



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

November 29, 2019

LICENSEE: Entergy Nuclear Operations, Inc.

FACILITY: Indian Point Nuclear Generating Unit Nos. 1, 2, and 3

SUBJECT: SUMMARY OF OCTOBER 17, 2019, MEETING WITH ENTERGY NUCLEAR OPERATIONS, INC. REGARDING PRE-SUBMITTAL OF A LICENSE TRANSFER APPLICATION TO HOLTEC INTERNATIONAL FOR INDIAN POINT ENERGY CENTER (EPID L-2019-LRM-0070)

On October 17, 2019, a Category 1 public meeting was held between the U.S. Nuclear Regulatory Commission (NRC) staff and representatives of Entergy Nuclear Operations, Inc. (Entergy, the licensee). The purpose of the meeting was for the NRC and Entergy to discuss the pre-submittal of a license transfer application for the sale of Indian Point Nuclear Generating (Indian Point) Unit Nos. 1, 2, and 3, from Indian Point Energy Center (IPEC) to Holtec International (Holtec). The meeting notice and agenda are available in the Agencywide Documents Access and Management System (ADAMS) at Accession No. ML19290C537. The licensee provided present slides (ADAMS Accession No. ML19289A004). A list of attendees is enclosed.

Entergy provided an update on the current status of IPEC and the schedule for permanent shutdown, stating that approximately 875 people are currently employed at the site. Entergy plans to permanently cease power operations on Unit No. 2 by April 30, 2020, and Unit No. 3 by April 30, 2021. The licensee also plans to permanently defuel each reactor within 30 days following each unit's shutdown. Entergy expects to select more than 300 of its current employees to move to the decommissioning organization prior to the completion of the license transaction.

Entergy also stated that it expects to submit its post-shutdown decommissioning activities report, decommissioning cost estimate, and related submittals by November 2019. Entergy expressed its commitment to maintaining open and transparent communications of the license transfer process with the NRC, the State of New York, local stakeholders, and its employees.

Transaction Overview

In April 2019, Entergy and Holtec entered an equity purchase and sale agreement for the sale of the subsidiaries that own the IPEC units to Holtec subsidiary Nuclear Asset Management Company, LLC.

Should the sale be approved, the subsidiaries will be renamed Holtec Indian Point 2, LLC (Holtec IP2), and Holtec Indian Point 3, LLC (Holtec IP3). The licensed operator will be Holtec Decommissioning International, LLC. Holtec Decommissioning International, LLC will contract with Comprehensive Decommissioning International, LLC (CDI) to serve as the decommissioning general contractor. Holtec IP2 and Holtec IP3 will own the Indian Point site,

including the associated assets (primarily the Indian Point Nuclear Decommissioning Trusts and the liabilities (primarily the decommissioning obligation). Holtec will also own the title to spent nuclear fuel and the Department of Energy standard contract.

Holtec Decommissioning International

Holtec provided the following overview of its company's strategy, experience in nuclear, and organizational structure:

- Holtec expressed its commitment to the nuclear industry and stated it has been in the nuclear business since 1986. Holtec indicated that it is a highly competent company, relying on constant improvement and methods. It has 118 nuclear sites worldwide that use its nuclear fuel storage technology and products. Holtec is committed to site cleanup, as well as the next generation of nuclear (i.e., development of the small modular reactor).
- Holtec explained its fleet-based approach of decommissioning, which will maximize standardization in procedures and processes, allow for cross-site reviews and lessons learned, and drive technological innovation.
- Holtec explained its vast experience, financial strength, and commitment to safety. Holtec stated that its core business is in the handling of nuclear fuel. Holtec discussed the company, SNC-Lavalin, as well as the Holtec team, including the joint venture by Holtec and SNC-Lavalin, known as CDI. CDI is a decommissioning general contractor. Holtec stated that its organizational structure will be identical to how it is structured for the Oyster Creek Nuclear Generating Station (Oyster Creek) and Pilgrim Nuclear Power Station (Pilgrim) decommissioning.
- Holtec described its planned accelerated decontamination and dismantlement timeline against the Entergy SAFSTOR timeline. Holtec stated that its plan to accelerate the decommissioning schedule using the decontamination and dismantlement decommissioning strategy provides the potential for site redevelopment and repurposing, which would be projected for 2036 (instead of year 2077 for a SAFSTOR decommissioning schedule). Holtec plans to begin the decommissioning process promptly upon taking ownership in 2021, and, as part of its plan, expects to complete the transfer of all spent nuclear fuel into the dry casks within approximately 3 years following shutdown in 2021.

Holtec provided an overview of the NRC requirements the license transfer application will satisfy:

- In terms of financial qualification, Holtec indicated that it will demonstrate that the amount in the decommissioning trust fund is sufficient to meet its decommissioning plan. Cash flows will be presented for review in the application in a similar way that was presented in the previous two applications (i.e., for Oyster Creek and Pilgrim).
- In terms of technical qualifications, Holtec stated that it is technically qualified to ensure compliance with NRC regulations. Holtec indicated that it has a strong team and believes it will be stronger because of the experience and knowledge shared from both the Oyster Creek and Pilgrim experiences.

