



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

October 23, 2015

LICENSEE: Exelon Generation Company, LLC

FACILITY: Oyster Creek Nuclear Generating Station

SUBJECT: SUMMARY OF SEPTEMBER 21, 2015, MEETING WITH EXELON
GENERATION COMPANY, LLC REGARDING PRE-SUBMITTAL OF
DECOMMISSIONING LICENSING ACTIONS FOR THE OYSTER CREEK
NUCLEAR GENERATING STATION

On September 21, 2015, a Category 1 public meeting was held between the U.S. Nuclear Regulatory Commission (NRC) and representatives of Exelon Generation Company, LLC (Exelon) at NRC Headquarters, One White Flint North, 11555 Rockville Pike, Rockville, Maryland. The purpose of the meeting was for the NRC and Exelon to discuss the pre-submittal decommissioning licensing actions for the Oyster Creek Nuclear Generating Station (Oyster Creek). The meeting notice and agenda, dated August 27, 2015, are available in the Agencywide Documents Access and Management System (ADAMS) at Accession No. ML15247A045. The meeting began at 12:30 pm with opening remarks by the NRC staff followed by introductions of the attendees. A list of principal meeting attendees is enclosed.

As background, on December 9, 2010, Exelon and the New Jersey Department of Environmental Protection executed an administrative consent order, under which Exelon agreed to permanently cease operations at Oyster Creek no later than December 31, 2019. By letter dated January 7, 2011 (ADAMS Accession No. ML110070507), Exelon notified the NRC staff of its contingent determination to permanently cease operations at Oyster Creek no later than December 31, 2019, pursuant to Title 10 of the *Code of Federal Regulations* (10 CFR) Section 50.82(a)(1)(i).

Exelon provided a short presentation (ADAMS Accession No. ML15265A359). Exelon's overall goal is to provide for a safe and smooth transition for Oyster Creek from an operating site to a permanently shutdown site. Exelon developed a proposed list of decommissioning licensing actions (ADAMS Accession No. ML15265A374). Exelon went through the proposed licensing actions one by one. Exelon stated that it intends to submit the certified fuel handler (CFH) training program. The NRC staff questioned a suggested linkage in the Exelon pre-submittal list between the CFH training program and a security exemption. The NRC staff noted that this would be different than previous precedent and there was no obvious need to link the CFH training with the security exemption.

Exelon discussed its proposed license amendment request (LAR) for emergency plan (EP) and emergency action level schemes. The NRC staff described its lessons learned from a similar amendment by the Vermont Yankee Nuclear Power Station. Exelon stated that the CFH handler training program and the EP LAR were likely to be the first licensing actions submitted to the NRC related to the Oyster Creek permanent shutdown planning and are expected to be submitted in early 2016.

Exelon then described its proposed LAR regarding staffing and training requirement changes to Section 6 of the technical specifications (TSS). Next, Exelon discussed its proposed LAR for permanently defueled TSS and revised license conditions to the Oyster Creek Renewed Facility Operating License (ADAMS Accession No. ML15265A389). The NRC staff explained that previous licensees withdrew their changes to the mitigating strategies license conditions.

Exelon clarified its proposed LAR to revise applicable license conditions related to decommissioning trust provisions. The NRC staff explained that the provisions of paragraphs (h)(1) through (h)(3) of 10 CFR 50.75, "Reporting and recordkeeping for decommissioning planning," do not apply to any licensee that as of December 24, 2003, has existing license conditions relating to decommissioning trust agreements, as long as the licensee does not elect to amend those license conditions. If a licensee with existing license conditions relating to decommissioning trust agreements elects to amend those conditions, the license amendment shall be in accordance with the provisions of paragraph (h) of this section. Paragraph (h)(1) is stated below for convenience:

(h)(1) Licensees that are not "electric utilities" as defined in § 50.2 that use prepayment or an external sinking fund to provide financial assurance shall provide in the terms of the arrangements governing the trust, escrow account, or Government fund, used to segregate and manage the funds that—

(i) The trustee, manager, investment advisor, or other person directing investment of the funds:

(A) Is prohibited from investing the funds in securities or other obligations of the licensee or any other owner or operator of any nuclear power reactor or their affiliates, subsidiaries, successors or assigns, or in a mutual fund in which at least 50 percent of the fund is invested in the securities of a licensee or parent company whose subsidiary is an owner or operator of a foreign or domestic nuclear power plant. However, the funds may be invested in securities tied to market indices or other non-nuclear sector collective, commingled, or mutual funds, provided that this subsection shall not operate in such a way as to require the sale or transfer either in whole or in part, or other disposition of any such prohibited investment that was made before the publication date of this rule, and provided further that no more than 10 percent of trust assets may be indirectly invested in securities of any entity owning or operating one or more nuclear power plants.

