

SAFETY EVALUATION REPORT

DOCKET NO.: 70-3103

LICENSE NO.: SNM-2010

LICENSEE: Louisiana Energy Services, LLC dba URENCO USA Eunice, NM

SUBJECT: AMENDMENT 93, REVISE LICENSE CONDITION 16 TO ALLOW FOR
TRIENNIAL DECOMMISSIONING FUNDING UPDATES (ENTERPRISE
PROJECT IDENTIFICATION NUMBER L-2021-DFA-0006)

BACKGROUND

By letter dated August 3, 2021, (Agencywide Documents Access and Management System [ADAMS] Accession No. ML21217A141), Louisiana Energy Services, LLC, (LES), doing business as URENCO USA (UUSA), requested U.S. Nuclear Regulatory Commission (NRC) approval to modify the timeframe for submission of updated decommissioning cost estimates. They are currently required by Materials License SNM-2010, license condition 16(d), to submit updated decommissioning cost estimates and revised funding instruments annually. The letter requests revision of the license in order to allow submission of decommissioning cost estimates at 3-year intervals, consistent with Title 10 of the *Code of Federal Regulations* (10 CFR) 70.25(e)(2). The requirement for an annual update for the revised funding instruments would not be affected.

DISCUSSION

Regulatory Requirements

Title 10 of the *Code of Federal Regulations* (10 CFR) Section 10 CFR 70.25(e)(2) requires the decommissioning funding plan to be resubmitted with adjustments as necessary to account for changes in costs at intervals not to exceed 3 years. Pursuant to license condition 16d of Materials License SNM-2010, LES is required to provide updated decommissioning cost estimates and revised funding instrument annually, which is more restrictive than the regulatory requirement. The instruments are evaluated against requirements in 10 CFR Section 70.25, "Financial assurance and recordkeeping for decommissioning," and the specific requirements covering line of credit surety mechanisms as identified in 10 CFR 70.25(f)(2).

Evaluation

The NRC staff imposed the requirement for revisions to the decommissioning cost estimates at intervals not to exceed annually as part of the original license review, see NUREG-1827, "Safety Evaluation Report for the National Enrichment Facility in Lea County, New Mexico," (ADAMS Accession No. ML051780290). Section 1.2.3.6, "Special Exemptions or Special Authorizations," of the safety evaluation report indicates that the requirement for annual decommissioning cost estimates was imposed to account for the facility's expansion during its early years of construction. This was particularly applicable when the enrichment cascades were being brought online in phases. The plant has reached a steady state of operations and the UUSA is able to use production planning data to estimate the quantity of depleted uranium and financial

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assurance needed. The triennial updates are based on routine operations and do not provide adequate estimates of financial assurance for significant plant changes (e.g., expansion to support higher enrichments). The decommissioning funding costs for future amendments will need to be fully funded consistent with 10 CFR 70.25(e)(1)(v) as part of the specific license amendments and then be incorporated into future financial assurance updates.

The licensee is requesting to follow the regulatory requirement of submitting a cost estimate at intervals not to exceed 3 years. By letter dated June 30, 2021 (ADAMS Accession No. ML21189A274), LES submitted a decommissioning cost estimate for 2022 through 2024. That estimate contains projections of enrichment activities over the next 3 years based on routine operations with predictable quantities of depleted uranium tails.

ENVIRONMENTAL REVIEW

The NRC staff has determined that the requested amendment to change to decommissioning financial assurance requirement belongs to a category of actions which the Commission, by rule or regulation, has declared to be a categorical exclusion, after first finding that the category of actions does not individually or cumulatively have a significant effect on the human environment. The change will not impact any effluents, will not result in any changes to radiation exposures, does not have construction impacts, and does not increase the potential for radiological accidents. Therefore, the amendment is categorically excluded from the requirements to prepare a site-specific environmental assessment consistent with 10 CFR 51.22(c)(10). In accordance with 10 CFR 51.22(d), neither an environmental assessment nor an environmental impact statement is warranted for this action.

CONCLUSIONS

Based on the NRC staff's review of the request to modify license condition 16d and the decommissioning cost estimate for 2022-2024, the NRC staff finds that the decommissioning cost estimates can be submitted at intervals not to exceed 3 years, consistent with the regulatory requirement.

The impact of the proposed change is that the timeframe for providing decommissioning cost estimates aligns with the regulatory requirement in 10 CFR 70.25(e)2, which states, "... at intervals not to exceed 3 years ...". The requirement for funding the instruments annually would remain unchanged. The license condition 16d will be modified as follows:

Updated decommissioning cost estimates for depleted uranium disposition shall be provided triennially on a forward-looking basis to reflect annual projections of depleted uranium byproduct generation. The depleted uranium disposition cost estimate shall include an update to the DOE depleted uranium disposition cost estimate. Funding instruments shall be provided annually, and the total amount funded for depleted uranium disposition shall be no less than the updated DOE cost estimate.

The NRC staff concludes that LES has demonstrated the proposed change to license condition 16d is appropriate and consistent with the applicable regulations and provides adequate financial assurance.

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