

REACTOR DECOMMISSIONING FINANCIAL ASSURANCE WORKING GROUP

A public WEBEX is scheduled for February 5, 2020
at 12:30 pm

To connect to the telephone bridge now, please call:

Dial-in: 888-791-4689

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The meeting is scheduled to begin shortly

REACTOR DECOMMISSIONING FINANCIAL ASSURANCE WORKING GROUP

February 5, 2020

Agenda

- ⦿ Reactor Decommissioning Financial Assurance Working Group (WG) Presentation
 - WG Process and Progress
- ⦿ Public Comments

Working Group

Organizations

- ⦿ Office of Nuclear Material Safety and Safeguards
 - Division of Decommissioning, Uranium Recovery and Waste Programs
 - Division of Rulemaking, Environmental and Financial Support
- ⦿ Office of Nuclear Reactor Regulation
 - Division of Operating Reactor Licensing
- ⦿ Region I - Division of Nuclear Materials Safety
- ⦿ Region III - Division of Nuclear Materials Safety
- ⦿ Region IV – Division of Nuclear Materials Safety
- ⦿ Office of the General Counsel

Chairman: Ted Smith, Reactor Decommissioning Branch

WG Charter

In September 2019, the Reactor Decommissioning Financial Assurance Working Group was formed and directed to:

1. Review the current decommissioning financial assurance processes
2. Identify potential regulatory gaps or policy issues
3. Identify potential program enhancements
4. Identify planning or resource considerations
5. Make recommendations

Decommissioning Business Models

- Historically, decommissioning has been managed by former operator
- Recently, plants have been transferred for decommissioning
- Transfers require a financial qualification evaluation

Typical Decommissioning License Transfer

- ⦿ Accelerated Decommissioning
 - Accelerated Decommissioning Trust Fund (DTF) expenditures
 - Reduces time for DTF growth
- ⦿ Dedicated limited liability companies (LLCs)
 - Financial assurance requirements continue
 - Different financial assurance instruments

Regulations Governing Decommissioning Financial Assurance

1988, “General Requirements for Decommissioning Nuclear Facilities”

- 10 CFR 50.75

1996, “Decommissioning of Nuclear Power Reactors”

- 10 CFR 50.82

1998, “Financial Assurance Requirements for Decommissioning Nuclear Power Reactors”

- 10 CFR 50.75 (f)(1) and (2)

2002, “Decommissioning Trust Provisions”

- Corrected in 2003
- Additional financial assurance requirements for licensees that are not traditional regulated electric utilities

NRC Perspective

The risk of a licensee not having adequate decommissioning resources is low because:

1. Extensive regulations
2. Transfers require NRC approval of financial resources
3. Amount of time available for fund growth
4. NRC inspection program
5. Atomic Energy Act authority

Summary of Decommissioning Financial Assurance Requirements (1 of 3)

Assurance of sufficient funding for decommissioning is provided by:

1. Calculated decommissioning cost estimate updated annually
2. Decommissioning cost estimate must be covered
3. Trustee separate from the licensee manages the decommissioning trust fund (DTF) with NRC oversight

Summary of Decommissioning Financial Assurance Requirements (2 of 3)

Assurance of sufficient funding for decommissioning is provided by:

4. Withdrawal notification requirements while operating
5. Withdrawals limited to radiological decommissioning
6. Periodic reports with obligation to make up shortfalls

Summary of Decommissioning Financial Assurance Requirements (3 of 3)

Assurance of sufficient funding for decommissioning is provided by:

7. Preliminary and site-specific decommissioning cost estimates
8. Obligation to make up shortfalls immediately when in decommissioning
9. 60 years to complete decommissioning
10. NRC ability to revoke exemptions for other use of DTFs

Applicable Guidance

- ⦿ NUREG-1307, Rev 17
 - ML19037A405
- ⦿ Regulatory Guide 1.159
 - ML112160012
- ⦿ Regulatory Guide 1.202
 - ML050230008
- ⦿ NRR Office Instruction LIC-205
 - ML17075A095
- ⦿ Inspection Procedure 36801/71801
 - <https://www.nrc.gov/reading-rm/doc-collections/insp-manual/inspection-procedure/>

WG Progress Summary

- No regulatory gaps or policy issues have been identified
- Recommendations have been developed to improve financial assurance licensing and oversight processes
 - Four guidance initiatives
 - Training for inspectors, program office and financial analysts

Recommended Guidance Initiatives

1. Revise Inspection Procedures
 - Integrate on-site inspections with the headquarters review of the annual financial assurance status reports
2. Revise Reporting Guidance to allow more detail in annual financial assurance reports for improved oversight of DTF expenditures during decommissioning
3. Revise Reporting Guidance to allow more detail in the 30-day pre-withdrawal notices for improved oversight of DTF expenditures during operations
4. Develop guidance for a financial assurance spot check program for power reactors in decommissioning

Next Steps

- ① Obtain your input today
- ① Final Report March 2020

Thanks

◉ Comment period instructions

- Please be mindful of the scope of this Webex– Financial Assurance for Decommissioning
- Please provide general comments that may help us in our deliberations as opposed to questions about specific plants
- Please be brief, so as to allow others to comment
- You may also use the Webex Q&A dialogue box to leave comments