

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)	
)	
Entergy Nuclear Vermont Yankee, LLC)	
Entergy Nuclear Operations, Inc.)	Docket Nos.: 50-271 and 72-59
)	License No.: DPR-28
Vermont Yankee Nuclear Power Station)	
)	

ORDER APPROVING THE TRANSFER OF LICENSE
AND CONFORMING AMENDMENT

I.

Entergy Nuclear Operations, Inc. (ENOI), on behalf of itself and Entergy Nuclear Vermont Yankee, LLC (ENVY), are the holders of Renewed Facility Operating License No. DPR-28, which authorizes the operation of the Vermont Yankee Nuclear Power Station (VY), and the general license for the VY Independent Spent Fuel Storage Installation (ISFSI). VY permanently ceased operations on December 29, 2014. Pursuant to Sections 50.82(a)(1)(i) and (a)(1)(ii) of Title 10 of the *Code of Federal Regulations* (10 CFR), by letter dated January 12, 2015, ENOI certified to the NRC that it had permanently ceased operations at VY and that all fuel had been permanently removed from the reactor. Therefore, pursuant to 10 CFR 50.82(a)(2), operations at VY are no longer authorized under the 10 CFR Part 50 license, and ENOI and ENVY are licensed to possess, but not use or operate, VY under Renewed Facility Operating License No. DPR-28, subject to the conditions specified therein. The VY site is located in the town of Vernon, Vermont, in Windham County on the west shore of the Connecticut River immediately upstream of the Vernon Hydroelectric Station.

II.

By letter dated February 9, 2017 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML17045A140), and as supplemented by letters dated April 6, 2017 (ADAMS Accession No. ML17096A394), August 22, 2017 (ADAMS Accession No. ML17234A141), August 28, 2017 (ADAMS Accession No. ML17248A468), December 4, 2017 (ADAMS Accession No. ML17339A896), December 22, 2017 (ADAMS Accession No. ML18009A459), May 21, 2018 (ADAMS Accession No. ML18143B484), and June 28, 2018 (ADAMS Accession No. ML18183A220), ENOI, on behalf of itself and ENVY, and NorthStar Nuclear Decommissioning Company, LLC (NorthStar NDC) (together, the Applicants), requested that the U.S. Nuclear Regulatory Commission (NRC) consent to the proposed direct and indirect transfer of the VY Renewed Facility Operating License No. DPR-28 and the general license for the VY ISFSI (collectively referred to as the facility). Specifically, the Applicants requested that the NRC consent to the direct transfer of ENOI's currently licensed authority (licensed operator for decommissioning) to NorthStar NDC. In addition, the Applicants requested the indirect transfer of control of ENVY's ownership interests in the facility licenses to NorthStar Decommissioning Holdings, LLC, and its parents NorthStar Group Services, Inc. (NorthStar), LVI Parent Corp. (LVI) and NorthStar Group Holdings, LLC (Holdings). These direct and indirect transfer requests are submitted to the NRC for approval pursuant to Section 184 of the Atomic Energy Act of 1954, as amended (AEA), "Inalienability of Licenses," and 10 CFR 50.80, "Transfer of licenses," 10 CFR 72.50, "Transfer of licenses," and 10 CFR 50.90, "Application for amendment of license, construction permit, or early site permit." The supplemental information letters, listed above, contained clarifying information, did not expand the application beyond the scope of the original notice, and did not affect the applicability of the NRC's no significant hazards consideration determination.

ENOI and ENVY intend to transfer the licensed possession, maintenance, and decommissioning authorities to NorthStar NDC in order to implement expedited decommissioning at VY. Following approval and implementation of the proposed direct transfer of control of the license, NorthStar NDC would assume licensed responsibility for VY through the direct transfer of ENOI's responsibility for licensed activities at VY to NorthStar NDC. If the proposed indirect transfer of control is approved, ENVY would change its name to NorthStar VY, but the same legal entity would continue to exist before and after the proposed transfer. NorthStar VY would also enter into an operating agreement with NorthStar NDC, which provides for NorthStar NDC to act as NorthStar VY's agent and for NorthStar VY to pay NorthStar NDC's costs of operation, including all decommissioning costs. NorthStar VY would own the VY facility as well as its associated assets and real estate, including its nuclear decommissioning trust fund, title to spent nuclear fuel, and rights pursuant to the terms of its Standard Contract for Disposal of Spent Nuclear Fuel and/or High-Level Radioactive Waste with the U.S. Department of Energy. Certain off-site assets and real estate of ENVY are excluded, such as administrative offices and off-site training facilities. Upon the proposed license transfer, NorthStar NDC would assume responsibility for compliance with the current licensing basis, including regulatory commitments that exist at the closing of the transaction between the Applicants, and would implement any changes under applicable regulatory requirements and practices. The Applicants also requested that the NRC approve a conforming administrative amendment to the facility license to reflect the proposed direct transfer of the license from ENOI to NorthStar NDC as well as a planned name change for ENVY from ENVY to NorthStar VY.

Notice of NRC consideration of the license transfer application was published in the *Federal Register (FR)* on May 24, 2017 (82 *FR* 23845) and included an opportunity to comment, request a hearing, and petition for leave to intervene. On June 13, 2017, the State of Vermont

filed a Request for a Hearing and Petition for Leave to Intervene submitting two contentions challenging the proposed license transfer, and, on June 27, 2017, the New England Coalition (collectively, with the State of Vermont, "Petitioners") also filed a Request for a Hearing and Petition for Leave to Intervene with two contentions against the proposed license transfer. On March 7, 2018, and March 12, 2018, the Petitioners filed notices of the anticipated withdrawal of their hearing requests pursuant to a settlement agreement between the Applicants and others, including the Petitioners. The Petitioners requested that their hearing requests be held in abeyance until the Vermont Public Utility Commission acted on the settlement agreement. On April 12, 2018, the Commission granted the Petitioners' motion to hold the proceeding in abeyance pending further notification by the Petitioners. Public comments were also received on this application for license transfer. They are summarized in the Safety Evaluation of this license transfer request.

