

October 22, 2015

10 CFR 50.12
10 CFR 50.54(w)(1)

U. S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, D. C. 20555

Subject: **Docket No. 50-206, 50-361, and 50-362**
Request for Exemption from 10 CFR 50.54(w)(1)
San Onofre Nuclear Generating Station Units 1, 2, and 3

References:

1. Letter from W. C. Marsh, SCE, to U. S. Nuclear Regulatory Commission, dated March 8, 1993, Subject: Certification of Permanently Defueled Status, SONGS Unit 1
2. Letter from W. C. Marsh, SCE, to U. S. Nuclear Regulatory Commission, dated March 10, 1993, Subject: Corrected Copy of Letter Certifying Permanently Defueled Status, SONGS Unit 1
3. Letter from P. T. Dietrich (SCE) to the U. S. Nuclear Regulatory Commission (NRC,) dated June 12, 2013; Subject: Certification of Permanent Cessation of Power Operations, San Onofre Nuclear Generating Station, Units 2 and 3
4. Letter from P. T. Dietrich (SCE) to the U. S. Nuclear Regulatory Commission (NRC,) dated June 28, 2013; Subject: Permanent Removal of Fuel from the Reactor Vessel, San Onofre Nuclear Generating Station Unit 3
5. Letter from P. T. Dietrich (SCE) to the U. S. Nuclear Regulatory Commission (NRC), dated July 22, 2013; Subject: Permanent Removal of Fuel from the Reactor Vessel, San Onofre Nuclear Generating Station Unit 2

Dear Sir or Madam:

Pursuant to 10 CFR 50.12, "Specific exemptions," Southern California Edison (SCE) requests a permanent exemption from 10 CFR 50.54(w)(1) for San Onofre Nuclear Generating Station (SONGS) Units 1, 2 and 3. 10 CFR 50.54(w)(1) requires individual power reactor licensees to obtain insurance coverage from private sources to provide protection covering the licensee's obligation, in the unlikely event of an accident, to stabilize and decontaminate the reactor and the reactor site. Specifically, licensees must obtain insurance having a minimum coverage limit for each reactor station site of either \$1.06 billion or whatever amount of insurance is generally available from private sources, whichever is less. This insurance coverage is referred to as "onsite insurance coverage."

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SCE is requesting an exemption to 10 CFR 50.54(w)(1) for SONGS that would reduce the minimum coverage limit of 10 CFR 50.54(w)(1) to \$50 million for SONGS.

The underlying purpose of 10 CFR 50.54(w)(1) is to require sufficient property damage insurance to ensure adequate funding of onsite post-accident recovery, stabilization and decontamination costs following an accident at an operating nuclear power plant. However, the regulation does not take into consideration the reduced potential for, and consequences of, such nuclear incidents at permanently shutdown facilities. The SONGS facility is permanently shut down and defueled (References 1, 2, 3, 4, and 5). The proposed exemption would allow a reduction in the level of onsite insurance protection for SONGS to a level that is commensurate with the permanently defueled status of the facility and the underlying purpose of the rule.

The proposed exemption request reflects the reduced risk associated with SONGS in the permanently defueled condition. It would allow a commensurate reduction in onsite insurance coverage. Operations of SONGS in accordance with this exemption request will continue to provide adequate financial protection for the appropriate stakeholders.

The exemption request is provided in Attachment 1 to this letter. SCE respectfully requests that this exemption be granted as soon as reasonably possible to relieve the financial burden of maintaining unnecessarily higher levels of onsite insurance coverage.

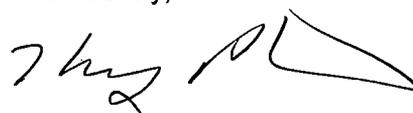
There are no new regulatory commitments made within this submittal.

If there are any questions, please call Mr. Jim Kay, Manager, Nuclear Regulatory Affairs, at (949) 368-7418.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on October 22, 2015.

