning. The requested exemption would not allow the withdrawal of funds from the DTF for any other purpose that is not currently authorized in the regulations without prior approval from the NRC.

Special circumstances, in accordance with 10 CFR 50.12(a)(2)(iii), are present whenever compliance would result in undue hardship or other costs that are significantly in excess of those contemplated when the regulation was adopted, or that are significantly in excess of those incurred by others similarly situated. HDI states that the DTF contains funds in excess of the estimated costs of radiological decommissioning and that these excess funds are needed for spent fuel management and site restoration activities. The NRC does not preclude the use of funds from the decommissioning trust in excess of those needed for radiological decommissioning for other purposes, such as spent fuel management or site restoration activities (see NRC Regulatory Issue Summary 2001-07, Rev. 1, "10 CFR 50.75 Reporting and

Recordkeeping for Decommissioning Planning,” dated January 8, 2009 (ADAMS Accession No. ML083440158), and Regulatory Guide 1.184, Revision 1, “Decommissioning of Nuclear Power Reactors,” dated October 2013 (ADAMS Accession No. ML13144A840)). Preventing access to those excess funds in the DTF because spent fuel management and site restoration activities are not associated with radiological decommissioning would create an unnecessary financial burden without any corresponding safety benefit. The adequacy of the DTF to cover the cost of activities associated with spent fuel management and site restoration, in addition to radiological decommissioning, is supported by the site-specific DCE. If the licensee cannot use its DTF for spent fuel management and site restoration activities, it would need to obtain additional funding that would not be recoverable from the DTF, or the licensee would have to modify its decommissioning approach and methods. The NRC staff concludes that either outcome would impose an unnecessary and undue burden significantly in excess of that contemplated when 10 CFR 50.82(a)(8)(i)(A) was adopted.

The underlying purposes of 10 CFR 50.82(a)(8)(i)(A) would be achieved by allowing Holtec Pilgrim and HDI to use a portion of the Pilgrim DTF for spent fuel management and site restoration activities, and compliance with the regulation would result in an undue hardship or other costs that are significantly in excess of those contemplated when the regulations were adopted. Thus, the special circumstances required by 10 CFR 50.12(a)(2)(ii) and 10 CFR 50.12(a)(2)(iii) exist and support the approval of the requested exemption.

E. Environmental Considerations

In accordance with 10 CFR 51.31(a), the Commission has determined that the granting of the exemption will not have a significant effect on the quality of the human environment (see Environmental Assessment and Finding of No Significant Impact published in the Federal Register on August 20, 2019 (84 FR 43186)).

IV. Conclusions.

In consideration of the above, the NRC staff finds that the proposed exemption confirms the adequacy of funding in the Pilgrim DTF to complete radiological decommissioning of the site and to terminate the license and also to cover estimated spent fuel management and site restoration activities. The NRC staff also finds that there is reasonable assurance that adequate funds are available in the DTF to complete all activities associated with radiological decommissioning.

Accordingly, the Commission has determined that, pursuant to 10 CFR 50.12(a), the exemption is authorized by law, will not present an undue risk to the public health and safety, and is consistent with the common defense and security. Also, special circumstances are present. Therefore, the Commission hereby grants Holtec Pilgrim and HDI an exemption from 10 CFR 50.82(a)(8)(i)(A) to allow them to use of a portion of the funds from the Pilgrim DTF for spent fuel management and site restoration activities consistent with the revised PSDAR and site-specific DCE dated November 16, 2018.

These exemptions are effective upon the NRC's issuance of a conforming license amendment reflecting HDI and Holtec Pilgrim as the licensees for Pilgrim, following NRC approval of the license transfer application and the Applicants' completion of the transaction.

Dated at Rockville, Maryland, this 22nd day of August, 2019.

For the Nuclear Regulatory Commission.

/RA/

Gregory F. Suber, Deputy Director,
Division of Operating Reactor Licensing,
Office of Nuclear Reactor Regulation.

Attachment 6

Exemption, Issuance
84 Fed. Reg. 45,178 (Aug. 28, 2019)

[page added for double-sided printing]

approved for Pilgrim and the ISFSI, subject to the following conditions:

(1) Prior to the closing of the license transfer, Holtec Pilgrim and HDI shall provide the Directors of NRC's Office of Nuclear Material Safety and Safeguards (NMSS) and Office of Nuclear Reactor Regulation (NRR) satisfactory documentary evidence that they have obtained the appropriate amount of insurance required of a licensee under 10 CFR 140.11(a)(4) and 10 CFR 50.54(w) of the Commission's regulations.

(2) The NRC staff's approval of this license transfer is subject to the Commission's authority to rescind, modify, or condition the approved transfer based on the outcome of any post-effectiveness hearing on the license transfer application. For example, if the Commission overturns the NRC staff's approval of this license transfer, this Order and any conforming amendments reflecting this transfer, will be rescinded, and the Applicants must return the plant ownership to the status quo ante and revert to the conditions existing before the transfer.

IT IS FURTHER ORDERED that, consistent with 10 CFR 2.1315(b), the license amendment that makes changes, as indicated in Enclosure 2 to the cover letter forwarding this Order, to conform the license to reflect the subject direct and indirect license transfer, is approved. The amendment shall be issued and made effective within 30 days of the date when the proposed direct and indirect license transfer action is completed.

IT IS FURTHER ORDERED that Holtec Pilgrim and HDI shall, at least 2 business days prior to closing, inform the Directors of NMSS and NRR in writing of the date of closing of the license transfer for Pilgrim and the ISFSI. Should the transfer of the license not be completed within 1 year of this Order's date of issuance, this Order shall become null and void; provided, however, that upon written application and for good cause shown, such date may be extended by order.

This Order is effective upon issuance.

For further details with respect to this Order, see the initial application dated November 16, 2018, as supplemented by letters dated November 16, 2018, April 17, and July 29, 2019, and the associated NRC safety evaluation dated August 22, 2019, which are available for public inspection at the Commission's Public Document Room, located at One White Flint North, 11555 Rockville Pike (first floor), Rockville, Maryland. Publicly available documents are accessible electronically through ADAMS in the NRC Library at <http://www.nrc.gov/>

reading-rm/adams.html. Persons who encounter problems with ADAMS should contact the NRC's Public Document Room reference staff by telephone at 1-800-397-4209 or 301-415-4737 or by e-mail to pdr.resource@nrc.gov.

Dated at Rockville, Maryland this 22nd day of August, 2019.

FOR THE NUCLEAR REGULATORY COMMISSION

Ho K. Nieh,

Director, Office of Nuclear Reactor Regulation.

[FR Doc. 2019-18506 Filed 8-27-19; 8:45 am]

BILLING CODE 7590-01-P

NUCLEAR REGULATORY COMMISSION

[NRC-2019-0001]

Sunshine Act Meetings

TIME AND DATE: Weeks of August 26, September 2, 9, 16, 23, 30, 2019.

