

From: Purnell, Blake
Sent: Friday, September 10, 2021 10:11 AM
To: Bradley.Fewell@exeloncorp.com
Cc: Salgado, Nancy; David Helker
Subject: Exelon Generation Company, LLC - Request for Additional Information Regarding License Transfer Application (EPID L-2021-LLM-0000)
Attachments: RAI 2 Exelon LTA.pdf

Dear Mr. Fewell:

By application dated February 25, 2021 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML21057A273), as supplemented by letters dated March 25 and June 11, 2021 (ADAMS Accession Nos. ML21084A165 and ML21162A292, respectively) Exelon Generation Company, LLC, on behalf of itself and Exelon Corporation; Exelon FitzPatrick, LLC; Nine Mile Point Nuclear Station, LLC; R. E. Ginna Nuclear Power Plant, LLC; and Calvert Cliffs Nuclear Power Plant, LLC requested, pursuant to Section 184 of the Atomic Energy Act of 1954, as amended, and Title 10 of the *Code of Federal Regulations* Sections 50.80, "Transfer of licenses," and 72.50, "Transfer of license," that the U.S. Nuclear Regulatory Commission (NRC) consent to the indirect transfer of control of the following licenses:

- Renewed Facility Operating License Nos. NPF-72 and NPF-77 for Braidwood Station, Units 1 and 2, respectively;
- Renewed Facility Operating License Nos. NPF-37 and NPF-66 for Byron Station, Unit Nos. 1 and 2, respectively;
- Renewed Facility Operating License Nos. DPR-53 and DPR-69 for Calvert Cliffs Nuclear Power Plant, Units 1 and 2, respectively;
- Facility Operating License No. NPF-62 for Clinton Power Station, Unit No. 1;
- Facility Operating License No. DPR-2 and Renewed Facility Operating License Nos. DPR-19 and DPR-25 for Dresden Nuclear Power Station, Units 1, 2, and 3, respectively;
- Renewed Facility Operating License No. DPR-59 for James A. FitzPatrick Nuclear Power Plant;
- Renewed Facility Operating License Nos. NPF-11 and NPF-18 for LaSalle County Station, Units 1 and 2, respectively;
- Renewed Facility Operating License Nos. NPF-39 and NPF-85 for Limerick Generating Station, Units 1 and 2, respectively;
- Renewed Facility Operating License Nos. DPR-63 and NPF-69 for Nine Mile Point Nuclear Station, Units 1 and 2, respectively;
- Facility Operating License No. DPR-12 and Subsequent Renewed Facility Operating License Nos. DPR-44 and DPR-56 for Peach Bottom Atomic Power Station, Units 1, 2, and 3, respectively;
- Renewed Facility Operating License Nos. DPR-29 and DPR-30 for Quad Cities Nuclear Power Station, Units 1 and 2, respectively;
- Renewed Facility Operating License No. DPR-18 for R. E. Ginna Nuclear Power Plant;
- Renewed Facility Operating License Nos. DPR-70 and DPR-75 for Salem Nuclear Generating Station, Unit Nos. 1 and 2, respectively;
- Renewed Facility License No. DPR-50 for Three Mile Island Nuclear Station, Unit 1;
- Facility Operating License Nos. DPR-39 and DPR-48 for Zion Nuclear Power Station, Units 1 and 2, respectively;

- Renewed Materials License No. SNM-2505 for the independent spent fuel storage installation (ISFSI) at Calvert Cliffs; and
- the general licenses for the ISFSIs at the other sites.

The NRC staff has reviewed the application, as supplemented, and determined that additional information is needed to complete the review. A response to the attached request for additional information is requested to be provided by September 24, 2021. If you have any questions, please contact me by email or phone at (301) 415-1380.

