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

April 12, 2021

Mr. James Barstow
Vice President, Nuclear Regulatory
Affairs and Support Services
Tennessee Valley Authority
Watts Bar Nuclear Plant
1101 Market Street, LP 4A-C
Chattanooga, TN 37402-2801

SUBJECT: U.S. NUCLEAR REGULATORY COMMISSION ANALYSIS OF TENNESSEE VALLEY AUTHORITY'S INITIAL DECOMMISSIONING FUNDING PLAN FOR THE WATTS BAR INDEPENDENT SPENT FUEL STORAGE INSTALLATION

Dear Mr. Barstow:

By letter dated September 28, 2016, Tennessee Valley Authority (TVA) submitted, for U.S. Nuclear Regulatory Commission (NRC) staff review and approval, initial decommissioning funding plan (DFP) for the independent spent fuel storage installation (ISFSI) at Watts Bar Nuclear Plant, Units 1 and 2 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML16274A244).

In accordance with Title 10 of the *Code of Federal Regulations* (10 CFR), Sections 72.30(b), and using NUREG-1757, Vol. 3, Rev. 1, "Consolidated Decommissioning Guidance," the NRC staff reviewed TVA's initial DFP, including the initial decommissioning cost estimate (DCE) and the method of assuring funds for decommissioning.

Pursuant to 10 CFR 72.30(b), each holder of, or applicant for, a license under Part 72 must submit for NRC review and approval a DFP containing information on how reasonable assurance will be provided that funds will be available to decommission its ISFSIs. The DFP must contain a detailed DCE, in an amount reflecting: (1) the cost of an independent contractor to perform all decommissioning activities, (2) an adequate contingency factor, and (3) the cost of meeting the 10 CFR 20.1402 unrestricted use criteria (or the cost of meeting the 10 CFR 20.1403 restricted use criteria, provided the licensee can demonstrate its ability to meet these criteria). The licensee's DFP must also identify and justify using the key assumptions contained in the DCE. Further, the DFP must describe the method of assuring funds for ISFSI decommissioning, including means for adjusting cost estimates and associated funding levels periodically over the life of the ISFSI. Additionally, the DFP must specify the volume of onsite subsurface material containing residual radioactivity that will require remediation to meet the criteria for license termination, and contain a certification that financial assurance for ISFSI decommissioning has been provided in the amount of the DCE.

The NRC staff reviewed and analyzed the information submitted by TVA on how reasonable assurance will be provided that funds will be available to decommission the Watts Bar ISFSI, including the amount of the DCE and the method of assuring funds for decommissioning.

In its 2016 initial DFP, TVA estimated the total costs to decommission the Watts Bar ISFSI to unrestricted use is $11.5 million in 2016 dollars. Based on its financial analysis of TVA's submittals, the NRC staff finds that the DCE submitted for 2016: (1) is based on reasonable costs of a third-party contractor; (2) includes an adequate contingency factor; (3) reflects the cost of meeting the 10 CFR 20.1402 criteria for unrestricted use; and (4) is based on reasonable and documented assumptions. Therefore, the NRC finds that the 2016 DCE adequately estimates the cost, to carry out required ISFSI decommissioning activities prior to license termination, and that the 2016 DCE is acceptable.

In the initial DFP, TVA relied on a Statement of Intent as financial assurance for ISFSI decommissioning, a method authorized by 10 CFR 72.30(e)(4). This is allowed because TVA is a Federal corporation. The NRC staff finds that the aggregate dollar amount of the licensee's financial instruments provides adequate financial assurance to cover its cost estimates, and therefore, that this financial instrument is acceptable.

Based on its financial analyses, the NRC staff finds that the initial DFP contains the information required by 10 CFR 72.30(b) and that TVA has provided reasonable assurance that funds will be available to decommission the ISFSI at Watts Bar.

In addition to the NRC staff's review of TVA's initial DFP, the NRC staff completed an environmental review. The NRC staff published a summary of the results of the environmental review in the *Federal Register* in April 2021 for the ISFSI at Watts Bar. The environmental assessment and finding of no significant impact for Watts Bar ISFSI is available in *https://www.regulations.gov* under the Docket ID: NRC-2021-0073. The NRC staff determined there was no environmental impact from the NRC staff's review and approval of TVA's initial DFP.

If you have any questions regarding this matter, please contact me at (301) 415-5722 or John.McKirgan@nrc.gov.

Sincerely,

John B. McKirgan

Digitally signed by John B. McKirgan
Date: 2021.04.12 13:48:46 -04'00'

John McKirgan, Chief
Storage and Transportation Licensing Branch
Division of Fuel Management
Office of Nuclear Material Safety
and Safeguards

Docket No.: 72-1048
License No.: SFGL-63
EPID No: L-2016-FPR-0001

SUBJECT: U.S. NUCLEAR REGULATORY COMMISSION ANALYSIS OF TENNESSEE VALLEY AUTHORITY'S INITIAL DECOMMISSIONING FUNDING PLAN FOR THE WATTS BAR INDEPENDENT SPENT FUEL STORAGE INSTALLATION

DOCUMENT DATED: April 12, 2021

DISTRIBUTION:

PUBLIC
DFM r/f
RidsNmssRefsFab
RTurtil, NMSS
SHarwell, NMSS
PJehle, OGC
NMertz, OGC
TLiu, NMSS
RidsNrrPMWattsBar Resource

ADAMS Accession Number: ML21060B425 * concurrence via email

OFFICE	DFM	DFM	OGC/NLO	DFM
NAME	YChen*	WWheatley*	NMertz*	JMcKirgan*
DATE	3/4/2021	3/4/2021	3/16/2021	4/12/2021

OFFICIAL RECORD COPY