

SUMMARY OF NRC DECOMMISSIONING FINANCIAL ASSURANCE REQUIREMENTS
FOR POWER REACTORS

- Basic Objectives:
 1. Protect the public from the significant radiation hazard of non-decommissioned nuclear reactors (53 FR 24033)
 2. Assure that lack of funds does not delay safe and timely decommissioning (53 FR 24033)
 - a. Full funding of decommissioning at the time of permanent shutdown (53 FR 24030-31, 56 FR 41493, 57 FR 30395, 67 FR 78332)
 - b. A licensee is required to provide adequate financial assurance at any time during the life of the facility, through termination of the license (61 FR 39278)
 3. Provide flexibility in financial assurance methods (63 FR 50468)
 4. Minimize administrative effort required of the NRC and licensees to establish financial assurance (53FR 24030)
 5. Minimize NRC involvement with rate regulatory process (53 FR 24030)
 6. For merchant plants, full up-front financial assurance (63 FR 50469)
 7. Reserve the right to review and modify fund accumulation schedule (10 CFR 50.75(e)(2))

- The three step regulatory process before permanent shutdown (53 FR 24030-31) includes:
 1. Initial certification that minimum requirement has been provided
 2. Periodic adjustment for inflation
 - a. Annual adjustment of minimum requirement in accordance with specified escalation rate (10 CFR 50.75(b)(2) and (c)(2))
 3. Site-specific cost estimate 5 years prior to permanent shutdown

- Minimum requirement for decommissioning financial assurance (10 CFR 50.75(c)(1) and (2)):
 1. Formula in 1986 dollars:
 - a. PWR millions = $\$(75 + 0.0088 * MWt)$, max. \$105
 - b. BWR millions = $\$(104 + 0.009 * MWt)$, max. \$135
 2. Escalation = $0.65 L + 0.13 E + 0.22 B$, factors published in NUREG-1307

- Criteria for evaluating funding methods (50 FR 5607-08):
 1. Most important: degree of assurance
 2. Important: cost of providing assurance

- Periodic monitoring using decommissioning fund status report (10 CFR 50.75(f))

- Methods available for providing financial assurance for decommissioning (10 CFR 50.75(e)):
 1. Funds held in trust, including projected earnings at up to 2% annually, or higher rate if authorized by the licensee's rate regulator
 2. Guaranty methods:
 - a. Letter of credit
 - b. Surety or insurance
 - c. Parent company guarantee & self-guarantee
 3. Contractual obligations, if adequate guarantee of payment is included
 4. Statements of intent, if a government licensee
 5. Combinations of above and other methods proposed by licensee, if they provide equivalent degree of assurance