Entergy
THE POWER OF PEOPLE™

HOLTEC INTERNATIONAL

Pilgrim Nuclear Power Station

NRC License Transfer Application
Pre-Submittal Meeting

25 September 2018

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Update on Pilgrim Status

- Current staffing level: ~585 utility and security employees
- **Pilgrim to permanently cease operations no later than June 1, 2019**
- Anticipate permanently defueling reactor within ~30 days post-shutdown
- Entergy will select ~300 Decommissioning Organization employees from incumbent staff and transition prior to transaction closing
- Target filing Entergy's PSDAR/DCE and related submittals by end of October 2018
- Ongoing commitment to open and transparent communications with:
  - Local stakeholders (e.g., Citizens Advisory Panel)
  - Employees

Transaction Overview

- On July 31, 2018, executed an Equity Purchase and Sale Agreement for sale of Entergy Nuclear Generation Company (ENGC) to Holtec subsidiary Nuclear Asset Management Company, LLC
  - Post-sale, ENGC will remain the owner licensee (and will be renamed Holtec Pilgrim, LLC)
  - Holtec Decommissioning International (HDI) will become licensed operator
    - HDI will contract with Comprehensive Decommissioning International (CDI) to serve as the Decommissioning General Contractor
- Holtec Pilgrim will remain the owner of:
  - Pilgrim site, including associated assets; primarily the Pilgrim Nuclear Decommissioning Trust (NDT) and liabilities; primarily the decommissioning obligation
  - Title to spent nuclear fuel and DOE Standard Contract
- All Pilgrim Decommissioning Organization employees at the time of transaction closing will be offered positions with CDI
- Transaction closing dependent upon several conditions, including NRC license transfer approval

Holtec Nuclear Stewardship

Commitment to Nuclear

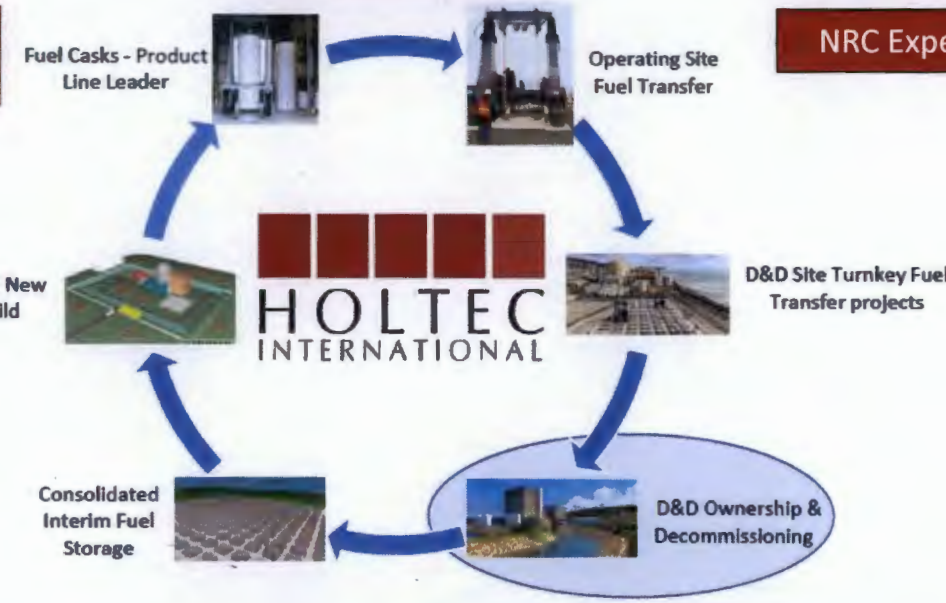
Strong Financial Position

Nuclear Manufacturing Facility Owner

Core Strategy

SNC Lavalin Partnerships

NRC Experience



Investing in Nuclear is an integral part of Holtec's long-term strategy

Holtec Decommissioning Fleet Strategy

Establish, Implement & Advance the Industry Decommissioning Baseline

"Fleet-Based" Approach

- Based on nuclear industry operating fleet model
- Drive lessons learned across sites
- Maximize standardization
- Drive technology innovation