(B) Is obligated at all times to adhere to a standard of care set forth in the trust, which either shall be the standard of care, whether in investing or otherwise, required by State or Federal law or one or more State or Federal regulatory agencies with jurisdiction over the trust funds, or, in the absence of any such standard of care, whether in investing or otherwise, that a prudent investor would use in the same circumstances. The term "prudent investor," shall have the same meaning as set forth in the Federal Energy Regulatory Commission's "Regulations Governing Nuclear Plant Decommissioning Trust Funds" at 18 CFR 35.32(a)(3), or any successor regulation.

(ii) The licensee, its affiliates, and its subsidiaries are prohibited from being engaged as investment manager for the funds or from giving day-to-day management direction of the funds' investments or direction on individual investments by the funds, except in the case of passive fund management of trust funds where management is limited to investments tracking market indices.

(iii) The trust, escrow account, Government fund, or other account used to segregate and manage the funds may not be amended in any material respect without written notification to the Director, Office of Nuclear Reactor Regulation, Director, Office of New Reactors, or Director, Office of Nuclear Material Safety and Safeguards, as applicable, at least 30 working days before the proposed effective date of the amendment. The licensee shall provide the text of the proposed amendment and a statement of the reason for the proposed amendment. The trust, escrow account, Government fund, or other account may not be amended if the person responsible for managing the trust, escrow account, Government fund, or other account receives written notice of objection from the Director, Office of Nuclear Reactor Regulation, Director, Office of New Reactors, or Director, Office of Nuclear Material Safety and Safeguards, as applicable, within the notice period; and

(iv) Except for withdrawals being made under § 50.82(a)(8) or for payments of ordinary administrative costs (including taxes) and other incidental expenses of the fund (including legal, accounting, actuarial, and trustee expenses) in connection with the operation of the fund, no disbursement or payment may be made from the trust, escrow account, Government fund, or other account used to segregate and manage the funds until written notice of the intention to make a disbursement or payment has been given to the Director, Office of Nuclear Reactor Regulation, Director, Office of New Reactors, or Director, Office of Nuclear Material Safety and Safeguards, as applicable, at least 30 working days before the date of the intended disbursement or payment. The disbursement or payment from the trust, escrow account, Government fund or other account may be made following the 30-working day notice period if the person responsible for managing the trust, escrow account, Government fund, or other account does not receive written notice of objection from the Director, Office of Nuclear Reactor Regulation, Director, Office of New Reactors, or Director, Office of Nuclear Material Safety and Safeguards, as applicable, within the notice period. Disbursements or payments from the trust, escrow account, Government fund, or other account used to segregate and manage the funds, other than for payment of ordinary administrative costs (including taxes) and other incidental expenses of the fund (including legal, accounting, actuarial, and trustee expenses) in connection with the operation of the fund, are restricted to decommissioning expenses or transfer to another financial assurance method acceptable under paragraph (e) of this section until final decommissioning has been completed. After decommissioning has begun and withdrawals from the decommissioning fund are made under § 50.82(a)(8), no further notification need be made to the NRC.

(3) A licensee that is not an “electric utility” under § 50.2 and using a surety method, insurance, or other guarantee method to provide financial assurance shall provide that the trust established for decommissioning costs to which the surety or insurance is payable contains in its terms the requirements in paragraphs (h)(1)(i), (ii), (iii), and (iv) of this section.

Exelon discussed its proposed LAR to revise the license renewal license condition for the permanently defueled license. The NRC staff explained that there may be technical complexities with this review related to certain aging management considerations (such as the monitoring of aging neutron absorbing material used in the irradiated fuel storage rack in the spent fuel pool).

Exelon explained its proposed LAR for security plan changes for a permanently defueled facility. The NRC staff explained that there is draft interim staff guidance (ISG) in this area, and the final ISG should be issued in the near future. Also, Exelon discussed its proposed exemption request from certain security requirements (10 CFR Part 73). The NRC staff requested a pre-submittal meeting to understand Oyster Creek’s overall security strategy for the permanently defueled facility.

Exelon described its proposed request to reclassify NRC fees for Oyster Creek. The NRC staff explained that the Office of the Chief Financial Officer would handle that request.

