

From: Chawla, Mahesh
Sent: Tuesday, May 5, 2020 10:06 AM
To: Davis, J.Michael (J.Michael.Davis@nexteraenergy.com)
Cc: Catron, Steve (Steve.Catron@fpl.com); 'laura.swenzinski@nexteraenergy.com'; Weaver, Tracy; Mack, Jarrett
Subject: Duane Arnold Energy Center (DAEC) - Request for Additional Information (RAI) - Request for Exemptions from 10 CFR 50.82(a)(8)(i)(A) and 10 CFR 50.75(h)(1)(iv) - EPID L-2020-LLE-0011

Dear Mr. Davis,

By letter dated February 25, 2020 (Agencywide Documents Access and Management System [ADAMS] Accession No. ML20056E054), NextEra Energy Duane Arnold, LLC (NEDA) requested U.S. Nuclear Regulatory Commission (NRC) approval for exemptions from Sections 50.82(a)(8)(i)(A) and 50.75(h)(1)(iv) of Title 10 of the *Code of Federal Regulations* (10 CFR) to allow for withdrawals from the Duane Arnold Energy Center (DAEC) decommissioning trust fund (DTF) for irradiated fuel management and site restoration activities, and to allow these withdrawals without prior notification to the NRC, similar to withdrawals for decommissioning activities made in accordance with 10 CFR 50.82(a)(8). Information provided for NRC analysis in the request includes a DTF balance as of December 31, 2019. However, due to the ongoing pandemic and its effect on markets, DTFs may, depending on, among other things, their investment strategies, have significantly decreased in value.

The NRC staff has reviewed the subject submittal from NEDA and determined that following additional information is needed to complete its review:

Regulatory Basis for Request

10 CFR 50.82(a)(8)(i) states, in part:

Decommissioning trust funds may be used by licensees if—

...

(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.

REQUEST FOR ADDITIONAL INFORMATION

In Table 1 of the letter dated February 25, 2020, requesting exemption from 10 CFR 50.82(a)(8)(i)(A) and 50.75(h)(1)(iv), NEDA uses a DAEC DTF balance of \$454,454,000 as a starting point for the SAFSTOR cash flow analysis for DAEC. According to Footnote 2 in Table 1, this reflects the balance as of December 31, 2019 and represents NEDA's 70% ownership decommissioning responsibility in DAEC. This amount is also reported as the balance as of December 31, 2019 in the 2020 DAEC Decommissioning Funding Status (DFS) Report dated March 26, 2020 (ADAMS Accession No. ML20086L916). Using this starting value, Table 1 reflects a surplus of \$211,154,000 upon the completion of decommissioning and license termination.

Beginning in January 2020, volatility in global markets began to increase due to the COVID-19 pandemic, with major market disruptions and slides in U.S. market values beginning in late February and continuing through to the present day. Due to the ongoing pandemic and its effect on markets, DTFs may, depending on, among other things, their investment strategies, have significantly decreased in value.

Based on the information provided in the NEDA exemption request and the ongoing COVID-19 pandemic, the NRC staff requires additional information to make an informed finding on the request. Therefore, the NRC staff is requesting the following information to evaluate the NEDA exemption request and related DAEC SAFSTOR cash flow analysis.

RAI 1

Provide the value of the NEDA DTF designated for its DAEC decommissioning responsibilities, as of May 1, 2020. Additionally, provide the highest DTF value, lowest DTF value, and average DTF value between December 31, 2019 and May 1, 2020.

Please let us know if you would like a clarification call with the NRC staff. If no clarification call is needed, please provide your response on the docket within 30 days of the receipt of this RAI.

Thanks

Sincerely,

Mahesh Chawla
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Licensing Branch LPL-3
Division of Operating Reactor Licensing
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