Qualified and Experienced Personnel

- Existing Holtec nuclear-experienced personnel
- Additional nuclear plant experienced personnel
- Partner with SNC-Lavalin
- Integrate site organization at license transfer
- Qualified industry vendors

Procedures & Processes

- Adopt NRC-approved site programs, processes and procedures
- Maintain compliance with site license & NRC regulations
- Maintain, protect & control spent nuclear fuel
- Ensure environmental & personnel protection

Holtec Team

- Spent fuel management and nuclear services
- ETR Fleet spent fuel cask/storage vendor

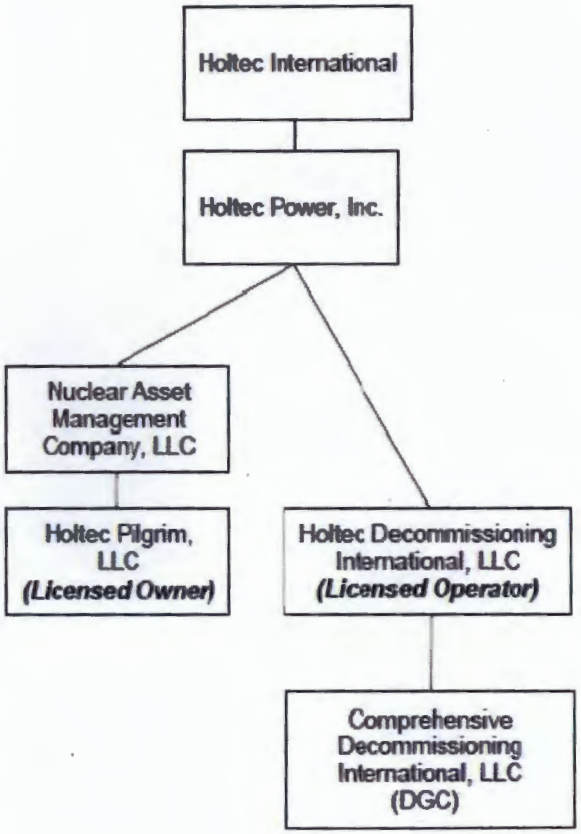
Provide resources and oversight to support the safe, compliant operation of the acquired sites

- Pilgrim licensed operator
- Wholly-owned Holtec subsidiary

Licensed operator for all decommissioning sites in the Holtec fleet, including Pilgrim

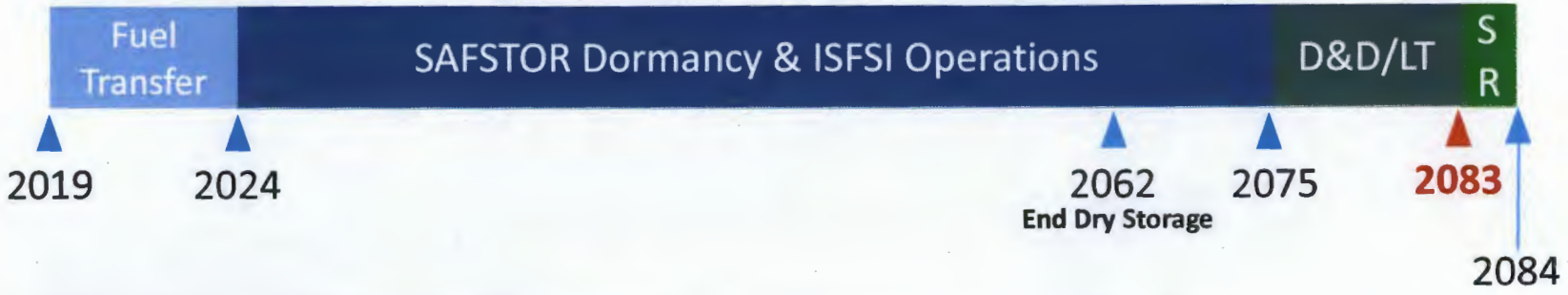
- Pilgrim Decommissioning General Contractor (DGC)
- Jointly owned by Holtec/SNC-Lavalin
- Extensive decommissioning project experience

