



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

November 5, 2019

Mr. Jeffrey D. Isakson
Chief Executive Officer/President
Interim Storage Partners LLC
P.O. Box 1129
Andrews, TX 79714

SUBJECT: INTERIM STORAGE PARTNERS LLC's LICENSE APPLICATION TO
CONSTRUCT AND OPERATE THE WASTE CONTROL SPECIALISTS
CONSOLIDATED INTERIM STORAGE FACILITY, ANDREWS COUNTY,
TEXAS, DOCKET NO. 72-1050 – FIRST REQUEST FOR ADDITIONAL
INFORMATION, PART 4

Dear Mr. Isakson:

By letter dated July 19, 2018 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML18206A595), as supplemented May 31 and July 31, 2019 (ADAMS Accession Nos. ML19156A038 and ML19217A210), Interim Storage Partners LLC (ISP), a joint venture of Waste Control Specialists LLC (WCS) and Orano CIS LLC (a subsidiary of Orano USA), requested that the U.S. Nuclear Regulatory Commission (NRC) resume all safety and environmental review activities associated with the proposed WCS Consolidated Interim Storage Facility (CISF) license application. ISP requested authorization to store up to 5,000 metric tons of uranium for a period of 40 years in the WCS CISF.

The NRC staff is conducting a detailed technical review of your application and has determined that additional information is necessary to complete its review. The information needed by the NRC staff is discussed in the enclosed requests for additional information (RAI). We request that you provide responses within 30 days from the date of this letter. If you are unable to meet this deadline, please notify NRC staff in writing, within two weeks of receipt of this letter, of your new submittal date and the reasons for the delay.

Please reference Docket No. 72-1050 and CAC/EPID 001028/L-2017-NEW-0002 in future correspondence related to the technical review for this licensing action. If you have any questions, please contact me at (301) 415-0262.

Sincerely,

/RA/

John-Chau Nguyen, Senior Project Manager
Storage and Transportation Licensing Branch
Division of Fuel Management
Office of Nuclear Material Safety
and Safeguards

Docket No. 72-1050
CAC No. 001028
EPID L-2017-NEW-0002

Enclosure:
1st Round Safety RAIs – Part 4

SUBJECT: INTERIM STORAGE PARTNERS LLC's LICENSE APPLICATION TO CONSTRUCT AND OPERATE THE WASTE CONTROL SPECIALIST CONSOLIDATED INTERIM STORAGE FACILITY, ANDREWS COUNTY, TEXAS, DOCKET NO. 72-1050 – FIRST REQUEST FOR ADDITIONAL INFORMATION, PART 4

DOCUMENT DATE: November 5, 2019

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ADAMS Accession No.: ML19309E913

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**First Request for Additional Information, Part 4
Docket No. 72-1050**

WCS Consolidated Interim Storage Facility in Andrews County, Texas

By letter dated July 19, 2018 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML18206A595), Interim Storage Partners LLC (ISP), a joint venture of Waste Control Specialists LLC (WCS) and Orano CIS LLC (a subsidiary of Orano USA), requested that the U.S. Nuclear Regulatory Commission (NRC) resume all safety and environmental review activities associated with the proposed WCS Consolidated Interim Storage Facility (CISF) license application. ISP requested authorization to store up to 5,000 metric tons of uranium for a license term of 40 years in the WCS CISF application.

The requests for additional information (RAI) identify additional information needed by the NRC staff to complete its safety review of the WCS CISF license application. The requested information refers to the specific part of the license application concerning funding. The NRC staff used the guidance in NUREG-1567, "Standard Review Plan for Spent Fuel Dry Storage Facilities."

License Application

RAI LA-1

Provide an estimated cost of construction (including a breakdown of the various cost components, such as materials, labor, engineering and design, etc.) for the proposed facility and how construction of the proposed facility will be funded (i.e., proposed amounts of debt financing, equity investment, other sources of funding, etc.) which is specific to the proposed facility and its location.

The application lists what a similar facility would cost per an Electric Power Research Institute (EPRI) study; however, the application does not provide information regarding what ISP estimates for the cost of construction. The licensee states, "The Electric Power Research Institute estimated cost for construction of the CISF that will be used to store 5,000 MTU is approximately \$170 million." Staff notes that the EPRI study is approximately 10 years old, and the application makes no allowance for possible cost variances, inflation or other possible cost increases; therefore, these statements do not provide adequate information to make a reasonable assurance determination with regard to the cost of construction activities.

With regard to funding construction activities, the application states that "Orano and Waste Control Specialists will provide initial capitalization of ISP." It also states that "[t]he funding for constructing the CISF is expected to be primarily through future contracts for storage of SNF with the DOE or other SNF Title Holder(s). The funding may include a combination of debt financing, equity investments, and net income." These statements do not provide adequate information for staff to make a reasonable assurance determination with regard to the funding of construction activities.

This information is necessary to determine compliance with 10 CFR 72.22(e).

Enclosure

RAI LA-2

Provide the estimated operating costs for the proposed facility (including a breakdown of labor, materials, security, etc.) and how ISP intends to fund the operation of the proposed facility using future contracts with SNF title holders which is specific to the proposed facility.

While the application lists what a similar facility would cost per an EPRI study, the application does not provide enough information regarding what ISP estimates the operating costs for the proposed facility will be. The licensee states, "The Electric Power Research Institute estimated the operating and labor cost needed to store 5,000 MTU of SNF at an interim consolidated storage facility for 40 years at \$394,612,500." Staff notes that the EPRI study is approximately 10 years old, and the application neither makes allowance for possible variances in costs nor accounts for inflation. Therefore, ISP needs to provide the estimated operating costs for a facility at the proposed site.

This information is necessary to determine compliance with 10 CFR 72.22(e).

RAI LA-3

Identify the funding mechanism to be used to provide decommissioning funding assurance.

While the application provides the projected total cost to decommission the facility (separate from the stored material), the application does not provide enough information for NRC staff to determine the type of method that the applicant intends to use for decommissioning funding assurance. The licensee states in the application, "Alternatively, ISP may [emphasis added] use a surety bond combined with a conformity external sinking fund as authorized by 10 CFR 72.30(e)(3). Payments from storage operations would be deposited into the external sinking fund as waste is received. A surety bond would be used to assure the difference in the decommissioning cost estimate and the value of the sinking fund until the sinking fund is fully funded." Therefore, ISP needs to provide more specificity about their plans to fund decommissioning of the proposed facility.

This information is necessary to determine compliance with 10 CFR 72.30(b)(6) and 10 CFR 72.30(e)(3).