Sincerely,



Attachment 1, Request for Exemption from 10 CFR 50.55(w)(1)

CC: M. Dapas, Regional Administrator, NRC Region IV
M. Vaaler, NRC Project Manager, SONGS Units 1, 2 and 3
T. Wengert, NRC Project Manager
R. L. Kellar, Region IV, Branch Chief, Repository and Spent Fuel Safety

Attachment 1

Request for Exemption from 10 CFR 50.54(w)(1)

San Onofre Nuclear Generating Station

Units 1, 2 and 3

San Onofre Nuclear Generating Station Units 1, 2, and 3
Request for Exemption from 10 CFR 50.54(w)(1)

I. DESCRIPTION OF REQUESTED EXEMPTION

Pursuant to 10 CFR 50.12, "Specific exemptions," Southern California Edison (SCE) requests a permanent exemption from 10 CFR 50.54(w)(1) for San Onofre Nuclear Generating Station (SONGS). 10 CFR 50.54(w)(1) requires individual power reactor licensees to obtain insurance coverage from private sources to provide protection covering the licensees obligation, in the unlikely event of an accident, to stabilize and decontaminate the reactor and the reactor site. Specifically, licensees must obtain insurance having a minimum coverage limit for each reactor station site of either \$1.06 billion or whatever amount of insurance is generally available from private sources, whichever is less. This insurance coverage is referred to as "onsite coverage" or "onsite insurance coverage."

SCE is requesting an exemption to 10 CFR 50.54(w)(1) to reduce the minimum coverage limit of 10 CFR 50.54(w)(1) to \$50 million for SONGS.

10 CFR 50.54(w)(1) reads as follows:

"(w) Each power reactor licensee under this part for a production or utilization facility of the type described in §§ 50.21(b) or 50.22 shall take reasonable steps to obtain insurance available at reasonable costs and on reasonable terms from private sources or to demonstrate to the satisfaction of the NRC that it possesses an equivalent amount of protection covering the licensee's obligation, in the event of an accident at the licensee's reactor, to stabilize and decontaminate the reactor and the reactor station site at which the reactor experiencing the accident is located, provided that:

(1) The insurance required by paragraph (w) of this section must have a minimum coverage limit for each reactor station site of either \$1.06 billion or whatever amount of insurance is generally available from private sources, whichever is less. The required insurance must clearly state that, as and to the extent provided in paragraph (w)(4) of this section, any proceeds must be payable first for stabilization of the reactor and next for decontamination of the reactor and the reactor station site. If a licensee's coverage falls below the required minimum, the licensee shall within 60 days take all reasonable steps to restore its coverage to the required minimum. The required insurance may, at the option of the licensee, be included within policies that also provide coverage for other risks, including, but not limited to, the risk of direct physical damage."

II. BACKGROUND

SONGS Unit 1 commercially generated power from January 1, 1968 until November 30, 1992. SONGS Unit 1 was permanently defueled on March 6, 1993 (References 1 and 2) and was maintained in SAFSTOR until June 1999, when decommissioning was initiated. Spent fuel has been removed from SONGS Unit 1 and is stored in the SONGS Independent Spent Fuel Storage Installation at SONGS and in the GE-Hitachi Morris facility in Illinois. All SONGS Unit 1 above ground structures have been removed.

SONGS Units 2 and 3 commercially generated power until they permanently ceased operation and were defueled. By letter dated June 12, 2013 (Reference 3), Southern California Edison

(SCE) submitted a certification to the NRC indicating its intention to permanently cease power operations at SONGS Units 2 and 3, pursuant to 10 CFR 50.82(a)(1)(i). On June 28, 2013, SCE submitted a certification of permanent removal of fuel from the reactor vessel for SONGS Unit 3 (Reference 4) pursuant to 10 CFR 50.82(a)(1)(ii). On July 22, 2013, SCE submitted a certification of permanent removal of fuel from the reactor vessel for SONGS Unit 2 (Reference 5) pursuant to 10 CFR 50.82(a)(1)(ii). Upon docketing of these certifications, the 10 CFR Part 50 licenses for SONGS Units 2 and 3 no longer authorize operation of the reactor or emplacement or retention of fuel into the reactor vessel, as specified in 10 CFR 50.82(a)(2).

SONGS Units 2 and 3 have been shut down since January 2012. At the time of this submittal, it will have been over three years since the most recent irradiation of spent fuel currently stored in the Units 2 and 3 spent fuel pools. It is expected that SONGS Units 2 and 3 will remain in a wet fuel storage configuration for approximately three to five years. SONGS poses significantly lower risk to the public health and safety in this defueled condition.