DGC for the Holtec fleet



Holtec's Decommissioning Timeline

SAFSTOR Timeline



Holtec's Planned Accelerated DECON Timeline

Accelerates Decommissioning from 2083 to 2027

License Termination Complete – 2063 vs. 2083 *

** Assumes DOE Fuel Pick-Up Complete in 2062*

Financial Qualifications

- Pilgrim NDT satisfies 10 CFR 50.75(e)(1)(i) as a prepayment method of providing decommissioning financial assurance
  - NDT will be retained by Holtec Pilgrim, LLC
  - NDT balance was approximately $1.086 billion as of August 31, 2018
- NDT value at transaction closing will be sufficient to fund the costs of radiological decommissioning, spent fuel management, and site restoration under the Holtec plan
- LTA that provides schedule and financial data supporting the adequacy of the NDT fund including the following:
  - Decommissioning, spent fuel management and site restoration costs by category
  - Annualized decommissioning cost estimate with reasonable contingency assumptions
  - Cash flow analysis

NDT value at closing is sufficient to meet the 10 CFR 50.75(e)(1)(i) prepayment method of providing financial assurance

Technical Qualifications

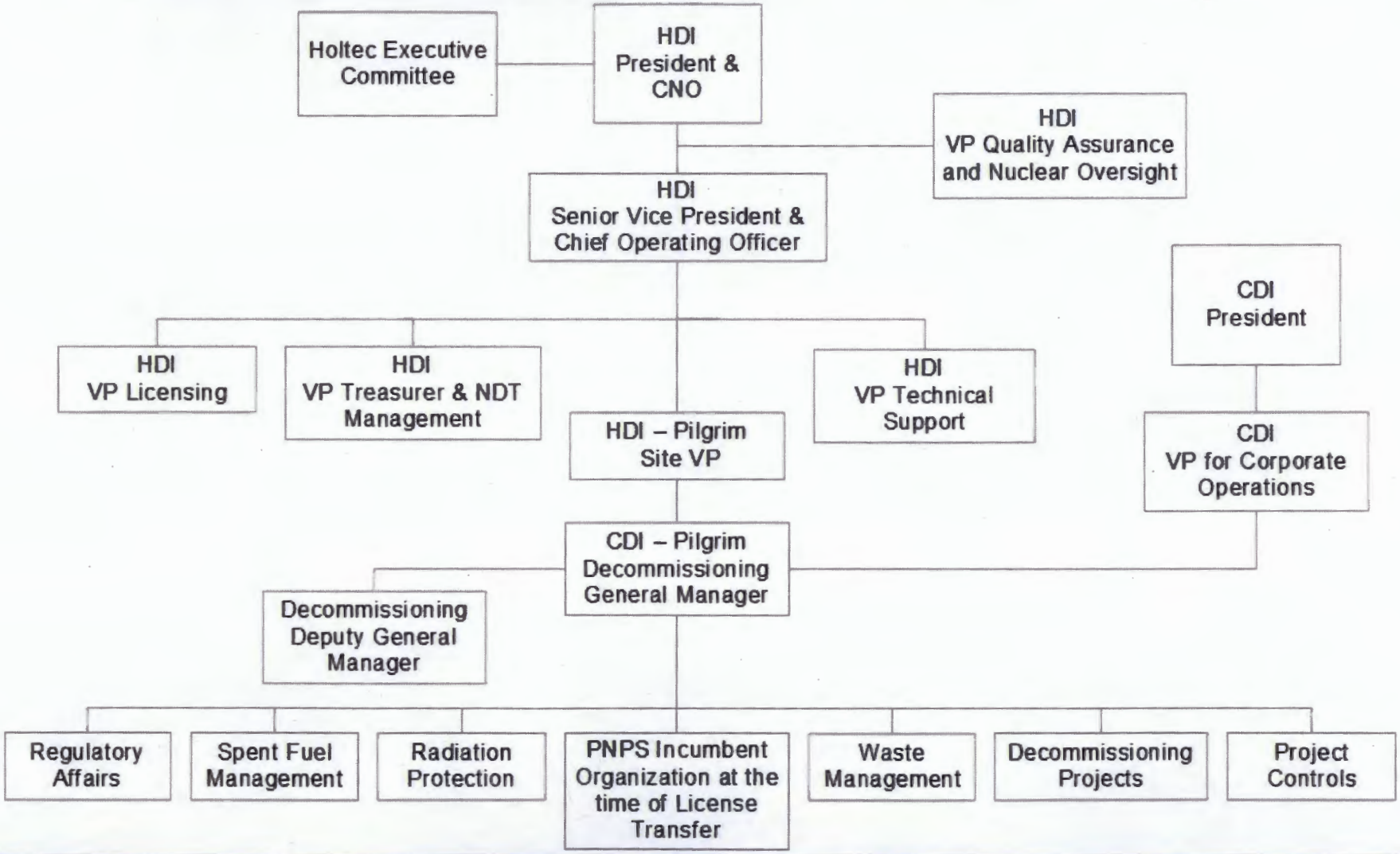
- HDI will integrate existing Pilgrim knowledge and incumbent staff to support HDI site organization
  - HDI will adopt existing NRC-approved programs, processes and procedures for Pilgrim
  - Existing Pilgrim site organization at the time of license transfer will be integrated into the CDI site organization including:
    - Plant Operations
    - Emergency Planning
    - Security
- HDI will have full control and oversight over CDI, including the site organization
- HDI/CDI team will jointly conduct transition readiness assessments with Entergy prior to license transfer