PLACE: Commissioners' Conference Room, 11555 Rockville Pike, Rockville, Maryland.

STATUS: Public and Closed.

MATTERS TO BE CONSIDERED:

Week of August 26, 2019

There are no meetings scheduled for the week of August 26, 2019.

Week of September 2, 2019—Tentative

There are no meetings scheduled for the week of September 2, 2019.

Week of September 9, 2019—Tentative

Monday, September 9, 2019

10:00 a.m. NRC All Employees Meeting (Public Meeting), Marriott Bethesda North Hotel, 5701 Marinelli Road, Rockville, MD 20852

Tuesday, September 10, 2019

10:00 a.m. Briefing on NRC International Activities (Closed—Ex. 1 & 9)

Week of September 16, 2019—Tentative

There are no meetings scheduled for the week of September 16, 2019.

Week of September 23, 2019—Tentative

There are no meetings scheduled for the week of September 23, 2019.

Week of September 30, 2019—Tentative

There are no meetings scheduled for the week of September 30, 2019.

CONTACT PERSON FOR MORE INFORMATION:

For more information or to verify the status of meetings, contact Denise McGovern at 301-415-0681 or via email at Denise.McGovern@nrc.gov. The

schedule for Commission meetings is subject to change on short notice.

The NRC Commission Meeting Schedule can be found on the internet at: <http://www.nrc.gov/public-involve/public-meetings/schedule.html>.

The NRC provides reasonable accommodation to individuals with disabilities where appropriate. If you need a reasonable accommodation to participate in these public meetings or need this meeting notice or the transcript or other information from the public meetings in another format (e.g., braille, large print), please notify Kimberly Meyer-Chambers, NRC Disability Program Manager, at 301-287-0739, by videophone at 240-428-3217, or by email at Kimberly.Meyer-Chambers@nrc.gov. Determinations on requests for reasonable accommodation will be made on a case-by-case basis.

Members of the public may request to receive this information electronically. If you would like to be added to the distribution, please contact the Nuclear Regulatory Commission, Office of the Secretary, Washington, DC 20555 (301-415-1969), or by email at Wendy.Moore@nrc.gov or Tyesha.Bush@nrc.gov.

The NRC is holding the meetings under the authority of the Government in the Sunshine Act, 5 U.S.C. 552b.

Dated at Rockville, Maryland, this 26th day of August, 2019.

For the Nuclear Regulatory Commission.

Denise L. McGovern,

Policy Coordinator, Office of the Secretary.

[FR Doc. 2019-18702 Filed 8-26-19; 4:15 pm]

BILLING CODE 7590-01-P

NUCLEAR REGULATORY COMMISSION

[Docket No. 50-293; NRC-2019-0152]

Entergy Nuclear Operations, Inc.; Pilgrim Nuclear Power Station

AGENCY: Nuclear Regulatory Commission.

ACTION: Exemption; issuance.

SUMMARY: The U.S. Nuclear Regulatory Commission (NRC) is issuing an exemption in response to a November 16, 2018, request from Entergy Nuclear Operations, Inc. (ENOI), on behalf of Entergy Nuclear Generation Company (to be renamed Holtec Pilgrim, LLC) and Holtec Decommissioning International, LLC (HDI). The exemption permits Holtec Pilgrim, LLC and HDI to use funds from the Pilgrim decommissioning trust fund for management of spent fuel and site restoration activities. By Order dated

August 22, 2019, the NRC approved the request for the direct transfer of ENOI's operating authority to HDI and the indirect transfer of control of the Renewed Facility Operating License No. DPR-35 for Pilgrim, as well as the general license for the Pilgrim Independent Spent Fuel Storage Installation, to Holtec International. This exemption is being issued simultaneously with the license transfer Order and will be effective upon the NRC's issuance of a conforming license amendment reflecting Holtec Pilgrim, LLC and HDI as the licensees for Pilgrim, following consummation of the license transfer transaction.

DATES: The exemption was issued on August 22, 2019.

ADDRESSES: Please refer to Docket ID NRC-2019-0152 when contacting the NRC about the availability of information regarding this document. You may obtain publicly-available information related to this document using any of the following methods:

- *Federal Rulemaking Website:* Go to <https://www.regulations.gov> and search for Docket ID NRC-2019-0152. Address questions about NRC docket IDs in *Regulations.gov* to Jennifer Borges; telephone: 301-287-9127; email: Jennifer.Borges@nrc.gov. For technical questions, contact the individual listed in the **FOR FURTHER INFORMATION CONTACT** section of this document.

- *NRC's Agencywide Documents Access and Management System (ADAMS):* You may obtain publicly-available documents online in the ADAMS Public Documents collection at <https://www.nrc.gov/reading-rm/adams.html>. To begin the search, select "Begin Web-based ADAMS Search." For problems with ADAMS, please contact the NRC's Public Document Room (PDR) reference staff at 1-800-397-4209, 301-415-4737, or by email to pdr.resource@nrc.gov. The ADAMS accession number for each document referenced (if it is available in ADAMS) is provided the first time that it is mentioned in this document.

- *NRC's PDR:* You may examine and purchase copies of public documents at the NRC's PDR, Room O1-F21, One White Flint North, 11555 Rockville Pike, Rockville, Maryland 20852.

FOR FURTHER INFORMATION CONTACT: Scott P. Wall, Office of Nuclear Reactor Regulation; U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001; telephone: 301-415-2855; email: Scott.Wall@nrc.gov.

SUPPLEMENTARY INFORMATION: The text of the exemption is attached.

Dated at Rockville, Maryland, this 22nd day of August, 2019.

For the Nuclear Regulatory Commission.

Scott P. Wall,

Senior Project Manager, Plant Licensing Branch III, Division of Operating Reactor Licensing, Office of Nuclear Reactor Regulation.

Attachment—Exemption

NUCLEAR REGULATORY COMMISSION

Docket No. 50-293

Holtec Decommissioning International, LLC

Pilgrim Nuclear Power Station

Exemption

I. Background

By letter dated November 10, 2015 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML15328A053), Entergy Nuclear Operations, Inc. (ENOI), submitted a notification to the U.S. Nuclear Regulatory Commission (NRC) indicating that it would permanently shut down Pilgrim Nuclear Power Station (Pilgrim) no later than June 1, 2019. By letter dated June 10, 2019 (ADAMS Accession No. ML19161A033), ENOI submitted to the NRC a certification in accordance with § 50.82(a)(1) of Title 10 of the *Code of Federal Regulations* (10 CFR), stating that Pilgrim permanently ceased power operations on May 31, 2019, and that as of June 9, 2019, all fuel had been permanently removed from the Pilgrim reactor vessel and placed in the spent fuel pool. Accordingly, pursuant to 10 CFR 50.82(a)(2), the Pilgrim renewed facility operating license no longer authorizes operation of the reactor or emplacement or retention of fuel in the reactor vessel. By letter dated November 16, 2018 (ADAMS Accession No. ML18320A036), ENOI submitted the updated Pilgrim spent fuel management plan (SFMP) pursuant to 10 CFR 50.54(bb) and preliminary decommissioning cost estimate (DCE). By letter dated November 16, 2018 (ADAMS Accession No. ML18320A034), as supplemented by letter dated January 9, 2019 (ADAMS Accession No. ML19015A020) and letter dated July 29, 2019 (ADAMS Accession No. ML19210E470), ENOI submitted a post-shutdown decommissioning activities report (PSDAR) and the site-specific DCE for Pilgrim.