III. DISCUSSION

The underlying purpose of 10 CFR 50.54(w)(1) is to require sufficient property damage insurance to ensure adequate funding of onsite post-accident recovery, stabilization and decontamination costs following an accident at an operating nuclear power plant. The requirements of 10 CFR 50.54(w)(1) were developed taking into consideration the risks associated with an operating nuclear power reactor, including the potential consequences of a release of radioactive material from the reactor. However, the regulation does not take into consideration the reduced potential for and consequences of nuclear incidents at permanently shutdown and defueled facilities like SONGS. The proposed exemption would allow a reduction in the level of onsite insurance coverage to a level that is commensurate with the permanently defueled status of SONGS and the underlying purpose of the rule.

Although the likelihood of an accident at an operating reactor is small, the consequences can be large, in part due to the high temperatures and pressures of the reactor coolant system as well as the inventory of radionuclides. For a permanently shutdown and defueled reactor, nuclear accidents involving the reactor and its associated systems, structures and components are no longer possible. Furthermore, the probability and consequences of non-operating reactor nuclear incidents are substantially reduced because: 1) the decay heat from the spent fuel decreases over time, which reduces the amount of cooling required to prevent the spent fuel from heating up to a temperature that could compromise the ability of the fuel cladding to retain fission products; and 2) the decay of the relatively short-lived radionuclides contained in the spent fuel reduces the inventory of radioactive materials available for release, particularly with respect to the inventory of volatile components like iodine and noble gasses.

Although the potential for, and consequences of, nuclear accidents decline substantially after a plant permanently defuels its reactor, they are not completely eliminated. There are potential radiological consequences that could be associated with the onsite storage of the spent fuel in the spent fuel pool (SFP). In addition, a site with a permanently shutdown and defueled reactor may contain an inventory of radioactive liquids, activated reactor components, and contaminated materials. For purposes of modifying the amount of onsite insurance coverage maintained by a permanently shutdown and defueled reactor licensee, the potential radiological consequences of these non-operating reactor nuclear incidents are appropriate to consider, despite their very low probability of occurrence. As discussed below, the scope and severity of onsite and offsite consequences, if any, are substantially reduced given that all SONGS units have been defueled and permanently retired.

This request is consistent with Staff rulemaking and policy proposals contained in Staff letters SECY-00-0145, "Integrated Rulemaking Plan for Nuclear Power Plant Decommissioning" (Reference 6) and SECY-01-0100, "Policy Issues Related to Safeguards, Insurance, and Emergency Preparedness Regulations at Decommissioning Nuclear Power Plants Storing Fuel in Spent Fuel Pools." (Reference 7).

The proposed exemption would allow a reduction in the level of financial protection against onsite liability at SONGS to a level that is commensurate with the permanently defueled status of the facility and the underlying purpose of the rule. This requested change would maintain a conservative level of financial protection considered commensurate with the significant reduction in the probability and consequences of potential nuclear incidents at SONGS Units 1, 2 and 3. Consistent with the NRC's conclusions documented in SECY-00-0145, this reduced financial protection insurance coverage would continue to conservatively ensure adequate funding of onsite post accident recovery, stabilization and decontamination following an accident at an operating nuclear power plant.

A. Reduced Scope and Severity of Radiological Accidents at SONGS

SONGS Unit 1 ceased operations on November 30, 1992. SONGS Unit 1 was permanently defueled and was maintained in SAFSTOR until June 1999, when decommissioning was initiated. All spent fuel has been removed from SONGS Unit 1 and is stored in the Independent Spent Fuel Storage Installation (ISFSI) at SONGS and in the GE-Hitachi Morris facility in Illinois. All SONGS Unit 1 above ground structures have been removed.

SONGS Units 2 and 3 permanently ceased operation in June, 2013. All nuclear fuel has been removed from their reactor vessels. The irradiated fuel will be stored in the spent fuel pool (SFP) and in the ISFSI until it is shipped offsite. In this condition, the number of credible accidents/transients is significantly smaller than for a plant authorized to operate the reactor or emplace or retain fuel in the reactor vessel.

As indicated in SCE's request for Exemption from Emergency Planning requirements (Reference 8), the SONGS Units 2 and 3 Updated Final Safety Analysis Report has been updated to revise the Chapter 15 Safety Analysis section for conformance with the defueled status of the reactors. Reference 9 submitted a revision of Chapter 15 to the NRC to aid in the various ongoing reviews. These updates demonstrate that the offsite consequences of the remaining design basis accidents would be considerably less than during reactor operations. The NRC has reviewed and confirmed these results as part of the approval of the Exemption from Emergency Planning requirements (Reference 10).

