

**NUCLEAR REGULATORY COMMISSION**

**[Docket Nos. 50-361 and 50-362; NRC-2014-0170]**

**Southern California Edison**

**San Onofre Nuclear Generating Station, Units 2 and 3**

**AGENCY:** Nuclear Regulatory Commission.

**ACTION:** Finding of no significant impact; final issuance.

**SUMMARY:** The U.S. Nuclear Regulatory Commission (NRC) is considering issuance of exemptions in response to a February 13, 2014, request from Southern California Edison Company (the licensee), representing itself and the other owners of the San Onofre Nuclear Generating Station (SONGS) Units 2 and 3. One exemption would permit the licensee to use funds from the SONGS, Units 2 and 3 decommissioning trusts (the Trusts) for irradiated fuel management and site restoration costs. Another exemption would allow the licensee to use withdrawals from the Trusts without prior notification to the NRC. The NRC staff is issuing a final Environmental Assessment (EA) and final finding of No Significant Impact (FONSI) associated with the proposed exemptions.

**ADDRESSES:** Please refer to Docket ID **NRC-2014-0170** when contacting the NRC about the availability of information regarding this document. You may obtain publicly-available information related to this document using any of the following methods:

- **Federal Rulemaking Web Site:** Go to <http://www.regulations.gov> and search for Docket ID **NRC-2014-0170**. Address questions about NRC dockets to Carol Gallagher;

telephone: 301-492-3668; e-mail: [Carol.Gallagher@nrc.gov](mailto:Carol.Gallagher@nrc.gov). For technical questions, contact the individual listed in the FOR FURTHER INFORMATION CONTACT section of this document.

- **NRC's Agencywide Documents Access and Management System (ADAMS):**

You may obtain publicly-available documents online in the ADAMS public Documents collection at <http://www.nrc.gov/reading-rm/adams.html>. To begin the search, select "[ADAMS Public Documents](#)" and then select "[Begin Web-based ADAMS Search](#)." For problems with ADAMS, please contact the NRC's Public Document Room (PDR) reference staff at 1-800-397-4209, 301-415-4737, or by e-mail to [pdr.resource@nrc.gov](mailto:pdr.resource@nrc.gov). The ADAMS accession number for each document referenced in this notice (if that document is available in ADAMS) is provided the first time that a document is referenced. The request for exemption, dated February 13, 2014, is available electronically in ADAMS under Accession No. ML14051A632. The supplement dated March 12, 2014, is available in ADAMS under Accession No. ML14078A028.

- **NRC's PDR:** You may examine and purchase copies of public documents at the NRC's PDR, Room O1-F21, One White Flint North, 11555 Rockville Pike, Rockville, Maryland 20852.

**FOR FURTHER INFORMATION CONTACT:** Margaret Chernoff, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission, Washington DC 20555-0001, telephone: 301-415-2240; e-mail: [Margaret.Chernoff@nrc.gov](mailto:Margaret.Chernoff@nrc.gov).

**SUPPLEMENTARY INFORMATION:**

**I. Introduction.**

The NRC is considering issuance of exemptions from Title 10 of the *Code of Federal Regulations* (10 CFR) Part 50, Section 82(a)(8)(i)(A) and 10 CFR Part 50 Section 75(h)(2) for Facility Operating License Nos. NPF-10 and NPF-15, issued to Southern California Edison (SCE, the licensee), for SONGS, Units 2 and 3, located in San Diego County, California. The licensee requested the exemptions by letter dated February 13, 2014, and supplemented its request by letter dated March 12, 2014. The exemptions would allow the licensee to use funds from the SONGS Units 2 and 3 Trusts for irradiated fuel management and site restoration activities. Consistent with 10 CFR 51.21, the NRC has reviewed the requirements in 10 CFR 51.20(b) and 10 CFR 51.22(c) and determined that an EA is the appropriate form of environmental review. Based on the results of the EA, the NRC is issuing this final FONSI.

**II. Environmental Assessment.**

*Identification of the Proposed Action:*

The proposed action would exempt SCE from meeting the requirements set forth in 10 CFR 50.82(a)(8)(i)(A) and 10 CFR 50 75(h)(2). The proposed action would allow SCE to use funds from the Trusts for irradiated fuel management and for site restoration activities not associated with radiological decontamination and exempt SCE from meeting the requirement for prior notification to the NRC.

The proposed action is in accordance with the licensee's application dated February 13, 2014, as supplemented by letter dated March 12, 2014.

*The Need for the Proposed Action:*

By letter dated June 12, 2013 (ADAMS Accession No. ML131640201), SCE informed the NRC of its decision to permanently cease operation of SONGS Units 2 and 3 effective June 7, 2013.

As required by 10 CFR 50.82(a)(8)(i)(A), decommissioning trust funds may be used by the licensee if the withdrawals are for legitimate decommissioning activity expenses, consistent with the definition of decommissioning in 10 CFR 50.2. The definition of "decommissioning" in 10 CFR 50.2 does not include activities associated with irradiated fuel management or site restoration. Similarly, the requirements of 10 CFR 50.75(h)(2) restrict the use of decommissioning trust fund disbursements (other than for ordinary and incidental expenses) to decommissioning expenses until final decommissioning is completed. Therefore, exemptions from 10 CFR 50.82(a)(8)(i)(A) and 10 CFR 50.75(h)(2) are needed to allow SCE to use funds from the Trust for irradiated fuel management and site restoration activities.

