



June 24, 2022

ES-2022-014
10 CFR 50.80
10 CFR 50.90
10 CFR 72.50

Director, Office of Nuclear Material Safety and Safeguards
U.S. Nuclear Regulatory Commission
Attn: Document Control Desk
Washington, DC 20555

**SUBJECT: Financial Assurance Instruments for the Kewaunee License Transfer Transaction
License No. DPR-43 (Docket Nos. 50-305, 72-64)**

On May 10, 2021, EnergySolutions, LLC (ES) and Dominion Energy Kewaunee, Inc. (DEK) (collectively, the Applicants) submitted a license transfer application (LTA) for the Kewaunee Power Station (KPS) (Accession No. ML21131A141). The U.S. Nuclear Regulatory Commission (NRC) approved the transfer of License No. DPR-43 for the KPS by order dated March 31, 2022 (the Order, Accession No. ML22014A392). The Applicants previously notified the NRC that closing of the transfer is expected to occur on or about June 28, 2022. The purpose of this letter is to provide copies of financial assurance instruments as required by conditions in the Order.

The Order specified that at least two business days before the planned closing date of the transaction, ES shall provide the Director of NMSS satisfactory documentary evidence of:

1. The "establishment of, as of closing, a dedicated subaccount within the KPS decommissioning trust fund or a Back-Up Nuclear Decommissioning Trust containing \$7 million (approximately one year's worth of estimated ISFSI operation and maintenance (O&M) costs)."
2. The "establishment of, as of closing, a parent support agreement providing that EnergySolutions shall obtain a performance bond if a settlement agreement with the U.S. Department of Energy (DOE) on DOE reimbursements for spent fuel management expenses is not entered into by January 1, 2024."

With respect to item 1, an amendment to the KPS Amended and Restated Qualified Nuclear Decommissioning Trust Agreement will be executed effective as of the closing date documenting the creation of a new account with a balance of \$7 million. The amendment further provides that the grantor will be responsible for ensuring that the balance of the new account remains in compliance with applicable conditions of the Order. The form of the amendment is provided at Enclosure 1.

With respect to item 2, ES has created a parent support agreement that meets the above condition. We are submitting the Support Agreement that will be executed at closing. The Support Agreement is provided at Enclosure 2.

In addition, ES will obtain by closing the performance bond(s) as required pursuant to Section 5.14 of the Share Purchase Agreement dated as of May 6, 2021 by and between ES and Dominion Nuclear Projects, Inc. and Condition 2.C.(17) of License No. DPR-43.

Should you have any questions or require additional information, please contact Joseph R. Lynch, Manager, EnergySolutions Licensing, at 508-728-1421.

Sincerely,



Russell G. Workman
General Counsel and Corporate Secretary
EnergySolutions, LLC

Enclosures:

1. Form of the Amendment to the KPS Amended and Restated Qualified Nuclear Decommissioning Trust Agreement
2. Support Agreement between EnergySolutions, LLC and Kewaunee Solutions, Inc.

cc:

NRC Region III Administrator
U.S. Nuclear Regulatory Commission
2443 Warrenville Road, Suite 210
Lisle, Illinois 60532-4352

Mr. Karl Sturzebecher
NRC Project Manager- Kewaunee Power Station
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Mr. Jeff Kitsembel
Division of Energy Regulation & Analysis
Public Service Commission of Wisconsin
P.O. Box 7854
Madison, WI 53707-7854

Robert Busch, Jr.
Radiation Protection Section
Bureau of Environmental and Occupational Health Division of Public Health
Wisconsin Department of Health Services
P.O. Box 2659
Madison, WI 53701-2659

ENCLOSURE 1

**AMENDMENT TO KPS NUCLEAR DECOMMISSIONING
TRUST AGREEMENT
(3 pages)**

**THIRD AMENDMENT TO THE
AMENDED AND RESTATED DOMINION ENERGY KEWAUNEE, INC., QUALIFIED
NUCLEAR DECOMMISSIONING TRUST**

THIS THIRD AMENDMENT (this “Amendment”) is effective as of the ____ day of _____, 2022 by and between **DOMINION ENERGY KEWAUNEE, INC.**, a Wisconsin corporation (the “Grantor”), and **THE NORTHERN TRUST COMPANY**, an Illinois corporation of Chicago, Illinois (the “Trustee”). Capitalized terms used but not defined herein shall have the meanings set forth in the Trust (as defined below).