- Holtec stated that there is no foreign ownership, control, or domination, and all members of its Board of Directors are U.S. citizens.

Entergy stated that it intends to submit its application in November 2019 and request approval of the license transfer by November 2020 to facilitate the projected transaction closing targeted for the second quarter of 2021.

The NRC staff asked questions regarding the handling of Unit No. 1 in terms of the proposed license transfer and ownership structure; the ownership status of Unit No. 2 post-shutdown before the license transfer is completed; Holtec technical experience in environmental and health physics areas; Entergy and Holtec submittal plans, company structure, use of subcontractors; and the State of New York closure agreement.

Public Comments

A total of 11 members representing the public, the State of New York, or offices of elected officials provided comments or questions on various decommissioning matters, including the activities at San Onofre Nuclear Generating Station decommissioning site; concerns regarding the downloading of Holtec canister systems; corruption charges involving SNC-Lavalin; concerns with financial information availability and transparency for limited liability corporations; concerns about Holtec's ethical and physical performance as a decommissioning entity, protections for the decommissioning trust fund in terms of site restoration activities; indemnity insurance; quality assurance; and projected timing of the closing of the sale transaction to Holtec. A summary description for each commenter is as follows:

- Josh Tallents (Office of the New York Attorney General) stated that the State of New York supports the safe and rapid decommissioning of the site. He expressed concerns regarding Holtec's financial qualifications, stating that the limited liability vehicles that would own and operate the site are closely held, and there is no public financial information available for these entities which are not tied to regulated utilities. Mr. Tallents requested the NRC to evaluate Holtec's financial resources, and in particular, for cost overruns in the decommissioning or site restoration process. Additionally, in terms of the review process, the State of New York looks forward to participating in the transparent and public review of the license transfer application and requested that the NRC's consultation with the state be utilized prior to the NRC's determination being made on the license transfer.
- Janice Dean (New York State Energy Research & Development Authority) expressed her concerns with Holtec as a new decommissioning entity and called on the NRC to ensure that the proper protections are in place in the event the Holtec's new model is not successful (e.g., insolvency or bankruptcy). She stated that there is a substantial amount of liability and risk for a new enterprise to take responsibility of a fleet of six decommissioning units (i.e., Palisades Nuclear Plant, Pilgrim, Oyster Creek, and Indian Point) and requested the NRC to consider its plan for addressing the issue of additional funds being needed to complete decommissioning, should the Holtec model fail.
- Donna Gilmore stated that the decommissioning experience at San Onofre Nuclear Generating Station has been troublesome, referencing Holtec canister walls getting scraped and gouged during loading. She questioned Holtec's financial liability in terms of the degraded canisters, stating that she has not seen these issues being addressed

with any financial planning analysis. The NRC staff acknowledged Ms. Gilmore's statements and indicated it would consider her comments when the license transfer application is reviewed.

- Gary Headrick of San Clemente Green stated his concerns with Holtec as a decommissioning entity, referring Holtec's bribery incident involving Tennessee Valley Authority. He encouraged the audience to look into its ethical and physical performance and to choose a better organization that is more reliable. His statements were acknowledged by the NRC staff.
- Richard Webster (Riverkeeper) questioned Entergy as to why it selected Holtec as a decommissioning entity, given Holtec's track record in reference to its character and the aforementioned bribery incident. Mr. Webster also indicated that Riverkeeper's online petition identified more than 1,100 people from New York who did not want Holtec to be the decommissioning entity. He also questioned Holtec as to how much trust fund money has been set aside for site restoration and whether the aspects of site restoration are a major cost uncertainty. The NRC staff acknowledged that some of his statements were outside the scope of the meeting discussion, but that the staff would consider his comments as appropriate when the license transfer application is reviewed.
- Sally Gelhert requested more information on decommissioning advisory boards and Holtec's quality assurance plan. She shared her experience at local community NRC meetings, expressing her concerns on the lack of communications from Holtec to address questions or concerns at various stakeholder meetings. Her statements were acknowledged by the NRC staff.
- Pia Jensen asked the NRC staff what oversight procedures or qualifying factors the NRC uses to determine worthiness and sustainability of Holtec's partnership with SNC-Lavalin when considering approval of the license transfer. In reference to corruption charges against SNC-Lavalin in Canada, she also questioned Holtec's financial security, insurance, and indemnifications, and how each area will be considered in the license transfer review regarding the Holtec-SNC Lavalin partnership. The NRC staff responded to her statements and indicated it would consider her comments when the license transfer application is reviewed.
- Carlyn Greene (UxC) requested clarification on the timing of the closing of the transaction. The NRC staff addressed her question by clarifying that as Entergy stated in its presentation, the closing of the proposed transaction will occur after Unit No. 3 is permanently shut down and fuel removed from the vessel.
- Peter Wolf (Nuclear Energy Solutions Inc.) requested more information on Holtec's plan for the handling of the nuclear decommissioning trust fund with respect to site restoration activities and reimbursement from the Department of Energy. The NRC staff addressed his question and also indicated that it would consider his comments when the license transfer application is reviewed.
- Paul Blanch (energy consultant) stated his concerns regarding the issue of retrievability of spent fuel over the life of the fuel cycle while in dry cask storage. He asked whether the NRC would review the aspects of retrievability of the canister in light of the canisters degrading due to corrosion and environmental factors and how it would assure the

