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Dodd-Frank Act of 2010

Comment On: NRC-2017-0021-0002
Alternatives to the Use of Credit Ratings; Advance Notice of Proposed Rulemaking; Request for Comment

Document: NRC-2017-0021-DRAFT-0003
Comment on FR Doc # 2020-27776

Submitter Information

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General Comment

Please see attached comments from Entergy.

Attachments

Entergy comments on ANPR 3-2-21



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March 2, 2021

U.S. Nuclear Regulatory Commission
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Subject: Entergy Services, LLC Comments on Advance Notice of Proposed Rulemaking,
"Alternatives to the Use of Credit Ratings" (85 Fed. Reg. 82950, Docket No. NRC-2017-0021)

Entergy Services, LLC, on behalf of its affiliates that own and operate nuclear power plants (collectively, "Entergy"), submits this letter in response to the U.S. Nuclear Regulatory Commission's ("NRC's") December 21, 2020 Federal Register Notice soliciting comments on its Advance Notice of Proposed Rulemaking ("ANPR"), "Alternatives to the Use of Credit Ratings." The Notice described the NRC's goal of implementing the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank Act") by "amend[ing] provisions for parent company and self company guarantees that require bond ratings issued by credit rating agencies" and requested input from interested stakeholders on different approaches for amending the regulations. It also set out four questions for public comment, the first of which asked whether there were licensees that met the current financial test for a guarantee that would not be able to meet the alternate financial tests and, if so, whether those licensees would be able to meet the decommissioning funding assurance requirements using other funding assurance methods.

As an initial matter, Entergy has a direct interest in the proposed rulemaking because Entergy relies on a parent company guarantee to demonstrate decommissioning funding assurance for the Big Rock Point Independent Spent Fuel Storage Installation. Entergy meets the current credit rating-based financial test for a parent guarantee, but it would not be able to meet the alternate working capital and liability-based financial tests presented in Appendix A to 10 CFR Part 30. Although Entergy could meet the decommissioning funding assurance requirements for Big Rock Point using one or more other funding assurance methods currently allowed by regulation, it would likely be at an increased cost to Entergy, which is not desirable.

Entergy supports an approach in which the NRC amends its regulations to comply with the Dodd-Frank Act while also retaining parent company guarantees and self-guarantees as options for commercial licensees. Specifically, Entergy supports revisions to the financial tests set forth in Appendices A and C to 10 CFR Part 30 that would remove direct references to bond ratings but permit the agency to consider bond ratings as one element in its multi-part financial tests for parent company guarantees and self-guarantees. For example, Entergy would support reliance in Appendix A, Section II.A.2, and Appendix C, Section II.A, on an external credit risk assessment, which verifies that the risk of default by the guaranteeing party is low, and that complete and timely payment of the amount guaranteed is expected, if necessary.

Thank you for considering Entergy's comments. If you have any questions or require additional information, please contact me at (202) 530-7330.

Respectfully,

A handwritten signature in blue ink that reads "Susan H. Raimo".

Susan H. Raimo