B. Plant-Specific Analyses of Beyond Design Basis Events

SONGS Units 2 and 3 Loss of Cooling Water Inventory with No Air Cooling

SCE's request for Exemption from Emergency Planning requirements (Reference 8) as supplemented by Response to Requests for Additional Information Regarding Emergency Planning Exemption Request (Reference 11, 12, and 13) also summarize the results of evaluations of a beyond design basis scenario involving a completely drained spent fuel pool and blocked air flow passages. With no water cooling or convective air cooling (adiabatic analysis case), the maximum zirconium temperature is expected to remain below 900°C, the temperature at which uncontrolled oxidation could occur, for sufficient time for SCE to take

mitigative actions. Based on the summarized analysis the time for the cladding on the hottest fuel assembly to heat up to 900°C would be over 20 hours. The time to heat up to the lowest temperature where clad swelling and incipient cladding failure might occur (565°C) would be over 12 hours.

The evaluated and demonstrated time to deploy mitigation strategy equipment using minimum Post Defueled Emergency Planning staffing levels is under 2 hours.

Direct and scattered radiological dose rates were calculated for this fully drained configuration of the spent fuel pool. At the site Exclusion Area Boundary the dose rates were shown to be a small fraction of the established threshold for emergency protective actions for the public (EPA Protective Action Guidelines).

SONGS Units 2 and 3 Loss of Cooling Water Inventory with Air Cooling

An evaluation has also been done for a beyond design basis scenario involving a completely drained spent fuel pool without blocked air passages. The calculations determined that under the bounding conservative modeling scenario August 31, 2014 is the date by which spent fuel has decayed such that its internal heat generation rate is low enough to preclude the zirconium cladding from reaching 565°C, well below the 900°C threshold for uncontrolled zirconium oxidation.

Fuel Handling Building temperatures were modeled based on normal ventilation supply and exhaust system subsystem operation as described in UFSAR Section 9.4.3.1 using the GOTHIC computer program. Local variations in solar heat loads were calculated using the UHSSIM computer program. The maximum steady-state temperature of the zirconium cladding was calculated using the COBRA program with a conservative set of heat transfer assumptions for natural air circulation in the spent fuel racks.

The analysis used a realistic estimate for the total spent fuel heat generation rate calculated using the methodology described in NUREG-0800, Rev.2, Branch Technical Position (BTP) ASB 9-2, "Residual Decay Energy for Light-Water Reactors for Long-Term Cooling" and benchmarked against measurements performed in 2011. All other inputs are based on the current plant configuration; no planned design changes were considered. The bounding assembly heat generation rate is taken from the ORIGEN model.

The analysis shows that the surface temperature of the cladding in the spent fuel pools will not exceed 565°C following a hypothetical total loss of water from the spent fuel pool on or after August 31, 2014. Adequate cooling is maintained due to heat rejection to the surrounding fuel assemblies and from the spent fuel pool to the outside, primarily via the fuel handling building ventilation system.

C. NRC Proposed Rulemaking

The NRC staff has generically evaluated the legal, technical, and policy issues regarding the financial protection requirements for large nuclear power plants that have been permanently shut down. The results of these evaluations were summarized in SECY-96-256 (Reference 14) and the NRC staff recommended course of action was approved by the Commission in a Staff Requirements Memo (SRM) (Reference 15). These documents established the basis for the NRC exercising its discretionary authority to specify an appropriate level of onsite insurance coverage for permanently shutdown nuclear power reactors.

In SECY-97-186 (Reference 16), the NRC staff proposed rulemaking for Commission approval that was consistent with SECY-96-256, Option 2. In SECY-97-186, the NRC staff proposed changes to 10 CFR 50.54(w)(1) that would establish appropriate levels of onsite insurance coverage for plants that are permanently shutdown and defueled and that meet specified facility configurations during permanent shutdown.

On October 30, 1997, the NRC published a proposed rulemaking to amend regulations governing liability coverage for permanently shutdown nuclear plants. The proposed rulemaking established four different configurations for permanently shutdown plants that encompassed anticipated spent fuel characteristics and storage modes during the period between permanent shutdown and termination of the license. The rulemaking proposed financial protection requirements for each of the four specified plant configurations, including a configuration where the plant is permanently shutdown, the reactor defueled, and the spent fuel stored in the spent fuel pool is not susceptible to a zircaloy cladding failure or gap release caused by an incipient fuel cladding failure if the pool is accidentally drained.

