

## **NRCExecSec Resource**

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**From:** Robert G. Abboud <Bob@RGALabs.com>  
**Sent:** Tuesday, August 12, 2014 8:01 PM  
**To:** NRCExecSec Resource; MSHD Resource  
**Cc:** ron@rgalabs.com; Patricia@rgalabs.com  
**Subject:** Notification of Interest - Kewaunee Nuclear Power Station  
**Attachments:** 2014 0808 12-011 Notification of Interest R01 - Kewaunee.pdf

Ms. Vietti-Cook:

Please see the attached. I would greatly appreciate this letter forwarded to Cynthia Pederson Regional Administrator, U.S. Nuclear Regulatory Commission Region III. I will send her a copy by US Post as well.

Thank you very much for your time and attention in this matter.

Our NRC identification number is: NRC20141016309250

Best Regards.  
Bob A.

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# ***RGA Labs, Inc.***

**Advanced Engineering and Technology / [www.RGALabs.com](http://www.RGALabs.com)  
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Notification of Interest – Kewaunee Station

Tuesday, August 12, 2014

12-011 NRC R01

Confirmation Number: NRC20141016309250

**To: Cynthia Pederson**  
**Regional Administrator**  
U.S. Nuclear Regulatory  
Commission Region III  
2443 Warrenville Road  
Suite 210  
Lisle, Illinois 60532-4352  
**Via US Mail**

**Annette L. Vietti-Cook**  
Secretary of the Commission  
U.S. Nuclear Regulatory  
Commission  
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**Subject: Notification of Interest - Kewaunee Nuclear Power Station**

**Reference: 1. Kewaunee Power Station, Carlton, Wisconsin**

Ms. Pederson and Ms. Vietti-Cook:

This letter is to inform the U.S. Nuclear Regulatory Commission, Region III, that RGA Labs, Inc. has a formal interest in investigating relicensing and restarting Kewaunee Nuclear Power Station under 10 CFR Parts 50, 51, & 52, and associated regulation. Kewaunee Station is currently owned and licensed by Dominion Resources. The unit is defueled and in SAFE-STORE status, with its operating license returned to the NRC. RGA Labs presently has no formal relationship with Dominion Resources nor is there any present agreement under which a license transfer may occur. However, RGA Labs is currently investigating such a possibility. Given the unusual nature of this situation, we wanted to make early notification to the Nuclear Regulation Commission of our interest.

Dominion Resources suggests in public statements that the Kewaunee regional community is satisfied and has "come to grips" with Dominion's decision to permanently shut down Kewaunee, and that further discussion was "not productive". To test this hypothesis, we began a series of inquiries with local and regional residents, businesses, and elected officials. Recently, we presented our plan to the town of Carlton and surrounding areas, having been invited by the Carlton town elected leaders. More than 130 people attended with not only very strong support, but with well informed questions and discussion. Overall, response from the community, business, the Kewaunee County Economic Development Corporation, the media, and the nuclear industry has been nothing but positive. In fact, we simply did not find any group who thought it was a bad idea. We view Representative Bies' press release (attached) to be indicative of the community perspective.

Kewaunee Station is a 2-loop Westinghouse PWR with substantial design margin. With dedicated staff, Kewaunee has produced an excellent operating record since commencing operations June 16, 1974. It has had an exceptionally high operating capacity factor of more than 91%, with capacity factors of 102% and 98% in 2010 and 2011 respectively. Since 2001, the unit has had new steam generators installed, a power uprate to 595 MWe, and received NRC approval for extending the operating license for 20-years.

Kewaunee Station was purchased in July 2005 by Dominion Resources. It was subsequently shutdown on May 7, 2013, based on Dominion's internal economic assessment. Its operating license was returned shortly after. Dominion has chosen the SAFE-STORE license option which it now maintains, and has indicated it expects to take well more than 30 years before beginning dismantlement and site cleanup.

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RGA Labs originally contacted Dominion Resources to inquire about a possible transfer in the late fall of 2012 while the plant was still in operation. We understand and do not dispute that Dominion believes Kewaunee is not profitable under its corporate structure. However, our continued detailed analysis over the last 24 months clearly indicates an alternative business model will be highly successful. To be clear, our model does not contemplate staff reductions or limitations on equipment investment. For Dominion, there is the opportunity to release a non-performing asset currently impacting their shareholders and their financial performance. Additionally, and most importantly, is the opportunity for this unit to produce safe, clean, emission free, and reliable electric energy, while lowering regional electricity prices. Kewaunee's return to service also reduces upward pressure on gas prices in a region where gas is presently used as residential and commercial heating fuel.

It is our perspective that nuclear power stations, their associated sites, and their license portfolios are rare and unique assets within the public infrastructure. Today, these units are held by investor owned utilities which are primarily controlled by hedge funds driven by short-term returns. It is worth remembering that these units were constructed and paid for by the rate payers of the region. They are not easily replaced under the present corporate utility structure. In particular, the wave of deregulation in the electric market, originally designed to foster competition, has left most investor owned utilities subject to acquisition by just a few corporate monoliths. As in the Kewaunee case, a large utility conglomerate may elect to close a nuclear station, not because of plant economics, but rather, because its operational basis is inconsistent with the firm's most recent portfolio and strategic plan. This puts at risk our long term national energy planning and national energy security for which nuclear energy provides the foundation.

