



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

June 12, 2017

Mr. Paul A. Kakuris, President
Illinois Dunesland Preservation Society
P.O. Box 466
Zion, IL 60099

Subject: EXELON - ZION DECOMMISSIONING AND SITE REHABILITATION PROJECT

Dear Mr. Kakuris,

On May 13, 2017, you sent me a letter regarding the Zion Nuclear Power Station decommissioning and site rehabilitation project. In that letter you asked several questions regarding the progress and financial aspects of the project. I have attempted to address your questions below.

- What is the projected date for the onsite work to be completed by the current Decommissioning Agent – Zion Solutions?

Completion of plant dismantlement and site restoration work (except for the spent fuel storage facility) is projected for 2018.

- What is the projected date that the USNRC conclude any confirming concurrent or follow-up work which it must conduct for the public's benefit so as to release the property back to its owner Exelon?

Assuming our review and confirmatory surveys do not reveal any significant issues, the NRC anticipates being able to release most of the site in 2020. Once the property has been released from the license it will be under control of Exelon who retained ownership of the land. The spent fuel storage facility will remain under NRC license until a long-term repository has been licensed by the Department of Energy.

- Originally, at the project's beginning, there was by agreement a \$200,000,000 bond or letter of credit in place to assure the solvency of the Decommissioning Agent – Zion Solutions and its work completion. Is this guarantee still in place and for what term must it remain in place?

The letter of credit is still in place but the value is now reduced. By the original agreement between Exelon and Zion Solutions to establish the letter of credit, the amount would be reduced commensurate with the completion of the work. For example, when the project was 50 percent completed, the letter of credit would be reduced to \$100,000,000. This proportional reduction agreement was determined to provide adequate financial protection while reducing the cost associated with maintaining an open letter of credit.

- Does the USNRC conduct project financial audits year-to-year on Decommissioning projects for checks and balances purposes?

P. Kakuris

The NRC does conduct annual reviews of the decommissioning funding for permanently shutdown facilities. However, the reviews are focused on determining whether or not the trust fund has sufficient funds to complete the NRC required decommissioning. NRC decommissioning regulations require that the residual plant generated radiological material has been reduced to a level that meets the release criteria in 10 CFR Part 20 prior to license termination. The NRC does not require either the removal of existing structures or the restoration of the site to a "greenfield." Therefore, although the agreement between Exelon and Zion Solutions requires the site be returned to "greenfield," the NRC evaluation does not evaluate if there is sufficient funding for the "greenfield" restoration, only if there is reasonable assurance of sufficient funds for the radiological decontamination of the site.

- Would you be able to direct us to these audits in the USNRC system, which seems quite daunting from the outside?

The last four reviews of the decommissioning funding for the permanently closed plants are in ADAMS at the following accession numbers:

2013 Report ML13351A381
2014 Report ML14296A087
2015 Report ML15259A327
2016 Report ML16274A027

You may obtain publicly-available documents online in the Agencywide Documents Access and Management System (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.

If you have any additional questions please contact me or John Hickman of my staff at john.hickman@nrc.gov or 301-415-3017.

Sincerely,

/RA/

Bruce A. Watson, Chief
Reactor Decommissioning Branch
Division of Decommissioning, Uranium Recovery,
and Waste Programs,
Office of Nuclear Material Safety
and Safeguards.

P. Kakuris

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