However, the NRC staff rulemaking efforts were suspended prior to issuing the final rule when it was realized that an NRC staff-approved technical basis did not exist for generic decay times after which the zirconium cladding failure concern could be eliminated. The proposed changes to regulations governing onsite insurance coverage were subsequently included in a risk-informed, integrated rulemaking initiative for decommissioning nuclear power plants, which has yet to be acted on. This rulemaking initiative, documented in SECY-00-145 (Reference 6), included onsite insurance coverage requirements based on the proposed decommissioning insurance rulemaking issued on October 30, 1997, as modified to address the public comments received in response to that proposed rulemaking. The modified rulemaking, as incorporated into SECY-00-145, would have allowed the minimum onsite insurance coverage to be reduced to \$25 million once the spent fuel in the Spent Fuel Pool is no longer thermal-hydraulically capable of sustaining a zirconium fire, based on a plant-specific analysis.

As discussed in the staff response to a question in SECY-00-145 (see Attachment "NRC Staff Responses to NEI White Paper Comments on Improving Decommissioning Regulations," page 6, response to Question 3)

"[T]he staff believes that full insurance coverage must be maintained for 5 years or until a licensee can show by analysis that its spent fuel pool is no longer vulnerable to such [a zirconium] fire."

In addition, as discussed in the staff response to a question in SECY-00-145 (see Attachment "NRC Staff Responses to NEI White Paper Comments on Improving Decommissioning Regulations," page 5, response to Question 2):

"Since the zirconium fire scenario would be possible for up to several years following shutdown, and since the consequences of such a fire are severe in terms of property damage and land contamination, the staff position is that full onsite liability coverage must be retained for five years or until analysis has indicated that a zirconium fire is no longer possible."

In a memorandum dated August 16, 2002 (Reference 17), the NRC Executive Director for Operations provided the NRC Commissioners a status of the regulatory exemptions for plants in decommissioning. This memorandum stated that,

"In the absence of any anticipated nuclear power plant decommissionings in the near term, the staff believes that there is no immediate need for moving forward with a majority of the decommissioning regulatory improvement work that is currently planned. Specifically, broad scope regulatory improvements for decommissioning nuclear power plants do not appear to be of sufficient priority given a lack of future licensees that would benefit at this time. Due to higher priorities, resources are being deferred for decommissioning rulemakings that are not currently in progress or not related to security.... If any plants do unexpectedly shutdown permanently, decommissioning regulatory issues would continue to be addressed through the exemption process in a manner similar to current practice."

Thus, the proposed rulemaking process changes for decommissioning plants discussed above were stopped in deference to the exemption process that had been used for previous licensees.

D. Precedents

The SONGS exemption request from 10 CFR 50.54(w)(1) is consistent with changes to financial protection approved by the NRC for other decommissioning plants including Zion Units 1 and 2 (Reference 18) and more recently Kewaunee Power Station (Reference 19). In all cases the NRC approved a reduction in onsite insurance coverage.

IV. JUSTIFICATION FOR EXEMPTION AND SPECIAL CIRCUMSTANCES

10 CFR 50.12 states that the Commission may, upon application by any interested person or upon its own initiative, grant exemptions from the requirements of the regulations of Part 50 which are authorized by law, will not present an undue risk to the public health and safety, and are consistent with the common defense and security. 10 CFR 50.12 also states that the Commission will not consider granting an exemption unless special circumstances are present. As discussed below, this exemption request satisfies the provisions of 10 CFR 50.12.

A. The Exemption Is Authorized By Law

The requested exemption is authorized by law and similar exemptions have been granted by the Commission. Other permanently shutdown plants that have been granted similar exemptions are discussed above. In addition, the requested exemption is consistent with the guidelines presented by the NRC staff in SECY- 96-256. The proposed exemption is not contrary to the Atomic Energy Act of 1954, as amended, or the Commission's regulations. Therefore, the exemption is authorized by law.

B. The Exemption Will Not Present An Undue Risk To Public Health And Safety

The requirements of 10 CFR 50.54(w)(1) and the existing level of onsite insurance coverage for SONGS are predicated on the assumption that the reactor is operating. However, SONGS is a permanently shutdown and defueled facility. The permanently defueled status of the facility has resulted in a significant reduction in the number and severity of potential accidents, and correspondingly, a significant reduction in the potential for and severity of onsite property damage. The proposed reduction in the amount of onsite insurance coverage does not impact the probability or consequences of potential accidents. The proposed level of insurance coverage is commensurate with the reduced risk and reduced cost consequences of potential nuclear accidents at SONGS. Therefore,

granting the requested exemption will not present an undue risk to the health and safety of the public.