The licensee states that the Trusts contain funds for decommissioning commingled with funds intended for irradiated fuel management and other site restoration activities not associated with radiological decontamination. The adequacy of funds in the Trusts to cover the costs of activities associated with radiological decontamination through license termination is supported by the Nuclear Decommissioning Trust Funds Annual Cost and Contribution Cash Flows submitted by SCE in the March 12, 2014, letter. The licensee needs access to funds in the Trusts in excess of those needed for radiological decontamination to support irradiated fuel management and other site restoration activities not associated with radiological decontamination.

The requirements of 10 CFR 50.75(h)(2) further provide that, except for decommissioning withdrawals being made under 10 CFR 50.82(a)(8) or for payment of ordinary

and incidental expenses, no disbursement may be made from the Trusts without written notice to the NRC at least 30 working days in advance. Therefore an exemption from 10 CFR 50.75(h)(2) is needed to allow SCE to use funds from the Trusts for irradiated fuel management and site restoration without prior NRC notification.

In summary, by letter dated February 13, 2014, as supplemented by letter dated March 12, 2014, SCE requested exemptions to allow Trust withdrawals, without prior written notification to the NRC, for irradiated fuel management and site restoration activities.

*Environmental Impacts of the Proposed Action:*

The proposed action involves an exemption from requirements that are of a financial or administrative nature which do not have an impact on the environment. The NRC has completed its evaluation of the proposed action and concludes that there is reasonable assurance that adequate funds are available in the Trusts to complete all activities associated with decommissioning, site restoration, and irradiated fuel management. There is no decrease in safety associated with the Trusts being used to fund activities associated with irradiated fuel management and site restoration activities. In the March 12, 2014, letter, the licensee confirmed its understanding that the limitations on the use of radiological decommissioning funds remain in effect, limiting access to those portions of the funding in the Trusts. 10 CFR 50.82(a)(8)(v) requires licensees to submit a financial assurance status report annually between the time of submitting its decommissioning cost estimate and submitting its final radiation survey and demonstrating that residual radioactivity has been reduced to a level that permits termination of its license. If the remaining balance plus expected rate of return plus any other financial surety mechanism does not cover the estimated costs of completion of decommissioning, additional financial assurance must be provided. These annual reports

provide a means for NRC to monitor the adequacy of available funding. Since the exemption would allow SCE to use funds from the Trusts that are in excess of those required for radiological decontamination of the site and the adequacy of funds dedicated for radiological decontamination are not affected by the proposed exemption, there is reasonable assurance that there will be no environmental impact due to lack of adequate funding for decommissioning.

The proposed action will not significantly increase the probability or consequences of accidents. No changes are being made in the types of effluents that may be released offsite. There is no significant increase in the amount of any effluent released offsite. There is no significant increase in occupational or public radiation exposure. Therefore, there are no significant radiological environmental impacts associated with the proposed action.

With regard to potential non-radiological impacts, the proposed action does not have any foreseeable impacts to land, air, or water resources, including impacts to biota. In addition, there are also no known socioeconomic or environmental justice impacts associated with such proposed action. Therefore, there are no significant non-radiological environmental impacts associated with the proposed action.

Accordingly, the NRC concludes that there are no significant environmental impacts associated with the proposed action.

*Environmental Impacts of the Alternatives to the Proposed Action:*

As an alternative to the proposed action, the staff considered denial of the proposed action (i.e., the “no-action” alternative). Denial of the application would result in no change in current environmental impacts. The environmental impacts of the proposed action and the alternative action are similar.

*Alternative Use of Resources:*

The action does not involve the use of any different resources than those previously considered in the Final Environmental Statement for SONGS Units 2 and 3, dated May 12, 1981.

*Agencies or Persons Consulted:*

The staff did not enter into consultation with any other Federal Agency or with the State of California regarding the environmental impact of the proposed action. On May 22, 2014, the California state representatives were notified of the EA and FONSI.

**III. Finding of No Significant Impact.**

The licensee has proposed exemptions from 10 CFR 50.82(a)(8)(i)(A) and 10 CFR 50.75(h)(2) which would allow SCE to use funds from the Trusts for irradiated fuel management and site restoration activities, without prior written notification to the NRC.

The NRC decided not to prepare an Environmental Impact Statement for the proposed action. On the basis of the environmental assessment included in Section II above and incorporated by reference in this finding, the NRC concludes that the proposed action will not have significant effects on the quality of the human environment.

Other than the licensee's letters, dated February 13, 2014, as supplemented by letter dated March 12, 2014, there are no other environmental documents associated with this review. These documents are available for public inspection as indicated above.

Dated at Rockville, Maryland, this 15<sup>th</sup> day of July, 2014.

For the Nuclear Regulatory Commission.

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