By letter dated November 16, 2018 (ADAMS Accession No. ML18320A031), ENOI, on behalf of itself and Entergy Nuclear Generation Company (ENGCO) (to be known as Holtec Pilgrim, LLC (Holtec Pilgrim)), Holtec International (Holtec), and Holtec Decommissioning International (HDI) submitted a license transfer application (LTA) requesting that the NRC consent to the direct transfer of ENOI's operating authority to HDI and the indirect transfer of control of the Pilgrim Renewed Facility Operating License and the General License for the Pilgrim Independent Spent Fuel Storage Installation (ISFSI) to Holtec. By letter dated November 16, 2018 (ADAMS Accession No. ML18320A040), HDI submitted a "Notification of Revised Post-Shutdown Decommissioning Activities Report and Revised Site-Specific Decommissioning Cost

Estimate for Pilgrim Nuclear Power Station" (revised PSDAR), to notify the NRC of changes to accelerate the schedule for the prompt decommissioning (*i.e.*, the DECON method for decommissioning) of Pilgrim and unrestricted release of all portions of the site (excluding the ISFSI) within 8 years after the license transfer.

Under the proposed transfers, Holtec Pilgrim will own the Pilgrim nuclear facility and will have responsibility for Pilgrim as its licensed owner. Holtec Pilgrim will enter into an agreement for decommissioning services with HDI, with HDI acting as Holtec Pilgrim's agent and with Holtec Pilgrim paying for all HDI expenses related to decommissioning, spent fuel management, and site restoration. Accordingly, HDI will become the licensed operator for decommissioning.

II. Request/Action

The requested exemption from 10 CFR 50.82(a)(8)(i)(A) would permit Holtec Pilgrim and HDI to use funds from the Pilgrim Decommissioning Trust Fund (DTF) for spent fuel management and site restoration activities in accordance with HDI's site-specific DCE for Pilgrim. HDI submitted a revised site-specific DCE for Pilgrim by letter dated November 16, 2018, as part of the revised PSDAR. A similar exemption request from Entergy was approved by the NRC for Pilgrim by letter dated July 22, 2019 (ADAMS Accession No. ML19162A334).

The 10 CFR 50.82(a)(8)(i)(A) requirement restricts the use of DTF withdrawals to expenses for legitimate decommissioning activities consistent with the definition of decommissioning that appears in 10 CFR 50.2. The definition of "decommission" in 10 CFR 50.2 reads as follows:

To remove a facility or site safely from service and reduce residual radioactivity to a level that permits—

- (1) Release of the property for unrestricted use and termination of the license; or
- (2) Release of the property under restricted conditions and termination of the license.

This definition does not include activities associated with spent fuel management or site restoration activities. Therefore, an exemption from 10 CFR 50.82(a)(8)(i)(A) is needed to allow Holtec Pilgrim and HDI to use funds from the DTF for spent fuel management and site restoration activities.

Similar to 10 CFR 50.82(a)(8)(i)(A), provisions of 10 CFR 50.75(h)(1)(iv) and (h)(2) dictate that with certain exceptions, disbursements from nuclear decommissioning trusts "are restricted to decommissioning expenses." However, in accordance with 10 CFR 50.75(h)(5), these provisions do not apply to "any licensee that as of December 24, 2003, has existing license conditions relating to decommissioning trust agreements, so long as the licensee does not elect to amend those license conditions." The operating license for Pilgrim included "existing license conditions relating to decommissioning trust agreements" on December 24, 2003, and as such, Pilgrim is exempt from the provisions of sections (h)(1) through (h)(3) of 10 CFR 50.75, pursuant to the terms of 10 CFR 50.75(h)(5).

III. Discussion

Pursuant to 10 CFR 50.12, the Commission may, upon application by any interested person or upon its own initiative, grant exemptions from the requirements of 10 CFR part 50(1) when the exemptions are authorized by law, will not present an undue risk to the public health and safety, and are consistent with the common defense and security; and (2) when any of the special circumstances listed in 10 CFR 50.12(a)(2) are present. These special circumstances include, among other things:

(a) Application of the regulation in the particular circumstances would not serve the underlying purpose of the rule or is not necessary to achieve the underlying purpose of the rule; and

(b) Compliance would result in undue hardship or other costs that are significantly in excess of those contemplated when the regulation was adopted, or that are significantly in excess of those incurred by others similarly situated.

A. Authorized by Law

The requested exemption from 10 CFR 50.82(a)(8)(i)(A) would allow Holtec Pilgrim and HDI to use a portion of the funds from the DTF for spent fuel management and site restoration activities at Pilgrim in the same manner that withdrawals are made under 10 CFR 50.82(a)(8) for radiological decommissioning activities. As stated above, 10 CFR 50.12 allows the NRC to grant exemptions from the requirements of 10 CFR part 50 when the exemptions are authorized by law. The NRC staff has determined, as explained further below, that there is reasonable assurance of adequate funding for radiological decommissioning because the Applicants' use of the DTF for activities associated with spent fuel management and site restoration will not negatively impact the availability of funding for radiological decommissioning. Accordingly, the exemption is authorized by law because granting the licensee's proposed exemption will not result in a violation of the Atomic Energy Act of 1954, as amended, or the Commission's regulations.

B. No Undue Risk to Public Health and Safety

The underlying purpose of 10 CFR 50.82(a)(8)(i)(A) is to provide reasonable assurance that adequate funds will be available for the radiological decommissioning of power reactors and license termination. As explained in further detail in Section D below, based on NRC staff's review of HDI's revised site-specific DCE and the staff's independent cash flow analysis contained in Attachment 1 to the NRC staff's safety evaluation for the associated LTA (ADAMS Accession No. ML19170A250), the NRC staff finds that the use of the Pilgrim DTF for spent fuel management and site restoration activities at Pilgrim will not adversely impact Holtec Pilgrim and HDI's ability to terminate the Pilgrim license (*i.e.*, complete radiological decommissioning) as planned, consistent with the schedule and costs contained in the revised PSDAR.

Furthermore, withdrawals from the DTF for spent fuel management and site

restoration are still constrained by the provisions of 10 CFR 50.82(a)(8)(i)(B)–(C) and are reviewable under the annual reporting requirements of 10 CFR 50.82(a)(8)(v)–(vii).