C. The Exemption Is Consistent With The Common Defense And Security

The proposed exemption would not eliminate any requirements associated with physical protection of the site and would not adversely affect SCE's ability to physically secure the site or protect special nuclear material. Physical security measures at SONGS are not affected by the requested exemption. Therefore, the proposed exemption is consistent with the common defense and security.

D. Special Circumstances

Pursuant to 10 CFR 50.12(a)(2), the NRC will not consider granting an exemption to its regulations unless special circumstances are present. SCE believes that special circumstances are present as discussed below.

1. Application of the regulation in the particular circumstances would not serve the underlying purpose of the rule or is not necessary to achieve the underlying purpose of the rule. (10 CFR 50.12(a)(2)(ii))

The underlying purpose of 10 CFR 50.54(w)(1) is to require sufficient property damage insurance to ensure funding of onsite post-accident recovery stabilization, and decontamination costs following an accident at an operating nuclear power plant. The requirements of 10 CFR 50.54(w)(1) were developed taking into consideration the risks associated with the operation of an operating nuclear power reactor, including the potential consequences of a release of radioactive material from the reactor. However, the regulation does not take into consideration the reduced potential for, and consequences of, nuclear incidents at permanently shutdown facilities.

The radiological consequences of accidents that will remain possible at SONGS in the permanently defueled condition are substantially lower than those at an operating plant.

The proposed reduction in the level of onsite insurance coverage from \$1.06 billion to \$50 million would continue to serve the underlying purpose of the rule by requiring a level of financial protection commensurate with the significant reduction in the probability and consequences of nuclear incidents at SONGS. Consistent with the NRC's conclusions documented in SECY-00-145 (Reference 6), the proposed reduction in the level of onsite insurance coverage would continue to require sufficient property damage insurance to ensure funding for onsite post-accident recovery, stabilization, and decontamination costs in the unlikely event of an accident at SONGS.

Therefore, application of the requirement in 10 CFR 50.54(w)(1) to maintain \$1.06 billion in onsite insurance coverage is not necessary to achieve the underlying purpose of this rule and special circumstances are present as defined in 10 CFR 50.12(a)(2)(ii).

2. Compliance would result in undue hardship or other costs that are significantly in excess of those contemplated when the regulation was adopted, or that are significantly in excess of those incurred by others similarly situated. (10 CFR 50.12(a)(2)(iii))

Continued compliance with 10 CFR 50.54(w)(1) would require that SCE maintain \$1.06 billion in onsite insurance coverage. The reduction in onsite insurance coverage from \$1.06 billion to \$50 million would continue to require a level of financial protection commensurate with the underlying purpose of the rule while eliminating an unnecessary financial burden.

Continued application of the requirement to maintain \$1.06 billion in onsite insurance coverage for SONGS would result in undue hardship and costs being incurred by the SCE decommissioning trust fund for the purchase of unnecessary levels of onsite insurance coverage. The NRC has granted similar exemptions to other decommissioning facilities.

Therefore, compliance with the rule would result in an undue hardship or other costs that are significantly in excess of those contemplated when the regulation was adopted, or that are significantly in excess of those incurred by others similarly situated. Therefore, the special circumstances are present as defined in 10 CFR 50.12(a)(2)(iii).

V. ENVIRONMENTAL CONSIDERATION

The proposed exemption meets the eligibility criterion for categorical exclusion set forth in 10 CFR 51.22(c)(25), because the proposed exemption involves: (i) no significant hazards consideration; (ii) no significant change in the types or significant increase in the amounts of any effluent that may be released offsite; (iii) no significant increase in individual or cumulative occupational radiation exposure; (iv) no significant construction impact; (v) no significant increase in the potential for consequences from radiological accidents; and (vi) the requirements from which the exemption is sought involve: (H) Surety, insurance or indemnity requirements. Therefore, pursuant to 10 CFR 51.22(b), no environmental impact statement or environmental assessment need be prepared in connection with the proposed exemption.