WHEREAS, the Grantor and the Trustee executed the Amended and Restated Dominion Energy Kewaunee, Inc. Qualified Nuclear Decommissioning Trust effective January 1, 2013 (the “Trust”) and have subsequently amended the Trust on April 7, 2015 and December 1, 2021;

WHEREAS, as a result of the purchase of the outstanding shares of capital stock of the Grantor by EnergySolutions, LLC (the “Transaction”), effective on or about _____, 2022 (the “Effective Date”), the Grantor will change its name to “Kewaunee Solutions, Inc.”;

WHEREAS, as a result of the foregoing, the Grantor and the Trustee desire to amend the Trust pursuant to Section 5.01 of the Trust.

NOW, THEREFORE, the sections of the Trust set forth below are amended as follows, but all other sections of the Trust shall remain in full force and effect.

1. As of the date of this Amendment, the following section (c) is added to Section 4.06:

(c) On or about _____, 2022, EnergySolutions, LLC will purchase the outstanding shares of capital stock of the Grantor (the “Transaction”). At least two (2) business days before the planned closing date of the Transaction, the Grantor shall open a new account under the Trust and transfer seven million dollars (\$7,000,000) into such account, which amount represents approximately one year’s worth of estimated operation and maintenance costs of the independent spent fuel storage installation. The Grantor shall be solely responsible for ensuring that the balance of the new account remains in compliance with applicable conditions of the Nuclear Regulatory Commission order approving the Transaction.

2. As of the Effective Date, the name of the Trust shall be amended to be “Amended and Restated Kewaunee Solutions, Inc. Qualified Nuclear Decommissioning Trust”;
3. As of the Effective Date, all references to “Dominion Energy Kewaunee, Inc.” in Sections 1.01 and 1.02 shall be amended to be references to “Kewaunee Solutions, Inc.”

This Amendment may be executed in any number of counterparts, but all such counterparts shall together constitute but one instrument. Any such counterpart, to the extent

delivered by means of a facsimile machine or by .pdf, .tif, .gif, .jpg or similar attachment to electronic mail, shall be treated in all manner and respects as an original executed counterpart.

IN WITNESS WHEREOF, the Grantor and the Trustee have executed this Amendment by their respective duly authorized officers effective as of the day and year first written above.

DOMINION ENERGY KEWAUNEE, INC.

By: _____
Its: _____

The undersigned, _____, does hereby certify that he/she is the duly elected, qualified Secretary of **Dominion Energy Kewaunee, Inc.** (the "Company") and further certifies that the person whose signature appears above is a duly elected, qualified and acting officer of the Company with full power and authority to execute this Amendment on behalf of the Company and to take such other actions and execute such other documents as may be necessary to effectuate this Amendment.

Secretary
Dominion Energy Kewaunee, Inc.

THE NORTHERN TRUST COMPANY

By: _____
Its: _____

ENCLOSURE 2

**SUPPORT AGREEMENT
BETWEEN
ENERGYSOLUTIONS, LLC AND DOMINION ENERGY KEWAUNEE,
INC.
(4 pages)**

**SUPPORT AGREEMENT BETWEEN
ENERGYSOLUTIONS, LLC AND
DOMINION ENERGY KEWAUNEE, INC.**

THIS SUPPORT AGREEMENT, dated as of [XX], 2022, between EnergySolutions, LLC, a Utah limited liability company (“ES”), and Dominion Energy Kewaunee, Inc., a Wisconsin corporation (“Subsidiary”).