The staff notes, by letter dated May 25, 2018 (ADAMS Accession No. ML18150A315), in support of the license transfer request, that NorthStar submitted a request for an exemption to 10 CFR 50.82(a)(8)(i)(A) to use up to \$20 million of the VY trust (on a revolving basis) to pay for spent fuel management expenses. The staff approved the exemption request on October 11, 2018 (ADAMS Accession No. ML18274A246). The exemption is being issued simultaneously with this Order.

Pursuant to 10 CFR 50.80, no license for a production or utilization facility, or any right thereunder, shall be transferred, either voluntarily or involuntarily, directly or indirectly, through transfer of control of the license to any person, unless the Commission gives its consent in writing. Upon review of the information in the application and other information before the Commission, and relying upon the representations and agreements contained in the application,

the NRC staff has determined that NorthStar VY and NorthStar NDC are qualified to be the holders of the licenses, and that the direct and indirect transfer of the licenses, as described in the application, is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission pursuant thereto, subject to the condition set forth below.

Upon review of the application for a conforming amendment to the VY license to reflect the direct and indirect transfer of the VY licenses, the NRC staff determined the following:

- (1) The application for the proposed license amendment complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I.
- (2) There is reasonable assurance that the activities authorized by the proposed license amendment can be conducted without endangering the health and safety of the public, and that such activities will be conducted in compliance with the Commission's regulations.
- (3) The issuance of the proposed license amendment will not be inimical to the common defense and security or to the health and safety of the public.
- (4) The issuance of the proposed license amendment is in accordance with 10 CFR Part 51 of the Commission's regulations, and all applicable requirements have been satisfied. The findings set forth above are supported by an NRC safety evaluation dated October 11, 2018, which is available at ADAMS Accession No. ML18242A639.

III.

Accordingly, pursuant to Sections 161b, 161i, 161o, and 184 of the AEA, 42 U.S.C. Sections 2201(b), 2201(i), 2201(o), and 2234; and 10 CFR 50.80, 10 CFR 72.50, and 10 CFR 50.90, IT IS HEREBY ORDERED that the application for the direct and indirect transfer of the licenses, as described herein is approved for Vermont Yankee Nuclear Power Station and the ISFSI, subject to the following conditions:

- (1) Prior to the closing of the license transfer, NorthStar NDC and NorthStar VY shall provide the Directors of NRC's Office of Nuclear Material Safety and Safeguards (NMSS) and Office of Nuclear Reactor Regulation (NRR) satisfactory documentary evidence that they have obtained the appropriate amount of insurance required of a licensee under 10 CFR 140.11(a)(4) and 10 CFR 50.54(w) of the Commission's regulations, consistent with the exemptions issued to VY on April 15, 2016.
- (2) NorthStar Vermont Yankee, LLC and NorthStar Nuclear Decommissioning Company, LLC shall take no action to cause NorthStar Group Services, Inc., to void, cancel, or modify the \$140 million Support agreement to provide funding for Vermont Yankee as represented in the application without prior written consent of the Director of the Office of Nuclear Reactor Regulation.
- (3) NorthStar Vermont Yankee, LLC shall obtain a performance bond if a Settlement Agreement with the U.S. Department of Energy (DOE), on DOE reimbursements for spent fuel management expenses, is not entered into by January 1, 2022. The performance bond will be effective January 1, 2022, initially in the amount of \$4.3 million, and it will be renewed annually. This amount covers the annual amount of Independent Spent Fuel Storage Installation (ISFSI) operation and maintenance

(O&M) costs projected for 2022-2024. If a settlement is not reached by January 1, 2024, this amount will be increased to \$9.3 million, which covers the annual amount of ISFSI O&M costs projected for years after 2024.

IT IS FURTHER ORDERED that, consistent with 10 CFR 2.1315(b), the license amendment that makes changes, as indicated in Enclosure 2 to the cover letter forwarding this Order, to conform the license to reflect the subject direct and indirect license transfer, is approved. The amendment shall be issued and made effective within 30 days of the date of when the proposed direct and indirect license transfer action is completed.

IT IS FURTHER ORDERED that NorthStar NDC and NorthStar VY shall, at least 2 business days prior to closing, inform the Directors of NMSS and NRR in writing of the date of closing of the license transfer for VY and the ISFSI. Should the transfer of the license not be completed within 1 year of this Order's date of issuance, this Order shall become null and void; provided, however, that upon written application and for good cause shown, such date may be extended by order.

This Order is effective upon issuance.

For further details with respect to this Order, see the initial application dated February 9, 2017, as supplemented by letters dated April 6, 2017, August 22, 2017, August 28, 2017, December 4, 2017, December 22, 2017, May 21, 2018, and June 28, 2018, and the associated NRC safety evaluation dated October 11, 2018, which are available for public inspection at the Commission's Public Document Room (PDR), located at One White Flint North, 11555 Rockville Pike (first floor), Rockville, Maryland. Publicly available documents are accessible electronically through ADAMS in the NRC Library at

<http://www.nrc.gov/reading-rm/adams.html>. Persons who encounter problems with ADAMS should contact the NRC's PDR reference staff by telephone at 1-800-397-4209 or 301-415-4737 or by e-mail to pdr.resource@nrc.gov.

Dated at Rockville, Maryland this 11TH day of October 2018.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Marc L. Dapas, Director
Office of Nuclear Material Safety
and Safeguards.