There are no new accident precursors created by using the DTF in the proposed manner. Thus, the probability of postulated accidents is not increased. Also, based on the above, the consequences of postulated accidents are not increased. No changes are being made in the types or amounts of effluents that may be released offsite. There is no significant increase in occupational or public radiation exposure. Therefore, the requested exemption will not present an undue risk to the public health and safety.

C. Consistent With the Common Defense and Security

The requested exemption would allow Holtec Pilgrim and HDI to use funds from the Pilgrim DTF for spent fuel management and site restoration activities at Pilgrim. Spent fuel management under 10 CFR 50.54(bb) is an integral part of the planned decommissioning and license termination process and will not adversely affect Holtec Pilgrim and HDI's ability to physically secure the site or protect special nuclear material. This change to enable the use of a portion of the funds from the DTF for spent fuel management and site restoration activities has no relation to security issues. Therefore, the common defense and security is not impacted by the requested exemption.

D. Special Circumstances

Special circumstances, in accordance with 10 CFR 50.12(a)(2)(ii), are present whenever application of the regulation in the particular circumstances is not necessary to achieve the underlying purpose of the regulation.

The underlying purpose of 10 CFR 50.82(a)(8)(i)(A), which restricts withdrawals from DTFs to expenses for radiological decommissioning activities, is to provide reasonable assurance that adequate funds will be available for radiological decommissioning of power reactors and license termination. Strict application of this requirement would prohibit the withdrawal of funds from the Pilgrim DTF for spent fuel management and site restoration activities, until final radiological decommissioning at Pilgrim has been completed.

ENOI's March 28, 2019, annual report (ADAMS Accession No. ML19087A318) on the status of decommissioning funding for Pilgrim reports a DTF balance of approximately \$1.028 billion as of December 31, 2018, and approximately \$1.043 billion as of February 28, 2019. The cash flow analysis in Table 1 of the November 16, 2018, application is based on a beginning DTF balance of \$1.030 billion (following closure of the equity sale in 2019).¹ HDI states that this beginning DTF balance reflects the fund value post-closure of the asset sale. Furthermore, the application states that the 2019 costs include estimated pre-closure and post-closure costs. In the NRC staff's analysis provided in its safety evaluation for the LTA,

¹ The terms of the Equity Purchase and Sales Agreement describes the after-tax market value of the DTF must be no less than \$1.030 billion at time of transaction closing.

the staff used the opening DTF balance of \$1.030 billion as the money available to cover radiological decommissioning, spent fuel management, and site restoration costs.

The analysis in the November 16, 2018 revised PSDAR, projects the total radiological decommissioning cost of Pilgrim to be approximately \$593 million in 2018 dollars which is lower than the 10 CFR 50.75(c) minimum formula amount of approximately \$633 million. The revised PSDAR estimated decommissioning costs are consistent with the estimated costs for radiological decommissioning, including ISFSI decommissioning costs, provided in the November 16, 2018 request for exemptions. However, the LTA and the exemption request did not provide any explanation for the difference in funding levels for radiological decommissioning costs between the site-specific DCE and the 10 CFR 50.75(c) minimum formula amount. Therefore, the staff sought supplemental information from the Applicants in a request for additional information (RAI) dated July 26, 2019, (ADAMS Accession No. ML19207B366). The RAI requested, among other things, that the Applicants provide justification for using a radiological decommissioning cost estimate value that is less than the 10 CFR 50.75(c) minimum formula amount.

On July 29, 2019 (ADAMS Accession No. ML19210E470), HDI provided its justification, stating that the HDI site-specific DCE is a more reliable and precise estimate of decommissioning cost because it is based on Pilgrim-specific plant data and historical information, actual site conditions, regulatory requirements applicable to Pilgrim, and actual pricing information, as compared to the 10 CFR 50.75(c) minimum formula amount, which is based on generic inputs. Additionally, in both the November 16, 2018 application and the July 29, 2019 supplement, HDI states that its site-specific DCE was reviewed against the estimates of costs associated with license termination (radiological decommissioning) in NUREG/CR-6174, "Revised Analyses of Decommissioning for the Reference Boiling Water Reactor Power Station" (ADAMS Accession No. ML14008A186), benchmarked against nine comparable decommissioning projects, and compared with costs from similar activities at seven boiling water reactors. Accordingly, as part of its review, the NRC staff compared the Pilgrim site-specific radiological decommissioning costs with the estimated activities of the four periods associated with the DECON decommissioning method as outlined in NUREG/CR-6174:

- (1) Pre-shutdown planning/engineering and regulatory reviews,
- (2) Plant deactivation and preparation for storage,
- (3) A period of plant safe storage with concurrent operations in the spent fuel pool until the pool inventory is zero, and
- (4) Decontamination and dismantlement of the radioactive portions of the plant, leading to license termination.

The NRC staff also compared the Pilgrim site-specific estimated radiological decommissioning costs of approximately \$593 million with the site-specific costs of similar decommissioning projects.

Based on the review of the Pilgrim site-specific radiological decommissioning costs of approximately \$593 million, as compared to NUREG/CR-6174, the staff concludes that HDI's method for developing the Pilgrim site-specific radiological decommissioning cost estimate is reasonable. Further, when compared to radiological decommissioning costs associated with similar decommissioning projects, the staff finds that the HDI's Pilgrim site-specific radiological decommissioning costs of approximately \$593 million is reasonable.

As such, the staff used the value of approximately \$593 million for radiological decommissioning costs when it conducted its independent cash flow analysis. As allowed by 10 CFR 50.75(e)(1)(ii), the staff began its cost analysis using a 2% real rate of return on annual balances. In its application dated November 16, 2018, HDI states they also used a 2% real rate of return. However, in Table 1 of the November 16, 2018, application, HDI noted that the Year Ending DTF Balance is after-taxes. Therefore, in its cost analysis, the staff found that Table 1 reflects an actual annual real rate of return of 1.42%. The staff notes that this is conservative to the 2% annual real rate of return allowed by 10 CFR 50.75(e)(1)(ii). To be consistent in validating HDI's site-specific DCE, the staff used the more conservative 1.42% annual real rate of return. The staff's independent cash flow analysis is contained in Attachment 1 to the NRC staff's safety evaluation for the associated LTA.

As noted above, HDI's site-specific DCE relies on estimated radiological decommissioning costs of approximately \$593 million, which is lower than the 10 CFR 50.75(c) minimum formula amount of approximately \$633 million. In its RAI dated July 26, 2019, the staff requested a justification for this lower amount and, in case the Applicants' failed to provide sufficient justification, the staff also requested that the Applicants provide a revised decommissioning cash flow analysis using the higher minimum formula amount of \$633,267,558. In Attachment 1 of the July 29, 2019, supplement, HDI provided the requested revised cash flow analysis. Although the staff completed a separate, independent cash flow analysis to validate this revised cash flow analysis, ultimately, as noted above, the staff determined that HDI's site-specific DCE, which uses \$592,553,000 for the estimated site-specific radiological decommissioning costs for Pilgrim, is reasonable and sufficiently justified.