Sincerely,

Blake Purnell, Project Manager
 Plant Licensing Branch III
 Division of Operating Reactor Licensing
 Office of Nuclear Reactor Regulation
 U.S. Nuclear Regulatory Commission

Docket Nos. STN 50-456, STN 50-457, 72-73, STN 50-454, STN 50-455, 72-68, 50-317, 50-318, 72-8, 50-461, 72-1046, 50-010, 50-237, 50-249, 72-37, 50-333, 72-12, 50-373, 50-374, 72-70, 50-352, 50-353, 72-65, 50-220, 50-410, 72-1036, 50-171, 50-277, 50-278, 72-29, 50-254, 50-265, 72-53, 50-244, 72-67, 50-272, 50-311, 72-48, 50-289, 72-77, 50-295, 50-304, and 72-1037

OFFICE	NRR/DORL/LPL3/PM	NRR/DORL/LPL3/BC
NAME	BPurnell	NSalgado
DATE	9/10/21	9/9/21

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REQUEST FOR ADDITIONAL INFORMATION

EXELON GENERATION COMPANY, LLC

REQUEST FOR APPROVAL OF

TRANSFER OF LICENSES AND CONFORMING AMENDMENTS

DOCKET NOS. STN 50-456, STN 50-457, 72-73, STN 50-454, STN 50-455, 72-68,
50-317, 50-318, 72-8, 50-461, 72-1046, 50-10, 50-237, 50-249, 72-37, 50-333, 72-12,
50-373, 50-374, 72-70, 50-352, 50-353, 72-65, 50-220, 50-410, 72-1036, 50-171,
50-277, 50-278, 72-29, 50-254, 50-265, 72-53, 50-244, 72-67, 50-272, 50-311, 72-48,
50-289, 72-77, 50-295, 50-304, and 72-1037

By application dated February 25, 2021 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML21057A273), as supplemented by letters dated March 25 and June 11, 2021 (ADAMS Accession Nos. ML21084A165 and ML21162A292, respectively), Exelon Generation Company, LLC (EGC), on behalf of itself and Exelon Corporation; Exelon FitzPatrick, LLC; Nine Mile Point Nuclear Station, LLC (NMP LLC); R. E. Ginna Nuclear Power Plant, LLC (Ginna LLC); and Calvert Cliffs Nuclear Power Plant, LLC (Calvert LLC) (collectively, the Applicants) requested, pursuant to Section 184 of the Atomic Energy Act of 1954, as amended, and Title 10 of the *Code of Federal Regulations* (10 CFR) Sections 50.80, "Transfer of licenses," and 72.50, "Transfer of license," that the U.S. Nuclear Regulatory Commission (NRC) consent to the indirect transfer of control of the following licenses (collectively, the licenses):

- Renewed Facility Operating License Nos. NPF-72 and NPF-77 for Braidwood Station (Braidwood), Units 1 and 2, respectively;
- Renewed Facility Operating License Nos. NPF-37 and NPF-66 for Byron Station (Byron), Unit Nos. 1 and 2, respectively;
- Renewed Facility Operating License Nos. DPR-53 and DPR-69 for Calvert Cliffs Nuclear Power Plant (Calvert Cliffs), Units 1 and 2, respectively;
- Facility Operating License No. NPF-62 for Clinton Power Station (Clinton), Unit No. 1;
- Facility Operating License No. DPR-2 and Renewed Facility Operating License Nos. DPR-19 and DPR-25 for Dresden Nuclear Power Station (Dresden), Units 1, 2, and 3, respectively;
- Renewed Facility Operating License No. DPR-59 for James A. FitzPatrick Nuclear Power Plant (FitzPatrick);
- Renewed Facility Operating License Nos. NPF-11 and NPF-18 for LaSalle County Station (LaSalle), Units 1 and 2, respectively;
- Renewed Facility Operating License Nos. NPF-39 and NPF-85 for Limerick Generating Station (Limerick), Units 1 and 2, respectively;
- Renewed Facility Operating License Nos. DPR-63 and NPF-69 for Nine Mile Point Nuclear Station (NMP), Units 1 and 2, respectively;

- Facility Operating License No. DPR-12 and Subsequent Renewed Facility Operating License Nos. DPR-44 and DPR-56 for Peach Bottom Atomic Power Station (Peach Bottom), Units 1, 2, and 3, respectively;
- Renewed Facility Operating License Nos. DPR-29 and DPR-30 for Quad Cities Nuclear Power Station (Quad Cities), Units 1 and 2, respectively;
- Renewed Facility Operating License No. DPR-18 for R. E. Ginna Nuclear Power Plant (Ginna);
- Renewed Facility Operating License Nos. DPR-70 and DPR-75 for Salem Nuclear Generating Station (Salem), Unit Nos. 1 and 2, respectively;
- Renewed Facility License No. DPR-50 for Three Mile Island Nuclear Station (TMI), Unit 1;
- Facility Operating License Nos. DPR-39 and DPR-48 for Zion Nuclear Power Station (Zion), Units 1 and 2, respectively;
- Renewed Materials License No. SNM-2505 for the independent spent fuel storage installation (ISFSI) at Calvert Cliffs; and
- the general licenses for the ISFSIs at the other sites.