(i) No significant hazards consideration

Pursuant to 10 CFR 50.12, Special exemptions," Southern California Edison (SCE) requests a permanent exemption from 10 CFR 50.54(w)(1) for San Onofre Nuclear Generating Station (SONGS). SCE is proposing an exemption to 10 CFR 50.54(w)(1) to reduce the minimum coverage limit of 10 CFR 50.54(w)(1) from \$1.06 billion to \$50 million. SCE has evaluated the proposed exemption to determine whether or not a significant hazards consideration is involved by focusing on the three standards set forth in 10 CFR 50.92 as discussed below:

1. Does the proposed exemption involve a significant increase in the probability or consequences of an accident previously evaluated?

The proposed exemption has no effect on plant systems, structures and components (SSCs) and no effect on the capability of any plant SSC to perform its design function. The proposed exemption would not increase the likelihood of the malfunction of any plant SSC. The proposed exemption would have no effect on the probability or consequences of any of the previously evaluated accidents in the Defueled Safety Analysis Report (SONGS Unit 1), or the Updated Final Safety Analysis Report (SONGS Units 2 and 3).

Therefore, the proposed exemption does not involve a significant increase in the probability or consequences of an accident previously evaluated.

2. Does the proposed exemption create the possibility of a new or different kind of accident from any accident previously evaluated?

The proposed exemption does not involve a physical alteration of the plant. No new or different type of equipment will be installed and there are no physical modifications to existing equipment associated with the proposed exemption. Similarly, the proposed exemption would not physically change any structures, systems, or components involved in the mitigation of any accidents. Thus, no new initiators or precursors of a new or different kind of accident are created. Furthermore, the proposed exemption does not create the possibility of a new accident as a result of new failure modes associated with any equipment or personnel failures. No changes are being made to parameters within which the plant is normally operated, or in the setpoints which initiate protective or mitigative actions, and no new failure modes are being introduced.

Therefore, the proposed exemption does not create the possibility of a new or different kind of accident from any previously evaluated.

3. Does the proposed exemption involve a significant reduction in a margin of safety?

The proposed exemption does not alter the design basis or any safety limits for the plant. The proposed exemption does not impact station operation or any plant SSC that is relied upon for accident mitigation.

Therefore, the proposed exemption does not involve a significant reduction in a margin of safety.

Based on the above, SCE concludes that the proposed exemption presents no significant hazards consideration, and, accordingly, a finding of "no significant hazards consideration" is justified.

(ii) There is no significant change in the types or significant increase in the amounts of any effluent that may be released offsite.

There are no expected changes in the types, characteristics, or quantities of effluents discharged to the environment associated with the proposed exemption. There are no materials or chemicals introduced into the plant that could affect the characteristics or types of effluents released offsite. In addition, the method of operation of waste processing systems will not be affected by the exemption. The proposed exemption will not result in changes to the design basis requirements of SSCs that function to limit or monitor the release of effluents. All the SSCs associated with limiting the release of effluents will continue to be able to perform their functions. Therefore, the proposed exemption will result in no significant change to the types or significant increase in the amounts of any effluents that may be released offsite.

(iii) There is no significant increase in individual or cumulative occupational radiation exposure.

The exemption would result in no expected increases in individual or cumulative occupational radiation exposure on either the workforce or the public. There are no expected increases in normal occupational doses.

(iv) There is no significant construction impact.

There are no construction activities associated with the proposed exemption.

(v) There is no significant increase in the potential for consequences from radiological accidents.

See the no significant hazards considerations discussion in item 1 above.

(vi) The requirements from which exemption is sought involve surety, insurance or indemnity requirements.

The requirements from which the exemption is sought involve financial protection and for the indemnification and limitation of liability of licensees pursuant to Section 170 of the Atomic Energy Act of 1954, as amended and 10 CFR 50.54(w)(1).

VI. CONCLUSION

Pursuant to the provisions of 10 CFR 50.12, "Specific exemptions," Southern California Edison, (SCE) is requesting an exemption from 10 CFR 50.54(w)(1) for San Onofre Nuclear Generating Station (SONGS). The requested exemption is authorized by law, will not present an undue risk to the public health and safety, and is consistent with the common defense and security. In addition, special circumstances are present as set forth in 10 CFR 50.12.