Based on its evaluation above and the cash flow analysis contained in Attachment 1 to the NRC staff's safety evaluation for the associated LTA, the staff finds that the funds in the DTF are expected to be available and sufficient to cover the estimated costs of approximately \$593 million for the radiological decommissioning of the facility (including the ISFSI). Therefore, the NRC staff finds that HDI has provided reasonable assurance that adequate funds will be available for the radiological decommissioning of Pilgrim, even with the disbursement of funds from the DTF for spent fuel management and site restoration activities. Consequently, the NRC staff

concludes that application of the 10 CFR 50.82(a)(8)(i)(A) requirement that funds from the DTF only be used for radiological decommissioning activities and not for spent fuel management and site restoration activities is not necessary to achieve the underlying purpose of the rule; thus, special circumstances are present supporting approval of the exemption request.

By granting the exemption to 10 CFR 50.82(a)(8)(i)(A), withdrawals from the DTF for spent fuel management and site restoration activities, consistent with the licensee's submittal dated November 16, 2018, are authorized. As stated previously, the NRC staff has determined that there are sufficient funds in the DTF to complete radiological decommissioning activities as well as to conduct spent fuel management and site restoration activities consistent with the revised PSDAR, DCE, SFMP, and the November 16, 2018, exemption request. Pursuant to the requirements in 10 CFR 50.82(a)(8)(v) and (vii), licensees are required to monitor and annually report to the NRC the status of the DTF and the licensee's funding for managing spent fuel. These reports provide the NRC staff with awareness of, and the ability to take action on, any actual or potential funding deficiencies. Additionally, 10 CFR 50.82(a)(8)(vi) requires that the annual financial assurance status report must include additional financial assurance to cover the estimated cost of completion if the sum of the balance of any remaining decommissioning funds, plus earnings on such funds calculated at not greater than a 2% real rate of return, together with the amount provided by other financial assurance methods being relied upon, does not cover the estimated cost to complete the decommissioning. The requested exemption would not allow the withdrawal of funds from the DTF for any other purpose that is not currently authorized in the regulations without prior approval from the NRC.

Special circumstances, in accordance with 10 CFR 50.12(a)(2)(iii), are present whenever compliance would result in undue hardship or other costs that are significantly in excess of those contemplated when the regulation was adopted, or that are significantly in excess of those incurred by others similarly situated. HDI states that the DTF contains funds in excess of the estimated costs of radiological decommissioning and that these excess funds are needed for spent fuel management and site restoration activities. The NRC does not preclude the use of funds from the decommissioning trust in excess of those needed for radiological decommissioning for other purposes, such as spent fuel management or site restoration activities (see NRC Regulatory Issue Summary 2001-07, Rev. 1, "10 CFR 50.75 Reporting and Recordkeeping for Decommissioning Planning," dated January 8, 2009 (ADAMS Accession No. ML083440158), and Regulatory Guide 1.184, Revision 1, "Decommissioning of Nuclear Power Reactors," dated October 2013 (ADAMS Accession No. ML13144A840)). Preventing access to those excess funds in the DTF because spent fuel management and site restoration activities are not associated with radiological decommissioning would

create an unnecessary financial burden without any corresponding safety benefit. The adequacy of the DTF to cover the cost of activities associated with spent fuel management and site restoration, in addition to radiological decommissioning, is supported by the site-specific DCE. If the licensee cannot use its DTF for spent fuel management and site restoration activities, it would need to obtain additional funding that would not be recoverable from the DTF, or the licensee would have to modify its decommissioning approach and methods. The NRC staff concludes that either outcome would impose an unnecessary and undue burden significantly in excess of that contemplated when 10 CFR 50.82(a)(8)(i)(A) was adopted.

The underlying purposes of 10 CFR 50.82(a)(8)(i)(A) would be achieved by allowing Holtec Pilgrim and HDI to use a portion of the Pilgrim DTF for spent fuel management and site restoration activities, and compliance with the regulation would result in an undue hardship or other costs that are significantly in excess of those contemplated when the regulations were adopted. Thus, the special circumstances required by 10 CFR 50.12(a)(2)(ii) and 10 CFR 50.12(a)(2)(iii) exist and support the approval of the requested exemption.

E. Environmental Considerations

In accordance with 10 CFR 51.31(a), the Commission has determined that the granting of the exemption will not have a significant effect on the quality of the human environment (see Environmental Assessment and Finding of No Significant Impact published in the **Federal Register** on August 20, 2019 (84 FR 43186)).

IV. Conclusions

In consideration of the above, the NRC staff finds that the proposed exemption confirms the adequacy of funding in the Pilgrim DTF to complete radiological decommissioning of the site and to terminate the license and also to cover estimated spent fuel management and site restoration activities. The NRC staff also finds that there is reasonable assurance that adequate funds are available in the DTF to complete all activities associated with radiological decommissioning.

Accordingly, the Commission has determined that, pursuant to 10 CFR 50.12(a), the exemption is authorized by law, will not present an undue risk to the public health and safety, and is consistent with the common defense and security. Also, special circumstances are present. Therefore, the Commission hereby grants Holtec Pilgrim and HDI an exemption from 10 CFR 50.82(a)(8)(i)(A) to allow them to use of a portion of the funds from the Pilgrim DTF for spent fuel management and site restoration activities consistent with the revised PSDAR and site-specific DCE dated November 16, 2018.

These exemptions are effective upon the NRC's issuance of a conforming license amendment reflecting HDI and Holtec Pilgrim as the licensees for Pilgrim, following NRC approval of the license transfer application and the Applicants' completion of the transaction.

Dated at Rockville, Maryland, this 22nd day of August, 2019.

For the Nuclear Regulatory Commission.
/RA/

Gregory F. Suber,
Deputy Director, Division of Operating
Reactor Licensing, Office of Nuclear Reactor
Regulation.

[FR Doc. 2019-18490 Filed 8-27-19; 8:45 am]

BILLING CODE 7590-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-86728; File No. SR-ICC-
2019-009]

Self-Regulatory Organizations; ICE Clear Credit LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice Relating to ICC's Treasury Operations Policies and Procedures

August 22, 2019.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934,¹ and Rule 19b-4 thereunder,² notice is hereby given that on August 8, 2019, ICE Clear Credit LLC ("ICC") filed with the Securities and Exchange Commission the proposed rule change, security-based swap submission, or advance notice as described in Items I, II and III below, which Items have been prepared by ICC. ICC filed the proposed rule change pursuant Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(6) thereunder,⁴ such that the proposed rule change was immediately effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change, security-based swap submission, or advance notice from interested persons.

I. Clearing Agency's Statement of the Terms of Substance of the Proposed Rule Change, Security-Based Swap Submission, or Advance Notice

The principal purpose of the proposed rule change is to revise the ICC Treasury Operations Policies and Procedures ("Treasury Policy"). These revisions do not require any changes to the ICC Clearing Rules ("Rules").