Next, Exelon explained its proposed exemptions regarding maintenance of records and the use of spent fuel management and site restoration expenses from the decommissioning trust fund.

Exelon discussed changes to the offsite dose calculation manual.

Exelon clarified its future submittal of the post-shutdown decommissioning activities report (PSDAR). The NRC staff explained that the NRC generally has a public meeting near the host community within 90 days of this submittal. This gives the public an opportunity to comment on the PSDAR before the licensee has access to greater than 3 percent of the decommissioning trust fund or performs any major decommissioning activities. In order to give the public more time, the NRC suggested that the PSDAR be submitted prior to shutdown.

Exelon described its proposed decommissioning safety analysis report. The NRC staff explained that it may be helpful for the various LARs and exemptions to provide the accident analysis portion as soon as practical.

Exelon stated that it would submit its certifications of permanent cessation of operations and permanent removal of fuel, as required.

Exelon explained its proposed LAR for permanently defueled EP and the exemption from certain 10 CFR 50.47 and Appendix E requirements. The NRC staff explained that the exemption has to be approved by the Commission via a SECY paper and that the review of the EP exemption request must be completed before the EP LAR.

Exelon discussed its proposed exemptions for reduction in required minimum insurance coverage and for maintaining two levels of financial protection against offsite liability.

Lastly, Exelon described the independent spent fuel storage installation LARs.

Members of the public were in attendance but did not have any questions. Public Meeting Feedback forms were not received. No regulatory decisions were made by the NRC staff regarding the merits of the proposed decommissioning licensing actions for Oyster Creek at this meeting. The meeting adjourned at 2:10 pm.

Please direct any inquiries to me at 301-415-3100 or John.Lamb@nrc.gov.



John G. Lamb, Senior Project Manager
Licensing Branch 1-2
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket No. 50-219

Enclosure
List of Principal Meeting Attendees

cc w/enclosure: Distribution via Listserv

LIST OF PRINCIPAL MEETING ATTENDEES

SEPTEMBER 21, 2015, MEETING WITH EXELON GENERATION COMPANY, LLC

REGARDING PRE-SUBMITTAL OF DECOMMISSIONING LICENSING ACTIONS FOR THE

OYSTER CREEK NUCLEAR GENERATING STATION

| NAME | ORGANIZATION |
|----------------|-------------------------------|
| Zach McCue* | Office of Senator Cory Booker |
| Doug Broaddus | NRC |
| Ted Smith* | NRC |
| Bill Huffman | NRC |
| John Lamb | NRC |
| James Kim | NRC |
| Doug Tifft* | NRC |
| Marc Ferdas* | NRC |
| Jenny Weil* | NRC |
| Joe Anderson | NRC |
| Mike Norris | NRC |
| Neil Sheehan* | NRC |
| Diane Screnci* | NRC |
| John Hughey | NRC |
| Ray Powell* | NRC |

Enclosure

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|---------------------|---------------------|
| Sandra Wastler | NRC |
| Dan Collins* | NRC |
| Silas Kennedy* | NRC |
| Mark Roberts* | NRC |
| Steve Jones | NRC |
| David Diec | NRC |
| Margaret Chernoff | NRC |
| Richard Gropp | Exelon |
| Pam Cowan | Exelon |
| Mike McKenna | Exelon |
| Chris Wilson | Exelon |
| David Helker | Exelon |
| Paul Bonnett | Exelon |
| Suzanne D'Ambrosio* | Exelon |
| Doug Walker* | Exelon |
| Patrick Mulligan* | State of New Jersey |
| Ron Zak* | State of New Jersey |
| Ann Pfaff* | State of New Jersey |
| Rich Pinney* | State of New Jersey |
| Karen Tuccillo* | State of New Jersey |

| | |
|-----------------|------------------------|
| Paul Schwartz* | State of New Jersey |
| Jay Vouglitois* | State of New Jersey |
| David Daigle* | Enercon |
| Adam Levin* | AHL Consulting |
| Jack Roe* | Talisman International |
| Rocky Kreider* | EPM Inc. |

*By telephone

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/RA/

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Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket No. 50-219

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| DCollins, R-I | MRoberts, R-I |
| SJones, NRR | MChernoff, NRR |

ADAMS Accession No.: ML15271A127 Package ML15265A414

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| NAME | JLamb | LRonewicz | DBroadus | JLamb |
| DATE | 9/22/15 | 9/29/15 | 10/23/15 | 10/23/15 |

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