

June 24, 2015

Mr. Reid Nelson
Director, Federal Agency Programs
Advisory Council on Historic Preservation
401 F Street NW, Suite 308
Washington, DC 20001-2637

SUBJECT: NOTIFICATION OF POTENTIAL ADVERSE EFFECT FROM THE PSEG EARLY
SITE PERMIT APPLICATION REVIEW IN SALEM COUNTY, NEW JERSEY

Dear Mr. Nelson:

The U.S. Nuclear Regulatory Commission (NRC) is reviewing an application submitted by PSEG Power, LLC and PSEG Nuclear, LLC (PSEG) for an Early Site Permit (ESP) for a new nuclear power plant site, which is located on the southern part of Artificial Island on the east bank of the Delaware River in Lower Alloways Creek Township, Salem County, New Jersey. The proposed site is adjacent to the existing Hope Creek Generating Station and Salem Nuclear Generating Station, Units 1 and 2. As part of the review of this ESP application, the NRC has prepared an Environmental Impact Statement (EIS) as required by Title 10 of the *Code of Federal Regulations* (CFR) Part 51, the NRC regulations that implement the National Environmental Policy Act (NEPA) of 1969, as amended. Your office was contacted by the NRC on October 10, 2010, informing you that we were coordinating our National Historic Preservation Act (NHPA) Section 106 review with our NEPA review for this application.

The NRC's efforts to address its Section 106 obligations for the project are described in the draft EIS, which was released in August 2014. Briefly, interactions with the New Jersey Historic Preservation Office (NJ HPO), Salem Historical Society, and the Salem Old House foundation began in 2009 when the NRC became aware that an application for an ESP was imminent. Once the application was received, several architectural studies were done by a qualified contractor on behalf of the applicant to identify historic properties in the region and to begin considering effects from the project. The agreed upon visual Area of Potential Effect (APE) was identified as 4.9 miles. NRC staff later met with NJ HPO staff during the environmental site audit in May 2012 prior to the publication of the draft EIS to explain the proposed project, request information on any interested parties, and to inquire if there were any issues that the NRC needed to address during our review. Findings of No Adverse Effect from the project were received from the Delaware and NJ HPOs in September and December 2013 respectively. The draft EIS was released to the public in August 2014, and contained an agency determination of No Adverse Effect to historic properties. The draft EIS contains a description of the information required in 36 CFR 800.11(e)(1)-(4) (see Chapters 2, 4, 5, and Appendices C and F) and is accessible online at <http://www.nrc.gov/reading-rm/adams.html>.

Based on a revised opinion letter from the NJ HPO dated December 4, 2014, indicating, in the NJ HPO's opinion, that the construction of two new natural draft cooling towers would visually affect the Abel and Mary Nicholson National Historic Landmark (NHL), the NRC revisited its effects determination for the project (Enclosure 1). Four meetings were held with the NJ HPO to

discuss the effects and possible strategies for mitigating any effects resulting from the project (January 9, 2015, in Salem County; February 12, 2015, at NJ HPO offices, April 23, 2015, at NJ HPO offices, and May 19, 2015, in Salem County). In attendance at some of these meetings were representatives from the Advisory Council on Historic Preservation (ACHP), the National Park Service, PSEG as well as interested stakeholders. PSEG also had its contractor, AKRF, do additional research on the potential for visual effects on historic resources found in the region from the project. With this letter, in accordance with 36 CFR 800.6(a)(1), the NRC is notifying the ACHP of an indirect adverse (i.e., visual) effect to the Abel and Mary Nicholson House (127 Fort Elfsborg-Hancock Bridge Road), 349 Fort Elfsborg-Hancock Bridge Road, and 116 Mason Point Drive, in the event that natural draft cooling towers were constructed at the proposed project site. The indirect adverse effect would be cumulative because the current setting already contains a natural draft cooling tower immediately south of the project site. The indirect adverse effects would only occur if natural draft cooling towers were chosen as the cooling system for a new nuclear plant at the proposed site location (the applicant is not obligated to choose its cooling system at the ESP stage). Mechanical draft cooling towers would have no effect on these properties.

The Abel and Mary Nicholson House is a patterned brick house that is both listed on the New Jersey and National Registers and is a NHL. The house at 349 Fort Elfsborg-Hancock Bridge Road is an 18th century pattern brick house that was extensively remodeled during the third quarter of the nineteenth century in the Italianate style. The house at 116 Mason Point Road is a two-story timber-framed house built in the style of the 18th century vernacular architecture of the region. Both houses are *National Register of Historic Places* (NRHP)-eligible structures. The NJ HPO has also proposed, in a letter dated April 13, 2015, that these properties should also be considered as contributing to an Alloway Creek Rural Historic District (Enclosure 2). All affected structures are within the agreed upon visual area of potential effect of 4.9 miles from the proposed project.

An ESP resolves issues involving site safety, environmental characteristics, and emergency preparedness that are independent of a specific nuclear reactor design. This permitting approach provides an applicant with an opportunity to “bank” a site for up to 20 years, reduces licensing uncertainty, and resolves siting issues before construction. The ESP does not license a nuclear power plant to be built. If the applicant decides to build and operate a nuclear power plant, then it has to apply for a combined license (COL). The NRC will issue a supplemental EIS and perform Section 106 consultation for the COL undertaking if and when an application is received. For the supplemental EIS, if there is no new and significant information, then the NRC relies on the final EIS issued for the ESP. For the COL Section 106 review, the NRC would rely on the consultation performed at the ESP stage to inform the required consultation at the COL stage.

For your reference, this letter includes detailed background (see enclosures) on the NRC’s activities pursuant to Section 106 of the NHPA to date. Concerns raised by the consulting parties primarily relate to the visual effects from two natural draft cooling towers on the cultural setting. Because of these concerns for the cultural setting, possible mitigation would likely not include visual screening. A draft Memorandum of Agreement (MOA) is currently under development between NRC, interested parties, NJ HPO, PSEG, and potentially the National Park Service and your office. Once a finalized draft is developed, it will be forwarded to your office for review and comment. In addition, the NRC invites your agency to be a signatory to the MOA. The NRC staff requests that you indicate your interest in participating within 15 days of

R. Nelson

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receipt of this letter and associated materials. If you have any questions or require additional information, please contact Mr. Allen Fetter, NRC Environmental Project Manager, at (301) 415-8556, or via email at Allen.Fetter@nrc.gov.

Sincerely,

/RA/

Jennifer Dixon-Herrity, Chief
Environmental Projects Branch
Division of New Reactor Licensing
Office of New Reactors

Docket No.: 52-043

cc: Sarah Stokely, ACHP

Enclosures:

1. NJ HPO letter dated December 4, 2014 (ML15005A040)
2. NJ HPO letter dated March 13, 2015 (ML15078A131)
3. Nicholson House NHL Nomination Package (ML15168A985)
4. PSEG Supplemental Information dated May 21, 2015 (ML15146A098)

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