HDI is technically qualified to ensure compliance with the NRC licenses and regulations

Technical Qualifications

- HDI/CDI team possesses extensive experience in nuclear operating, decommissioning, and spent fuel management
- Ability to draw from Holtec's technical resources (R&D, engineering, manufacturing facilities) and experienced personnel to support decommissioning
  - HDI managed by senior Holtec personnel
  - Mature nuclear safety culture
  - Draw from existing corporate nuclear programs (e.g.,: QA, project management)
- Ability to draw from CDI's and SNC-Lavalin's technical resources and experience in decommissioning
  - SNC-Lavalin corporate family includes Atkins and former Energy*Solutions*' Projects, Products and Technology division
  - Extensive experience in decommissioning planning, project management and engineering, decommissioning cost estimating, waste management
  - Management team experience on Zion, Magnox, research reactor and other decommissioning projects

HDI Decommissioning Organization



Other License Transfer Requirements

- **Spent Fuel Management**
  - Holtec Pilgrim, under Holtec ownership, will retain SNF rights and obligations pursuant to DOE standard contract
  - Holtec will be responsible for ISFSI decommissioning
  - Spent fuel management activities funded by NDT, contingent on NRC approval of exemption request to be submitted by Holtec
- **Foreign ownership, control, and domination (FOCD)**
  - No FOCD issues
  - Holtec Board of Directors are all U.S. Citizens
  - Holtec and the licensee entities are not owned, controlled or dominated by any foreign person

Other License Transfer Requirements (cont'd)

- **Nuclear Insurance**
  - Holtec will obtain onsite property damage insurance coverage and offsite nuclear liability coverage as required
  - Proof of the coverage will be provided to the NRC prior to license transfer

License Transfer Accelerates Decommissioning

- LTA satisfies NRC requirements/guidance:
  - Technical qualifications
  - Financial qualifications for decommissioning funding
  - Foreign ownership and insurance requirements
- License transfer is in the public interest:
  - Prompt decommissioning of Pilgrim (~8 years post sale)
  - Utilizes incumbent Pilgrim employees
  - Potential repurpose of site by the owner
  - Holtec commitment to local community and to be a fair partner

Next Steps: Regulatory Plan

Activity	Target Date
License Transfer Application (joint submittal with Entergy)	October 2018
DECON PSDAR including site-specific DCE	October 2018
Revised Spent Fuel Management Plan	October 2018
Exemption request to use NDT funds for SFM and Site Restoration	October 2018
Request License Transfer Application approval	April 2019