

NRC Discussion on Recent Requests for Additional Information Regarding Fuel Cycle Decommissioning Funding Plans

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Key Issues/Outline

- Issue 1: Why Inventory RAIs?
- Issue 2: Concern of Worst Case Analyses
- Issue 3: Using the Contingency Factor
- Issue 4: Timely NRC Review and Approval

Issue 1: Why Inventory RAIs?

- From page 6 of the Decommissioning Planning Rule (ADAMS Accession ML090500566):

“... to prevent future legacy sites:

...need for more detailed reporting of licensee financial assurance mechanisms to fund site decommissioning activities and protection of the committed funds in cases of financial distress.”

- New requirements (impacting inventory request for additional information):
 - 70.25(e)(1)(ii) – requires licensees to identify and justify the key assumptions in the Decommissioning Cost Estimate (DCE)
 - 70.25(e)(2)(v) – changes in authorized possession limits

Issue 1: Why Inventory RAIs? (cont'd)

- A licensee sent inventory to several other licensees. Then, the original licensee requested to reduce its financial assurance. The licensees that received the inventory requested increases in possession limits, but did not address how the possession limits were covered in the DCEs.
- NUREG-1757, Vol. 3, Rev. 1, page 4-11 cost estimates must, “reflect decommissioning under appropriate facility conditions
 - (for a Decommissioning Funding Plan (DFP), routine facility conditions should be assumed;
 - for a Decommissioning Plan (DP), facility conditions at the end of licensed operations should be assumed).”
 - Inventory offsite is end of operations, this DCE is to be submitted with the DP

Recent Inventory RAs & Resolution

- Concerns regarding key assumptions have been addressed between NRC and industry
- Key assumptions/justification recently approved:
 - Customer-Owned Inventory
 - Licensee-Owned Inventory
 - Removal of Inventory from In-Process Equipment
- DFP should clearly state how costs are being covered either through an existing contract, cost included in the DCE...

Issue 2: Concern of Worst Case Analyses

- DCE tracks current site conditions and reflects a planned shutdown once DP is submitted consistent with 70.38
- 70.25 requires funding for decommissioning prior to bringing material onsite and updating the cost estimate at least every 3 years until time of license termination (see 70.25(b)(2), 70.25(e)(2), 70.25(f)(2)(iii))
- DFP should assume routine facility conditions, not the maximum possession limit allowed under license.
- From page A-22 NUREG-1757, Vol. 3, Rev. 1:
 - “...represent the licensee’s best approximation of all direct and indirect costs of decommissioning its facilities under routine facility conditions...
 - By way of example, the NRC believes it reasonable for decommissioning cost estimates to assume the following:
 - Inventories of materials and wastes at the time of decommissioning will be in amounts that are consistent with routine facility conditions...”

Issue 2: Concern of Worst Case Analyses

- Developing the DCE is one part of the process.
- The other part is selecting the funding mechanism
- Licensees seeking to base financial assurance on operating funds are afforded the various guarantee methods under 10 CFR Part 30 Appendix A, C, D and E. The guarantees utilize financial tests to demonstrate coverage of a company liabilities including decommissioning.

Issue 3: Using the Contingency Factor

- Contingency Factor is “..to address unforeseen technical situations that increase the cost of decommissioning.” (pg. 35544 of the Decommissioning Planning Rule Federal Register Notice)
- From NUREG-1757, Vol. 3, Rev. 1, A3.1.2.3
 - “Because of the uncertainty in contamination levels, waste disposal costs, and other costs associated with decommissioning, the cost estimate is required to apply an “adequate” contingency factor.”
 - “The 25 percent contingency factor provides reasonable assurance for unforeseen circumstances that could increase decommissioning costs...”

Issue 4: Timely NRC Review & Approval

- Timeliness and efficiency of reviews and RAI process are very important to NRC
- NRC's goal is to complete these reviews in under 6 months
- Complications that can impact review time include:
 - Technical, regulatory or other complexities
 - Quality, thoroughness and timeliness of RAI responses
- NRC engaging industry (both before issuing RAIs and after) to resolve challenges and develop a path forward for subsequent reviews
- Completed AREVA, Honeywell, LES and Westinghouse reviews and nearing completion of NFS and BWXT

Next Steps

- Continue to review the fuel facility DFPs related to inventory using the process to accept reasonable Key Justifications of excluding inventory from DCEs
- Respond to the NEI letter with a summary of approved reasonable Key Justifications