Specifically, the application, as supplemented, requests that the NRC consent to the indirect transfer of control of the licenses to support a proposed transaction in which Exelon Corporation will transfer its 100 percent ownership of EGC to a newly-created subsidiary (referred to as HoldCo in the application) that will then be spun off to Exelon Corporation shareholders, becoming EGC's new ultimate parent company. Once the spin transaction is completed, the new ultimate parent company, EGC, and its subsidiaries will no longer be affiliated with Exelon Corporation. EGC will remain the same Pennsylvania limited liability company as before the proposed transaction and will continue to own and/or operate the aforementioned reactor units and associated ISFSIs (collectively, the facilities), as applicable, and hold the licenses, but it will be renamed (referred to as SpinCo in the application) and reorganized. The application also requests that the NRC consent to the indirect transfer of control of the licenses for the FitzPatrick, NMP, and Ginna facilities to support the reorganization of EGC. Pursuant to 10 CFR 50.90 "Application for amendment of license, construction permit, or early site permit," and 72.56, "Application for amendment of license," the application, as supplemented, requests conforming amendments to the licenses to reflect the proposed transfer.

The NRC staff has reviewed the application, as supplemented, and determined that the information below is needed to complete its review.

Request for Additional Information 1

Section III.D of the application states that the Constellation Energy Nuclear Group, LLC (CENG) Board will be dissolved and the Operating Agreement with CENG will be terminated as part of the spin transaction. The application states that SpinCo would hold decision making authority over safety, security, and reliability at Calvert Cliffs, NMP, and Ginna following the spin transaction. In addition, CENG will be removed from the upstream ownership chain of Calvert LLC.

Section VI.B of the application states, in part, that SpinCo will maintain separate support agreements for the benefit of Calvert LLC, NMP LLC, and Ginna LLC. The Applicants state that these new support agreements will replace the existing financial support terms referenced in the licenses for these facilities. The proposed SpinCo support agreements do not appear to involve CENG. As part of the application, the Applicants request the NRC's consent to terminate the

existing Exelon Corporation Support Agreement, Exelon Corporation Guarantee, and CENG cash pool arrangement and associated Master Demand Notes for Calvert Cliffs, NMP, and Ginna and instead implement the updated SpinCo support agreements.

The application requested amendments to the Calvert Cliffs, Units 1 and 2; NMP, Units 1 and 2; and Ginna licenses to “delete the license conditions referencing the CENG Board, Fourth Amended and Restated Operating Agreement, Support Agreements, Parent Guarantees, and cash pool agreements associated with prior license transfers and replace them with revised license conditions referencing the updated SpinCo Support Agreement, as detailed in the Application.”

The proposed markup of the licenses for Calvert Cliffs, Units 1 and 2; NMP, Units 1 and 2; and Ginna includes conforming changes to the current license conditions for the Exelon Corporation Support Agreement to reflect the proposed SpinCo Support Agreement. However, the markup indicates that the reference to CENG should be retained. For example, the proposed markup for the additional condition of page 9 of Appendix C to the Calvert Cliffs, Unit 1, license states, in part (emphasis added):

Calvert Cliffs Nuclear Power, LLC, or **CENG** shall not take any action to cause [SPINCO], or its successors and assigns, to void, cancel, or materially modify the [SPINCO] Support Agreement or cause it to fail to perform, or impair its performance under the [SPINCO] Support Agreement, without the prior written consent of the NRC.

The retention of the reference to CENG in these conditions does not appear to be consistent with the elimination of the operating and financial agreements with CENG.

Request

Confirm that references to CENG should be removed from the proposed Calvert Cliffs, Units 1 and 2; NMP, Units 1 and 2; and Ginna license conditions related to the SpinCo Support Agreements. Otherwise, identify any agreements with CENG that could allow CENG to void, cancel, or materially modify the SpinCo Support Agreements or cause it to fail to perform, or impair its performance under the SpinCo Support Agreements.