licensee is in compliance with the regulations in Title 10 of the *Code of Federal Regulations* Section 72.122. The NRC staff acknowledged his questions and indicated that it would consider his comments, as appropriate, when the license transfer application is reviewed.

- Geri Shapiro (Senator Gillibrand's office) recommended that all present at the meeting should view the presentations from the October 10, 2019, Regional Nuclear Decommissioning Forum to hear the informative dialogue and concerns raised by the various panel of experts. Her recommendation was acknowledged by the NRC staff.

At this meeting, the NRC staff made no regulatory decisions regarding the merits of the proposed license transfer presented by Entergy and Holtec. The meeting was filmed by Nuclear Energy TV.

The meeting was adjourned at 11:40 a.m. No Public Meeting Feedback forms were received.

Please direct any inquiries to me at 301-415-1030 or by e-mail to Richard.Guzman@nrc.gov.

/RA/

Richard V. Guzman, Senior Project Manager
Plant Licensing Branch I
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket Nos. 50-003, 50-247, and 50-286

Enclosure:
List of Attendees

cc: Listserv

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DATE	11/27/2019	11/27/2019	11/29/2019	11/29/2019

OFFICIAL RECORD COPY

LIST OF ATTENDEES

OCTOBER 17, 2019, PUBLIC MEETING WITH ENTERGY NUCLEAR OPERATIONS, INC.

RE: PRE-SUBMITTAL OF A LICENSE TRANSFER APPLICATION TO HOLTEC

INTERNATIONAL FOR INDIAN POINT ENERGY CENTER

NAME	ORGANIZATION
Richard Guzman	U.S. Nuclear Regulatory Commission (NRC)
James Danna	NRC
Jamie Heisserer	NRC
Richard Turtill	NRC
Bo Pham	NRC
Mandy Halter	Entergy Nuclear Operations, Inc. (Entergy)
Phil Couture	Entergy
Susan Raimo	Entergy
Kelly Trice	Comprehensive Decommissioning International
Pam Cowan	Holtec Decommissioning International
Blake Welling	NRC
Dan Collins	NRC
Kim Conway	NRC
David McIntyre	NRC
Kos Lois	NRC
Fred Miller	NRC
Victoria Huckabay	NRC
Jeremy Wachutka	NRC
Sherwin Turk	NRC
Ted Smith	NRC
Joe Delmar	Holtec Decommissioning International
John Gordan	Entergy
John Matthews	Morgan Lewis
Andrea Sterdis	Holtec Decommissioning International
Joshua Tallent	Office of the New York Attorney General
Janice Dean	New York State Energy Research & Development
Paul M. Bessette	Morgan Lewis
Matthew Schrader	TV Worldwide
Neil Sheehan*	NRC
Jenny Weil*	NRC
Doug Tiff*	NRC

NAME	ORGANIZATION
Michael Hackett*	NRC
Bridget Frymire*	New York State Department of Public Service
Alyse Peterson*	New York State Energy Research & Development Authority
Mahvash Mirzai*	Entergy
Jerry Napi*	Entergy
Timothy A. Ngau*	Entergy
Pat Keegan	Office of Representative Lowey (NY)
Timothy Ryder*	Office of Senator Schumer (NY)
Geri Shapiro*	Office of Senator Gillibrand (NY)
Lisa Hofflich	Office of Senator Gillibrand (NY)
Carlyn Greene*	UxC
Paul Blanch*	Energy consultant
Donna Gilmore*	San Onofre Safety
Gary Headrick*	San Clemente Green
Pia Jensen*	Member of the public
Sally Gellert*	Member of the public
Peter D. Wolf*	Nuclear Energy Solutions Inc.
Mike Callahan*	Governmental Strategies Incorporated
Laura Schwartz *	Nuclear Energy and Nonproliferation
Richard Webster*	Riverkeeper
Victoria Leung*	Riverkeeper
Stephen Kent*	Riverkeeper
Patricia Cardona*	Sierra Club Rio Grande Chapter
Susan Spear*	Office of Westchester County Executive Office
Chris Schneidmiller*	Exchange Monitor Publications
Michael J. Keegan*	Don't Waste Michigan
Manna-Jo Greene*	Hudson River Sloop Clearwater

*by telephone