II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change, Security-Based Swap Submission, or Advance Notice

In its filing with the Commission, ICC included statements concerning the purpose of and basis for the proposed rule change, security-based swap submission, or advance notice and discussed any comments it received on the proposed rule change, security-based swap submission, or advance notice. The text of these statements may be examined at the places specified in Item IV below. ICC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of these statements.

(A) Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change, Security-Based Swap Submission, or Advance Notice

(a) Purpose

ICC proposes to revise its Treasury Policy. Specifically, ICC proposes minor changes to the Treasury Policy to more generally refer to a data provider for the purposes of collateral valuation and to promote uniform investment guidelines that are applicable to Euro-denominated cash posted by Clearing Participants ("CPs") for their margin requirements related to client positions ("customer origin cash") and Euro-denominated Guaranty Fund and margin cash posted by CPs ("house origin cash"). ICC believes that such revisions will facilitate the prompt and accurate clearance and settlement of securities transactions and derivative agreements, contracts, and transactions for which it is responsible. The proposed changes are described in detail as follows.

ICC proposes to more generally refer to a data provider for the purposes of collateral valuation in the 'Collateral Valuation' sub-section. Currently, the Treasury Policy references, by name, a data provider that ICC uses as a source for collateral valuation information. ICC proposes to remove references to the specific data provider and to more generally require ICC to use a reliable data provider as a source for collateral valuation information. ICC does not intend that the Treasury Policy list ICC service providers or control the onboarding or review of such data provider. Service providers are subject to contractual arrangements entered into by authorized ICC officers and, if deemed a critical vendor under the Operational Risk Management Framework, governed by the Operational Risk Management

Framework that describes their review and approval.⁵

ICC proposes updates to the Euro investment guidelines appendix, which is applicable to Euro-denominated customer origin and house origin cash. The current Euro investment guidelines allow direct investments in French and German sovereign debt securities having a final maturity of no greater than 198 days but require that all such investments with customer origin cash comply with any applicable conditions and restrictions in Commodity Futures Trading Commission ("CFTC") Regulation 1.25,⁶ including any applicable exemptive orders. As such, direct investments with customer origin cash are limited to French and German sovereign debt securities having a final maturity of no greater than 180 days in accordance with the exemptive order that was issued by the CFTC (the "Order").⁷ ICC proposes to update the Euro investment guidelines to restrict direct investments with both customer origin and house origin cash to French and German sovereign debt securities having a final maturity of no greater than 180 days in order to promote uniform Euro investment guidelines that are applicable to customer origin and house origin cash.

ICC has filed the proposed rule change for immediate effectiveness and proposes that it will be operative on or about, but no sooner than, September 10, 2019.

(b) Statutory Basis

Section 17A(b)(3)(F) of the Act⁸ requires, among other things, that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions, and to the extent applicable, derivative agreements, contracts and transactions; to assure the safeguarding of securities and funds which are in the custody or control of the clearing agency or for which it is responsible; and to comply with the provisions of the Act and the rules and regulations thereunder. ICC believes that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to ICC, in particular, to Section 17(A)(b)(3)(F),⁹ because ICC believes that the proposed rule change will promote the prompt

⁵ See SR-ICC-2018-003 for more information regarding the review and approval of critical vendors under the ICC Operational Risk Management Framework.

⁶ 17 CFR 1.25.

⁷ 83 FR 35241 (July 25, 2018).

⁸ 15 U.S.C. 78q-1(b)(3)(F).

⁹ *Id.*

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(6).

[page added for double-sided printing]

Attachment 7

Environmental Assessment and Finding of No Significant Impact; Issuance, 84 Fed. Reg. 43,186 (Aug. 20, 2019)

[page added for double-sided printing]

access to NASA Headquarters. Foreign nationals attending this meeting will be required to provide a copy of their passport and visa in addition to providing the following information no less than 10 days prior to the meeting: Full name; gender; date/place of birth; citizenship; passport information (number, country, telephone); visa information (number, type, expiration date); employer/affiliation information (name of institution, address, country, telephone); title/position of attendee. To expedite admittance, attendees that are U.S. citizens and Permanent Residents (green card holders) are requested to provide full name and citizenship status no less than 3 working days prior to the meeting. Information should be sent to Mr. Andrew Rowe, at andrew.rowe@nasa.gov.

Patricia Rausch,

*Advisory Committee Management Officer,
National Aeronautics and Space
Administration.*

[FR Doc. 2019-17944 Filed 8-19-19; 8:45 am]

BILLING CODE 7510-13-P

NEIGHBORHOOD REINVESTMENT CORPORATION

Sunshine Act Meetings; Regular Board of Directors Meeting

TIME & DATE: 3:00 p.m., Wednesday, September 4, 2019.

PLACE: NeighborWorks America—Gramlich Boardroom, 999 North Capitol Street NE, Washington, DC 20002.

STATUS: Open (with the exception of Executive Session).

MATTERS TO BE CONSIDERED: The General Counsel of the Corporation has certified that in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552 (b)(2) and (4) permit closure of the following portion(s) of this meeting:

- Report From CEO
- Board and Officer Elections

Agenda

- I. Call to Order
- II. Approval of Minutes
- III. Executive Session: Report from CEO
- IV. Action Item Recognition of Service for Senior Deputy Controller Grovetta Gardineer
- V. Action Item FY2020 Preliminary Budget
- VI. Action Item Investment Policy Update
- VII. Action Item Lapse Plan Policy
- VIII. Discussion Item Corporate Goals for FY2020
- IX. Discussion Item FY2021 Budget Submission Process

X. Discussion Item Non-Core Private Funds

XI. Discussion Item Western Region—Denver Office Lease Renewal

XII. Discussion Item 40th Anniversary Event

XIII. Management Program Background and Updates

XIV. Adjournment

CONTACT PERSON FOR MORE INFORMATION: Rutledge Simmons, EVP & General Counsel/Secretary, (202) 760-4105; Rsimmons@nw.org.

Rutledge Simmons,

EVP & General Counsel/Corporate Secretary.

[FR Doc. 2019-18039 Filed 8-16-19; 4:15 pm]

BILLING CODE 7570-02-P

NUCLEAR REGULATORY COMMISSION

[Docket No. 50-293; NRC-2019-0152]

Entergy Nuclear Operations Inc; Pilgrim Nuclear Power Station

AGENCY: Nuclear Regulatory Commission.

ACTION: Environmental assessment and finding of no significant impact; issuance.

SUMMARY: The U.S. Nuclear Regulatory Commission (NRC) is considering issuance of an exemption in response to a November 16, 2018, request from Entergy Nuclear Operations, Inc. (ENOI or the licensee) on behalf of Entergy Nuclear Generation Company (ENGC) (to be renamed Holtec Pilgrim, LLC) and Holtec Decommissioning International, LLC (HDI), related to Pilgrim Nuclear Power Station (Pilgrim), located in Plymouth County, Massachusetts. The proposed action would permit Holtec Pilgrim, LLC and HDI to use funds from the Pilgrim decommissioning trust fund (the Trust) for management of spent fuel and site restoration activities. The staff is issuing a final environmental assessment (EA) and a final finding of no significant impact (FONSI) associated with the proposed exemption.