REFERENCES

1. Letter from W. C. Marsh, SCE, to U. S. Nuclear Regulatory Commission, dated March 8, 1993, Subject: Certification of Permanently Defueled Status, SONGS Unit 1
2. Letter from W. C. Marsh, SCE, to U. S. Nuclear Regulatory Commission, dated March 10, 1993, Subject: Corrected Copy of Letter Certifying Permanently Defueled Status, SONGS Unit 1
3. Letter from Southern California Edison to U.S. Nuclear Regulatory Commission, "Certification of Permanent Cessation of Power Operations, San Onofre Nuclear Generating Station, Units 2 and 3," dated June 12, 2013.
4. Letter from Southern California Edison to U.S. Nuclear Regulatory Commission, "Permanent Removal of Fuel from the Reactor Vessel, San Onofre Nuclear Generating Station Unit 3," dated June 28, 2013.
5. Letter from Southern California Edison to U.S. Nuclear Regulatory Commission, "Permanent Removal of Fuel from the Reactor Vessel, San Onofre Nuclear Generating Station Unit 2," dated July 22, 2013.
6. SECY-00-145, "Integrated Rulemaking Plan for Nuclear Power Plant Decommissioning," dated June 28, 2000
7. SECY-01-0100, "Policy Issues Related to Safeguards, Insurance, and Emergency Preparedness Regulations at Decommissioning Nuclear Power Plants Storing Fuel in Spent Fuel Pools (WITS 200000126)," dated June 4, 2001.
8. Letter from Southern California Edison to U.S. Nuclear Regulatory Commission, "Emergency Planning Exemption Request, San Onofre Nuclear Generating Station, Units 1, 2, and 3 and Independent Spent Fuel Storage Installation," dated March 31, 2014.
9. Letter from Southern California Edison to U.S. Nuclear Regulatory Commission, "Updated Final Safety Analysis Report chapter 15, San Onofre Nuclear Generating Station, Units 2 and 3," dated September 17, 2014.
10. Letter from U.S. Nuclear Regulatory Commission to Southern California Edison, San Onofre Nuclear generating Station, Units 1, 2 and 3 and Independent Spent Fuel Storage Installation – exemptions from Certain Emergency Planning requirements and Related Safety Evaluation (TAC NOS. MF3835, MF3836, and MF3837), dated June 4, 2015
11. Letter from Southern California Edison to U.S. Nuclear Regulatory Commission, "Response to Request for Additional Information Regarding Emergency Planning Exemption Request San Onofre Nuclear Generating Station, Units 1, 2, 3 and ISFSI," dated September 9, 2014.
12. Letter from Southern California Edison to U.S. Nuclear Regulatory Commission, "Response to Request for Additional Information Proposed Exemptions from Certain Portions of 10 CFR 50.47 and Appendix E," October 6, 2014. Redacted Version dated December 15, 2014. 78)
13. Letter from Southern California Edison to U.S. Nuclear Regulatory Commission, "Response to Requests for Clarification of October 6, 2014 RAI Responses Concerning Emergency Planning Exemption Request San Onofre Nuclear Generating Station, Units 1, 2, 3 and ISFSI," dated October 27, 2014.

14. SECY-96-256, "Changes to the Financial Protection Requirements for Permanently Shutdown Nuclear Power Reactors, 10 CFR 50.54(w) and 10 CFR 140.11," dated December 17, 1996.
15. Staff Requirements Memo, "Re: SECY-96-256, Changes to Financial Protection Requirements for Permanently Shutdown Nuclear Power Reactors," dated January 28, 1997.
16. SECY-97-186, "Changes to the Financial Protection Requirements for Permanently Shutdown Nuclear Power Reactors, 10 CFR 50.54(w) and 10 CFR 140.11," dated August 13, 1997.
17. Memorandum from William D. Travers (NRC) to NRC Commissioners, Status of Regulatory Exemptions for Decommissioning Plants (WITS 200100085, WITS 199900133, WITS 199900072)," dated August 16, 2002.
18. Federal Register Volume 64, Number 248, December 28, 1999, pages 72700-72701, "In the Matter of Commonwealth Edison Company (Zion Nuclear Power Station, Units 1 and 2): Exemption."
- 19 Letter from U.S. Nuclear Regulatory Commission to Dominion Energy Kewaunee, Inc., "Kewaunee Power Station – Exemption from the Requirements of Title 10 of the Code of Federal Regulations, Part 50, Section 50.54(w)(1) Concerning Insurance For Post-Accident Site Decontamination (TAC NO. MF3915)," date April 3, 2015