I know you appreciate that nuclear power must play a key role as a solution to the carbon emissions problem threatening our environment. Kewaunee is needed to help meet the requirements of the current and future legislation for carbon reductions. Shutting down coal power plants in exchange for natural gas fired electric generation is, at best, a marginal improvement in environmental impact. This is not a solution. The resurgence of new nuclear investment in the US is not robust and is not expected to improve for a number of years given the corporate structure of current operators. Therefore, we need to protect the viability of existing facilities. In this light, we must make sure that the SAFE-STORE option is not simply a cover for cannibalization. Rather, SAFE-STORE should provide a recoverable mechanism for restarting these existing valuable assets as new environmental legislation and economic conditions arise.

There have been no new owners or operators in the industry in the last 20 years other than renaming and consolidation of existing operators. While the NRC is not in the business of promoting nuclear energy, as a society we must provide pathways for new entrants into the market place for owners and operators. In this way we bring in new ideas, technologies, and processes which benefit the public with low cost reliable energy, protection of the environment, and most importantly, improvements in reactor safety.

RGA Labs, Inc. and its investment and technical partners are interested in furthering discussions with Dominion leading to a sale of Kewaunee, or alternatively, a joint investment strategy with Dominion to restart and operate the plant for the next 20+ years. We believe this plant represents a strategic asset to the region and continues to be in a physical state that lends itself to reliable and profitable operation. The local and regional public, the local government, and the Wisconsin state representatives all support our efforts and support the restart of Kewaunee Station.

A major issue in our conversations with Dominion has been the issue of relicensing. It is clear that there is no existing pathway from SAFE-STORE to power operations. However, it would seem to even the most casual of observers that if we have a license process that can go from beach sand to 100% power, we should be able to relicense a plant still some 95% complete, with a 39 year stellar operating record, virtually new steam generators, a recent uprate relicense, and a new 20 year operating license extension. It is our current opinion that what is needed is a short "on-ramp" to get from SAFE-STORE to entry points in 10CFR Parts 50, 51, & 52.

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RGALabs personnel have extensive nuclear licensing experience including Class 1E safety-related equipment, life extensions, and plant relicensing. For example, our personnel led the hardware and software modifications and relicensing of Zion Nuclear Power Station for upgrade to fully digital process and reactor protection. We maintain expertise in nuclear power operations, fuel management including core design and spent fuel management, and plant modifications.

RGALabs also has extensive power trading experience and software assets. We believe Kewaunee is well poised to operate profitably in the WI and IL market place using a variety of power portfolio instruments. We maintain close relationships with power buyers within the Kewaunee market.

RGALabs envisions a consortium of its investor partners, a reactor vendor, an architect / engineer firm, and a cooperative of employees and local community investors as the makeup of a potential new owner company. While the relicense of Kewaunee presents a significant challenge to restart, we do not see this as a limiting barrier. We believe we can license, modernize, and operate the plant efficiently for the next 20 years, providing safe, clean, and reliable electric power and economic vitality for the region.

We would like to meet with the Region III staff to discuss the issues associated with the potential to relicense Kewaunee and other reactors in similar circumstances and return to power operations. I very much appreciate the unusual nature of this request. This meeting can be public or private and at the location of the Region's interest.

Thank you very much for your time and attention to this matter which is of great interest to the community and the industry.

Restart Kewaunee Nuclear Power Station – It just makes \$en\$e.

Sincerely and Best Regards, Bob A.

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## **NEWS RELEASE**

FOR IMMEDIATE RELEASE  
For more information, contact:  
Rep. Garey Bies (608) 266-5350

July 18, 2014

### **Bies Attends Meeting On Kewaunee Nuclear Plant** Is Optimistic About the Plant's Future

Madison... State Representative Garey Bies (R-Sister Bay) was present at a town hall meeting in Carlton on Thursday night. The topic of discussion was the possibility of purchasing and returning the Kewaunee nuclear plant to working order by RGA Labs.

"After hearing the presentation by the engineers from RGA Labs, I was impressed by their knowledge, their experience, and their entrepreneurial spirit," said Bies, "there are still a lot of obstacles in their way, but I think if anyone can get the plant back to working order, it's this company."

One of these obstacles includes getting an operating license from the Nuclear Regulatory Commission. Because this is an expensive and time consuming process, there has never been an operating commercial nuclear power plant in the U.S. that has been shut down and then restarted and returned to service.

When asked about this issue, Bies replied, "There's always a first time, just because something has never been done before, doesn't mean it's impossible. I would also like to urge the state legislature and Governor's office to get behind and support this plant. This is clean, safe, reliable energy and regardless of my future role in state government, I will be lobbying the state and federal government on this issue next session."

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*First for Wisconsin!*

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