DATES: The EA and FONSI referenced in this document are available on August 20, 2019.

ADDRESSES: Please refer to Docket ID NRC-2019-0152 when contacting the NRC about the availability of information regarding this document. You may obtain publicly-available information related to this document using any of the following methods:

- *Federal Rulemaking Website:* Go to <https://www.regulations.gov> and search for Docket ID NRC-2019-0152. Address

questions about NRC docket IDs in *Regulations.gov* to Jennifer Borges; telephone: 301-287-9127; email: Jennifer.Borges@nrc.gov. For technical questions, contact the individual listed in the **FOR FURTHER INFORMATION CONTACT** section of this document.

- *NRC's Agencywide Documents Access and Management System (ADAMS):* You may obtain publicly-available documents online in the ADAMS Public Documents collection at <https://www.nrc.gov/reading-rm/adams.html>. To begin the search, select "Begin Web-based ADAMS Search." For problems with ADAMS, please contact the NRC's Public Document Room (PDR) reference staff at 1-800-397-4209, 301-415-4737, or by email to pdr.resource@nrc.gov. For the convenience of the reader, instructions about obtaining materials referenced in this document are provided in the Availability of Documents section.

- *NRC's PDR:* You may examine and purchase copies of public documents at the NRC's PDR, Room O1-F21, One White Flint North, 11555 Rockville Pike, Rockville, Maryland 20852.

FOR FURTHER INFORMATION CONTACT: Scott P. Wall, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001; telephone: 301-415-2855; email: Scott.Wall@nrc.gov.

SUPPLEMENTARY INFORMATION:

I. Introduction

Pursuant to section 50.12 of title 10 of the *Code of Federal Regulations* (10 CFR), "Specific exemptions," the NRC is considering issuance of an exemption from 10 CFR 50.82(a)(8)(i)(A) for Renewed Facility Operating License No. DPR-35, issued to HDI for Pilgrim, located in Plymouth County, Massachusetts. By letter dated November 16, 2018 (ADAMS Accession No. ML18320A031), ENOI, on behalf of itself, Entergy Nuclear Generation Company (ENGC) (to be known as Holtec Pilgrim, LLC), Holtec International (Holtec), and HDI submitted a License Transfer Application (LTA) requesting that the NRC consent to the proposed direct and indirect transfer of the Pilgrim Renewed Facility Operating License No. DPR-35 and the general license for the Pilgrim ISFSI (collectively referred to as the facility). Specifically, the Applicants requested that the NRC consent to the direct transfer of ENOI's currently licensed authority (licensed operator for decommissioning) to HDI. In addition, the Applicants requested the indirect transfer of control of ENGC's ownership interests in the facility licenses to

Holtec. In Enclosure 2 of the November 16, 2018, LTA, HDI requested an exemption from 10 CFR 50.82(a)(8)(i)(A). The exemption would allow Holtec Pilgrim, LLC and HDI to use funds from the Trust for spent fuel management and site restoration activities, in the same manner that funds from the Trust are used under 10 CFR 50.82(a)(8) for radiological decommissioning activities. This exemption would only apply following NRC approval of the LTA and closing of the underlying transaction.

In accordance with 10 CFR 51.21, the NRC has prepared an environmental assessment (EA) that analyzes the environmental effects of the proposed action. Based on the results of this EA, and in accordance with 10 CFR 51.31(a), the NRC has determined not to prepare an environmental impact statement for the proposed licensing action and is issuing a finding of no significant impact (FONSI).

II. Environmental Assessment

Description of the Proposed Action

The proposed action would partially exempt Holtec Pilgrim, LLC and HDI from the requirements set forth in 10 CFR 50.82(a)(8)(i)(A). Specifically, the proposed action would allow Holtec Pilgrim, LLC and HDI to use funds from the Trust for spent fuel management and site restoration activities not associated with radiological decommissioning activities.

The proposed action is also described in the licensee's application dated November 16, 2018 (ADAMS Accession No. ML18320A031).

Need for the Proposed Action

By letter dated November 10, 2015 (ADAMS Accession No. ML15328A053), ENOI informed the NRC that it planned to permanently cease power operations at Pilgrim no later than June 1, 2019. ENOI permanently ceased power operations at Pilgrim on May 31, 2019. ENOI permanently defueled Pilgrim on June 9, 2019.

As required by 10 CFR 50.82(a)(8)(i)(A), decommissioning trust funds may be used by Holtec Pilgrim, LLC and HDI if the withdrawals are for legitimate decommissioning activity expenses, consistent with the definition of decommissioning in 10 CFR 50.2. This definition addresses radiological decontamination and does not include activities associated with spent fuel management or site restoration. Therefore, exemption from 10 CFR 50.82(a)(8)(i)(A) is needed to allow Holtec Pilgrim, LLC and HDI to use funds from the Trust for spent fuel

management and site restoration activities.

HDI stated that Table 1 of the application dated November 16, 2018, demonstrates that the Trust contains the amount needed to cover the estimated costs of radiological decommissioning, as well as spent fuel management and site restoration activities. The adequacy of funds in the Trust to cover the costs of activities associated with spent fuel management, site restoration, and radiological decontamination through license termination is supported by the revised Pilgrim Post-Shutdown Decommissioning Activities Report submitted by HDI in a letter dated November 16, 2018 (ADAMS Accession No. ML18320A034), as supplemented by letters dated January 9, 2019 and July 29, 2019 (ADAMS Accession Nos. ML19015A020 and ML19210E470, respectively). HDI stated that it needs access to the funds in the Trust to support spent fuel management and site restoration activities not associated with radiological decontamination.

In summary, by letter dated November 16, 2018, HDI requested an exemption from NRC regulations to allow Trust withdrawals for spent fuel management and site restoration activities.

Environmental Impacts of the Proposed Action

The proposed action involves regulatory requirements that are of a financial or administrative nature and that do not have an impact on the environment. The NRC has completed its evaluation of the proposed action and concludes that there is reasonable assurance that adequate funds are available in the Trust to complete all activities associated with radiological decommissioning. There would be no decrease in safety associated with the use of the Trust to fund activities associated with spent fuel management and site restoration. The NRC regulations in 10 CFR 50.82(a)(8)(v) require licensees to submit a financial assurance status report annually between the time of submitting their decommissioning cost estimate until they submit their final radiation survey and demonstrate that residual radioactivity has been reduced to a level that permits termination of the operating license. Section 50.82(a)(8)(vi) of 10 CFR requires that if the sum of the balance of any remaining decommissioning funds, plus expected rate of return, plus any other financial surety mechanism relied upon by the licensee, does not cover the estimated costs to complete the decommissioning, the financial assurance status report must include additional financial

assurance to cover the cost of completion. These annual reports provide a means for the NRC to monitor the adequacy of available funding. The proposed exemption would allow Holtec Pilgrim, LLC and HDI to use Trust funds to support spent fuel management and site restoration activities not associated with radiological decontamination. The NRC staff has determined that there is reasonable assurance of adequate funding for radiological decommissioning based on the remaining Trust funds dedicated for radiological decontamination. Specifically, HDI has provided detailed, site-specific, cost-estimates for radiological decommissioning that the NRC staff finds sufficiently demonstrate that the Trust funds dedicated to radiological decommissioning are adequate. Thus, there is reasonable assurance that there will be no environmental effect due to lack of adequate funding for decommissioning.

The proposed action will not significantly increase the probability or consequences of radiological accidents or change the types of effluents released offsite. In addition, there would be no significant increase in the amount of any radiological effluent released offsite, and no significant increase in occupational or public radiation exposure. There would be no materials or chemicals introduced into the plant affecting the characteristics or types of effluents released offsite. In addition, waste processing systems would not be affected by the proposed exemption. Therefore, there would be no significant radiological environmental impacts associated with the proposed action.

Regarding potential nonradiological impacts, the proposed action would have no direct impacts on land use or water resources, including terrestrial and aquatic biota, as it involves no new construction or modification of plant operational systems. There would be no changes to the quality or quantity of nonradiological effluents, and no changes to the plant's National Pollutant Discharge Elimination System permits would be needed. In addition, there would be no noticeable effect on socioeconomic and environmental justice conditions in the region, no air quality impacts, and no potential to affect historic properties. Therefore, there would be no significant nonradiological environmental impacts associated with the proposed action.

Accordingly, the NRC concludes that there would be no significant environmental impacts associated with the proposed action.

Environmental Impacts of the Alternatives to the Proposed Action

As an alternative to the proposed action, the NRC staff considered the denial of the proposed action (*i.e.*, the “no-action” alternative). Denial of the exemption request would result in no change in current environmental impacts. The environmental impacts of the proposed action and the alternative action would be similar.

Alternative Use of Resources

There are no unresolved conflicts concerning alternative uses of available resources under the proposed action.

Agencies or Persons Consulted

No additional agencies or persons were consulted regarding the environmental impact of the proposed action. On August 14, 2019, the NRC notified the Commonwealth of Massachusetts representative of the EA and FONSI.

III. Finding of No Significant Impact

The requested exemption from 10 CFR 50.82(a)(8)(i)(A) would allow Holtec Pilgrim, LLC and HDI to use funds from the Trust for spent fuel

management and site restoration activities.

The NRC is considering issuing the requested exemption. The proposed action would not significantly affect plant safety, would not have a significant adverse effect on the probability of an accident occurring, and would not have any significant radiological or nonradiological impacts. The reason the human environment would not be significantly affected is that the proposed action involves an exemption from requirements that are of a financial or administrative nature that do not have an impact on the human environment. Consistent with 10 CFR 51.21, the NRC conducted the EA for the proposed action, and this FONSI incorporates by reference the EA included in Section II of this document. Therefore, the NRC concludes that the proposed action will not have a significant effect on the quality of the human environment. Accordingly, the NRC has determined there is no need to prepare an environmental impact statement for the proposed action.

As required by 10 CFR 51.32(a)(5), the related environmental document is the “Generic Environmental Impact Statement for License Renewal of

Nuclear Plants: Regarding Pilgrim Nuclear Power Station, Final Report,” January 2007 (NUREG–1437, Supplement 29, Volumes 1 and 2), which provides the latest environmental review of current operations and description of environmental conditions at Pilgrim.

The finding and other related environmental documents may be examined, and/or copied for a fee, at the NRC’s Public Document Room (PDR), located at One White Flint North, 11555 Rockville Pike, Rockville, Maryland 20852. Publicly-available records are accessible electronically from ADAMS Public Electronic Reading Room on the internet at the NRC’s website: <https://www.nrc.gov/reading-rm/adams.html>. Persons who do not have access to ADAMS or who encounter problems in accessing the documents located in ADAMS should contact the NRC’s PDR Reference staff by telephone at 1–800–397–4209 or 301–415–4737, or by email to pdr.resource@nrc.gov.

IV. Availability of Documents

The documents identified in the following table are available to interested persons through one or more of the following methods, as indicated.

Date	Title	ADAMS Accession No.
6/10/2019	Letter from Entergy to NRC titled “Certifications of Permanent Cessation of Power Operations and Permanent Removal of Fuel from the Reactor Vessel”.	ML19161A033
11/16/2018	Letter from Entergy to NRC titled “Application for Order Consenting to Direct and Indirect Transfers of Control of Licenses and Approving Conforming License Amendment; and Request for Exemption from 10 CFR 50.82(a)(8)(i)(A)”.	ML18320A031
11/16/2018	Letter from HDI to NRC titled “Notification of Revised Post-Shutdown Decommissioning Activities Report and Revised Site-Specific Decommissioning Cost Estimate for Pilgrim Nuclear Power Station”.	ML18320A040
11/10/2015	Letter from Entergy to NRC titled “Notification of Permanent Cessation of Power Operations”	ML15328A053
7/2007	NUREG–1437, Supplement 29, “Generic Environmental Impact Statement for License Renewal of Nuclear Plants: Regarding Pilgrim Nuclear Power Station,” Volumes 1 and 2.	ML071990020; ML071990027

Dated at Rockville, Maryland, this 15th day of August, 2019.

For the Nuclear Regulatory Commission.

Scott P. Wall,

Senior Project Manager, Plant Licensing Branch III, Division of Operating Reactor Licensing, Office of Nuclear Reactor Regulation.

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NUCLEAR REGULATORY COMMISSION

[Docket No. 50–289; NRC–2019–0079]

Exelon Generation Company LLC; Three Mile Island Nuclear Station Unit 1

AGENCY: Nuclear Regulatory Commission.

ACTION: License amendment application; withdrawal by applicant.

SUMMARY: The U.S. Nuclear Regulatory Commission (NRC) has granted the request of Exelon Generation Company, LLC to withdraw its application dated December 14, 2018, for a proposed amendment to Renewed Facility Operating License No. DPR–50 for the Three Mile Island Nuclear Station, Unit

1. The proposed amendment would have revised Technical Specification 6.8.5 “Reactor Building Leakage Rate Testing Program,” to allow for a one-cycle extension to the 10-year frequency of the containment leakage rate test (*i.e.*, Integrated Leakage Rate Test (ILRT) or Type A test).

DATES: The withdrawal of the proposed amendment takes effect on August 20, 2019.

ADDRESSES: Please refer to Docket ID NRC–2019–0079 when contacting the NRC about the availability of information regarding this document. You may obtain publicly-available information related to this document using any of the following methods:

- *Federal Rulemaking website:* Go to <https://www.regulations.gov> and search