

RESOURCES

OPTIONS TO EVALUATE REQUESTS TO USE DISCOUNTED PARENT COMPANY GUARANTEES TO ASSURE FUNDING OF DECOMMISSIONING COSTS FOR POWER REACTORS

Resources are in Thousands. There is no additional funding needed in FY 2012. Resources will be requested through the FY 2014 PBPM Process.

- Option 1: Do not allow the sinking fund discount combination. Issue generic communication to inform licensees that the provisions of 10 CFR 50.75 do not allow discounts to decommissioning financial assurance (DFA).

Pros

- Low cost
- Consistent with regulatory history
- No additional incentive for risk shifting or delaying or ceasing deposits into nuclear decommissioning trust (NDT)

Cons

- May limit parent company guarantee (PCG) capacity for industry
- May limit flexibility of industry to create new DFA methods

Resources: 0.1 FTE, absorb into existing budget.

- Option 2: Allow sinking fund discount combination without approval, conditions, or evaluation of equivalency. Amend regulations and policy through rulemaking. Develop technical basis to risk-inform the regulations to discount the PCG. Include clarification of other issues and potential revision of generic cost formula in 10 CFR 50.75(c).

Pros

- Public process
- Greater consistency by codifying non-standard DFA evaluation process
- Risk-inform regulations
- Clarify existing rules

Cons

- More costly than developing guidance
- Less flexibility to consider non-standard DFA methods

Resources for this option are estimated on the basis that public outreach will be needed, due to the level of interest among stakeholders. In addition to the discounted PCG issue, the rulemaking would address other provisions that should be clarified.

				FY 2014		
Business Line	Product Line	Product	Work	CS&T	FTE	Total
Operating Reactors	Rulemaking	Rulemaking	Regulatory Basis	\$ 300	2.2	\$ 638
			Advanced Notice of Proposed Rule	\$ 100	1.6	\$ 346
			Proposed Rule	\$ 100	1.6	\$ 346
			Final Rule	\$ 100	1.6	\$ 346
Total				\$ 600	7.0	\$ 1,675

The work would start in FY 2014, unless otherwise directed. When we formulate FY 2014, we will include these resources in the budget.

3. Option 3: Allow the sinking fund discount combination with conditions on a case-by-case basis. Issue guidance on evaluating a discounted PCG for equivalency to an existing method in accordance with 10 CFR 50.75(e)(1)(vi). Develop technical basis to risk-inform the evaluation methods.

Pros

- Use existing process for case-by-case approach
- Public process for guidance development
- Greater flexibility than rulemaking
- Technical basis could be used for future rulemaking

Cons

- Cost to develop guidance
- May result in some risk-shifting
- Greater reliance on mitigating risk

Resources:

Due to stakeholder interest, public outreach would be needed.

Business Line	Product Line	Product	Work	FY 2014		
				CS&T	FTE	Total
Operating Reactors	Rulemaking	Rulemaking Support	Technical Basis	\$200	1.0	\$ 354
			Draft Regulatory Guidance	\$ 50	0.5	\$ 127
			Final Regulatory Guidance	\$ 50	0.5	\$ 127
			Total	\$300	2.0	\$ 607