

**UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION**

ATOMIC SAFETY AND LICENSING BOARD PANEL

Before the Licensing Board:

G. Paul Bollwerk, III, Chairman
Dr. Anthony J. Baratta
Dr. William W. Sager

In the Matter of

TENNESSEE VALLEY AUTHORITY

(Bellefonte Nuclear Power Plant Units 3 and 4)

Docket Nos. 52-014-COL and 52-015-COL

September 2, 2011

**REPORT ON THE STATUS OF BELLEFONTE NUCLEAR PLANT UNITS 3&4
COMBINED LICENSE APPLICATION FOLLOWING TVA'S DECISION TO
COMPLETE BELLEFONTE NUCLEAR PLANT UNIT 1**

In an April 21, 2011 Order, the Atomic Safety and Licensing Board (ASLB) requested that “TVA provide the Licensing Board with a status report that describes in as much detail as practicable TVA’s plans for reaching a decision regarding how TVA wishes to proceed with the licensing of [Bellefonte Nuclear Plant (BLN)] Units 1, 3, and 4.” *Tennessee Valley Authority* (Bellefonte Nuclear Power Plant Units 3&4), Memorandum and Order (Requesting TVA Status Report) (Apr. 21, 2011) (unpublished) at 2. In response, TVA filed a status report with the ASLB on May 6, 2011, in which TVA indicated its intention to continue the ongoing licensing

efforts for BLN 1 and BLN 3&4, understanding that any decision regarding completion of the partially-completed unit (BLN 1) or construction of new units (BLN 3&4) would impact the other project. TVA committed to inform the ASLB of any decision regarding TVA's completion of any nuclear units at the Bellefonte site as soon as practicable after a decision is made. The purpose of this letter is to inform the ASLB that on August 18, 2011, the TVA Board of Directors authorized proceeding with the project to complete licensing, construction and placing BLN 1 into commercial operation.

This decision by the TVA Board of Directors was predicated on analyses performed over a period of several years, including detailed engineering and financial studies conducted since August 2010, TVA's *Final Supplemental Environmental Impact Statement for a Single Nuclear Unit at the Bellefonte Plant Site* published in the Federal Register in May 2010, and TVA's updated *Integrated Resource Plan* (IRP) and associated IRP *Final Environmental Impact Statement* completed in March 2011, which outlines TVA's preferred path forward for meeting future demand on the TVA power system over the next 20 years. As the ASLB has been previously informed, TVA has also conducted analyses in response to the Fukushima Daiichi accident to determine the potential impact of these events on TVA nuclear facilities. After considering all of the analyses, the TVA Board approved the completion and operation of BLN 1, stipulating that construction activities at BLN 1 will not take place until fuel is initially loaded at Watts Bar Unit 2 (WBN 2).

The IRP discusses several possible scenarios for meeting the projected increase in demand for electrical generation within the TVA service area over the next two decades. These

scenarios are based on assumptions regarding the growth in demand for electricity as well as an increased reliance by TVA on renewable and cleaner generating sources. Based on these assumptions, the IRP suggests, among other things, the addition of 1,150 to 5,900 MW of nuclear generating capacity between 2013 and 2029. The completion of WBN 2, currently anticipated in 2013, represents the lower end of this range. Regarding further nuclear generation additions, the IRP projects the addition of BLN 1 in the 2018 to 2020 timeframe, and the addition of BLN 2 in the 2020 to 2022 timeframe. At this time, only the completion of WBN 2 and BLN 1 have been approved by the TVA Board of Directors. The IRP does not consider the potential addition of nuclear generating capacity beyond 2029.

Recognizing that the projected need for generating capacity may change within the IRP's planning horizon, TVA is dedicated to pursuing a diverse generation portfolio that relies heavily on cleaner generation sources, including nuclear power, to meet future demand. The continued pursuit of a combined license for BLN 3&4 remains consistent with this overall strategy. However, TVA has not yet completed a full analysis of whether, and to what extent, it will seek to maintain the current combined license application. TVA has notified the NRC Staff that it plans to complete its analysis by the end of this calendar year. Until this analysis is complete and a final decision made regarding the current application, TVA has requested that NRC Staff review of the application continue to be deferred indefinitely, consistent with the previous TVA/NRC agreement to place the application in a suspended status.

If TVA decides to continue to pursue a combined license for BLN 3&4, TVA recognizes that the current combined license application will need to be modified to account for the

completion of BLN 1, and most likely BLN 1&2, including changes to the site-specific design and evaluation of cumulative impacts of all of the Bellefonte units. TVA anticipates that such modifications to the combined license application would require up to two years to complete. As decisions are made regarding whether and how to maintain the BLN 3&4 combined license application, TVA will continue to inform the ASLB.

Respectfully submitted,

Executed in Accord with 10 CFR 2.304(d)

/s/ Edward J. Vigluicci

Edward J. Vigluicci
Assistant General Counsel, Nuclear
Office of the General Counsel
Tennessee Valley Authority
400 W. Summit Hill Drive, WT 6A-K
Knoxville, TN 37902
Phone: (865) 632-7317
Fax: (865) 632-6147
E-mail: ejvigluicci@tva.gov
Counsel for TVA

Dated in Knoxville, TN
this 2nd day of September, 2011

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CERTIFICATE OF SERVICE

I hereby certify that copies of “Report On The Status Of Bellefonte Nuclear Plant Units 3&4 Combined License Application Following TVA’s Decision to Complete Bellefonte Nuclear Plant Unit 1” in the above-captioned proceeding have been served on the following persons by the Electronic Information Exchange.

U.S. Nuclear Regulatory Commission
Atomic Safety and Licensing Board Panel
Mail Stop: T-3F23
Washington, DC 20555-0001
G. Paul Bollwerk, III, Chair
Administrative Judge
E-mail: paul.bollwerk@nrc.gov
Dr. Anthony J. Baratta
Administrative Judge
E-mail: anthony.baratta@nrc.gov
Dr. William W. Sager
Administrative Judge
E-mail: wws1@nrc.gov

U.S. Nuclear Regulatory Commission
Office of the General Counsel
Mail Stop: O-15D21
Washington, DC 20555-0001
Ann P. Hodgdon, Esq.
E-mail: ann.hodgdon@nrc.gov
Jody C. Martin, Esq.
E-mail: jody.martin@nrc.gov
Patrick A. Moulding, Esq.
E-mail: pam3@nrc.gov

U.S. Nuclear Regulatory Commission
Office of Commission Appellate
Adjudication
Mail Stop: O-16C1
Washington, DC 20555-0001
E-mail: ocaamail@nrc.gov

Southern Alliance for Clean Energy (SACE)
428 Bull Street, Suite 201
Savannah, GA 31401
Sara Barczak, Director
E-mail: sara@cleanenergy.org

Office of the Secretary
U.S. Nuclear Regulatory Commission
Rulemakings and Adjudications Staff
Washington, DC 20555-0001
E-mail: hearingdocket@nrc.gov

Blue Ridge Environmental Defense League,
Inc. (BREDL)
P.O. Box 88
Glendale Springs, NC 28629
Louis A. Zeller, Administrator and
Science Director
E-Mail: bredl@skybest.com

Signed (electronically) by

/s/ Scott A. Vance
Scott A. Vance
Office of the General Counsel
Tennessee Valley Authority
400 W. Summit Hill Drive, WT 6A-K
Knoxville, TN 37902
Phone: (865) 632-7328
Fax: (865) 632-6147
E-mail: savance@tva.gov
Counsel for TVA

Dated in Knoxville, TN
this 2nd day of September, 2011