WITNESSETH:

WHEREAS, upon closing of a transaction (“Transaction”) approved by U.S. Nuclear Regulatory Commission (“NRC”) order dated March 31, 2022, ES will be the owner of all of the issued and outstanding shares of capital stock of Subsidiary;

WHEREAS, Subsidiary is the holder of NRC Renewed Facility Operating License No. DPR-43 for Kewaunee Power Station (“KPS”) and the general license for the KPS independent spent fuel storage installation (“ISFSI”);

WHEREAS, promptly following the closing of the Transaction, the Subsidiary intends to change its name to Kewaunee Solutions, Inc.;

WHEREAS, pursuant to the NRC’s approval of the Transaction, the NRC requested as a condition of its approval a parent support agreement providing that ES shall obtain a performance bond(s) to cover certain operation and maintenance (“O&M”) costs for the KPS ISFSI, as outlined below, if a settlement agreement is not entered into with the U.S. Department of Energy (“DOE”) by January 1, 2024 on reimbursements for spent nuclear fuel management expenses;

NOW, THEREFORE, in consideration of the mutual promises herein contained, the parties hereto agree as follows:

1. **Performance Bond(s)**. If a settlement agreement with the United States government, acting through DOE, on reimbursements for spent nuclear fuel management expenses (“Settlement Agreement”) is not entered into by January 1, 2024, then ES shall obtain a performance bond(s) in the amount of at least \$8 million, designed to cover the projected annual O&M costs for the KPS ISFSI for the years 2024-2030. If a Settlement Agreement is not entered into by January 1, 2024, then the performance bond(s) will be effective as of that date and shall be renewed annually. If a Settlement Agreement is entered into by that date, then no performance bond(s) will be required.
2. **Sufficiency of Performance Bond(s)**. The value of the performance bond(s) stated herein (if necessary pursuant to Section 1), combined with the aggregate values of: (i) the Nuclear Decommissioning Master Trust, operating under the Amended and Restated Qualified Nuclear Decommissioning Trust Agreement, dated as of January 1, 2013 by and between Subsidiary, as successor to Dominion Energy Kewaunee, Inc., as grantor and The Northern

Trust Company, as trustee; and (ii) the Back-Up Nuclear Decommissioning Trust, operating under the Back-Up Nuclear Decommissioning Trust Agreement, dated as of [●] by and between Subsidiary and The Northern Trust Company, will be sufficient in aggregate to cover the radiological decommissioning costs at the KPS facility and the KPS ISFSI O&M costs, pursuant to Subsidiary's then current decommissioning cost estimate in accordance with NRC regulations and requirements.

3. **No Guarantee.** This Support Agreement is not, and nothing herein contained, and no action taken pursuant hereto by ES shall be construed as, or deemed to constitute, a direct or indirect guarantee by ES to any person of the payment of expenses for operating and decommissioning KPS and its ISFSI, or of any liability or obligation of any kind or character whatsoever of Subsidiary. This Support Agreement, however, may be relied upon by the NRC in determining the financial qualifications of Subsidiary to hold the operating license for KPS and the general license for the ISFSI.
4. **Waivers.** ES hereby waives any failure or delay on the part of Subsidiary in asserting or enforcing any of its rights or in making any claims or demands hereunder.
5. **Amendments and Termination.** This Support Agreement may not be amended or modified at any time without 30 days prior written notice to the NRC. This Support Agreement shall terminate at such time as ES is no longer the direct or indirect owner of a majority of the shares or other ownership interests in Subsidiary. This Support Agreement shall also terminate at such time as KPS and the ISFSI have been decommissioned and the KPS site has been restored in accordance with all applicable laws and governmental orders applicable to the retirement of a nuclear power plant.
6. **Successors.** This Support Agreement shall be binding upon the parties hereto and their respective successors and assigns.
7. **Third Parties.** Except as expressly provided in Section 3 with respect to the NRC, this Agreement is not intended for the benefit of any person other than the parties hereto, and shall not confer or be deemed to confer upon any other such person any benefits, rights, or remedies hereunder.
8. **Governing Law.** This Support Agreement shall be governed by the laws of the State of Illinois.

IN WITNESS WHEREOF, the parties hereto have caused this Support Agreement to be executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

EnergySolutions, LLC

By:

Name:

Title:

IN WITNESS WHEREOF, the parties hereto have caused this Support Agreement to be executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

Dominion Energy Kewaunee, Inc.

By:

Name:

Title: