



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

May 25, 2021

Mrs. Maria L. Lecal
Executive Vice President/
Chief Nuclear Officer
Mail Station 7605
Arizona Public Service Company
P.O. Box 52034
Phoenix, AZ 85072-2034

SUBJECT: PALO VERDE NUCLEAR GENERATING STATION, UNITS 1, 2, AND 3 AND
THE INDEPENDENT SPENT FUEL STORAGE INSTALLATION - ORDER
APPROVING INDIRECT TRANSFER OF LICENSES (EPID L-2020-LLM-0002)

Dear Mrs. Lecal:

The U.S. Nuclear Regulatory Commission (NRC) staff has completed its review of the application dated December 2, 2020 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML20337A344), as supplemented by letters dated February 26, 2021 and May 14, 2021 (ADAMS Accession Nos. ML21061A156 and ML21134A244, respectively), filed by Arizona Public Service Company (APS), on behalf of Public Service Company of New Mexico (PNM), Avangrid, Inc. (Avangrid), and their corporate affiliates (together, the Applicants), pursuant to Title 10 of the *Code of Federal Regulations* Sections 50.80, "Transfer of licenses," and 72.50, "Transfer of license," requesting approval of the indirect transfer of Renewed Facility Operating License Nos. NPF-41, NPF-51, and NPF-74 for Palo Verde Nuclear Generating Station (Palo Verde), Units 1, 2, and 3, respectively, and the general license for the Palo Verde Independent Spent Fuel Storage Installation (ISFSI).

According to the application, PNM currently owns a 10.2 percent tenant-in-common interest and holds possession-only rights in the NRC licenses. The proposed indirect license transfer would result from Avangrid acquiring PNM and its parent holding company as its subsidiaries, thereby owning 100 percent of the shares in PNM. APS owns a 29.1 percent tenant-in-common interest and holds both operating and possession rights in the NRC licenses. Further, APS operates, and would continue to operate, each of the Palo Verde units and the ISFSI pursuant to the operating rights granted to it under the license of each Palo Verde unit. The remaining tenant-in-common co-owners that hold possession-only rights in the NRC licenses are: Salt River Project Agricultural Improvement and Power District (17.49 percent); Southern California Edison Company (15.8 percent); El Paso Electric Company (15.8 percent); Southern California Public Power Authority (5.91 percent); and Los Angeles Department of Water and Power (5.7 percent). The proposed transaction would implicate only an indirect upstream change in control over PNM's possession-only rights in the NRC licenses. The proposed transaction would not involve or implicate any change in PNM's rights and obligations under any of the NRC licenses, nor would it implicate APS's or any other possession-only co-owners' rights and obligations under any of the NRC licenses.

The NRC staff has completed its review of the application. The Order in Enclosure 1 approves the proposed indirect partial ownership transfer of Palo Verde Units 1, 2, and 3 and the ISFSI. Enclosure 2 is the NRC staff's safety evaluation related to the application.

The Order has been forwarded to the Office of the Federal Register for publication.

Sincerely,

/RA/

Siva P. Lingam, Project Manager
Plant Licensing Branch IV
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket Nos. STN 50-528, STN 50-529,
STN 50-530, and 72-44

Enclosures:

1. Order
2. Safety Evaluation

cc: Listserv

ENCLOSURE 1

ORDER APPROVING INDIRECT TRANSFER OF LICENSES
PALO VERDE NUCLEAR GENERATING STATION, UNITS 1, 2, AND 3
AND INDEPENDENT SPENT FUEL STORAGE INSTALLATION

ADAMS Accession No. ML21118B029

ENCLOSURE 2

SAFETY EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION
FOR INDIRECT TRANSFER OF
RENEWED FACILITY OPERATING LICENSE NOS. NPF-41, NPF-51, AND NPF-74 AND
GENERAL LICENSE FOR THE
INDEPENDENT SPENT FUEL STORAGE INSTALLATION
PALO VERDE NUCLEAR GENERATING STATION, UNITS 1, 2, AND 3
DOCKET NOS. STN 50-528, STN 50-529, STN 50-530, AND 72-44



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

SAFETY EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION
FOR INDIRECT TRANSFER OF
RENEWED FACILITY OPERATING LICENSE NOS. NPF-41, NPF-51, AND NPF-74 AND
GENERAL LICENSE FOR THE
INDEPENDENT SPENT FUEL STORAGE INSTALLATION
PALO VERDE NUCLEAR GENERATING STATION, UNITS 1, 2, AND 3
DOCKET NOS. STN 50-528, STN 50-529, STN 50-530, AND 72-44

1.0 INTRODUCTION

By application dated December 2, 2020 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML20337A344), as supplemented by letters dated February 26, 2021 and May 14, 2021 (ADAMS Accession Nos. ML21061A156 and ML21134A144, respectively), Arizona Public Service Company (APS), on behalf of Public Service Company of New Mexico (PNM), Avangrid, Inc. (Avangrid), and their corporate affiliates (together, the Applicants), requested consent from the U.S. Nuclear Regulatory Commission (NRC, the Commission) for the indirect transfer of PNM's interests in Renewed Facility Operating License Nos. NPF-41, NPF-51, and NPF-74, Docket Nos. STN 50-528, STN 50-529, and STN 50-530, for the Palo Verde Nuclear Generating Station, Units 1, 2, and 3 (Palo Verde), respectively, and the general license for the Palo Verde Independent Spent Fuel Storage Installation (ISFSI), Docket No. 72-44, to Avangrid. The Applicants requested this licensing action pursuant to Title 10 of the *Code of Federal Regulations* (10 CFR) Section 50.80, "Transfer of licenses," for the three 10 CFR Part 50 licenses and pursuant to 10 CFR 72.50, "Transfer of license," for the ISFSI. The Applicants requested this licensing action as a result of an Agreement and Plan of Merger, dated October 20, 2020, whereby PNM and its parent holding company would become indirect wholly owned subsidiaries of Avangrid.

According to the application, Avangrid is a New York corporation, and its shares are publicly traded on the New York Stock Exchange. Approximately 18.5 percent of the shares of Avangrid are widely held, with the vast majority of these shares held by institutional investors. Approximately 81.5 percent of the shares of Avangrid are owned by Iberdrola, S.A. (Iberdrola), a Sociedad Anónima organized under the laws of the Kingdom of Spain.¹ Iberdrola's shares are widely held and publicly traded on the Madrid Stock Exchange. It is one of the largest energy companies in the world with a market capitalization of \$85 billion. The only known

¹ A Sociedad Anónima is a public limited company similar to a corporation under state laws within the United States.

government-controlled entities with interests in Iberdrola are the Qatar Investment Authority, which owns approximately 8.69 percent of Iberdrola, and Norges Bank (the central bank of Norway), which owns approximately 3.43 percent of Iberdrola. Neither the Qatar Investment Authority nor Norges Bank has control over Iberdrola or Avangrid or is represented on their boards. Iberdrola has ownership interests in six operating reactors in Spain, one of which it operates.

The Notice of Consideration of Approval of Transfer of Licenses was published in the *Federal Register* (FR) on January 27, 2021 (86 FR 7310). The supplemental letters dated February 26, 2021 and May 14, 2021, provided additional information that clarified the application and did not expand the scope of the application as originally noticed.

2.0 BACKGROUND

The Palo Verde facility consists of three operating pressurized water reactors (i.e., Units 1, 2, and 3), with each generating approximately 1,300 megawatts electric. Located in Wintersburg, Arizona, construction began in 1976 on all three reactors, with Units 1, 2, and 3 operating licenses being issued by the NRC in 1985, 1986, and 1987, respectively. Renewed operating licenses were issued on April 21, 2011, for all three reactors, with license expiration dates of 2045, 2046, and 2047, for Units 1, 2, and 3, respectively.

In the application dated December 2, 2020, the Applicants requested NRC consent to the indirect transfer of PNM's interests in Palo Verde, Units 1, 2, and 3, as well as the general license for the Palo Verde ISFSI, to Avangrid, as a result of a proposed transaction whereby PNM and its parent holding company, PNM Resources, Inc.(PNMR) would become indirect wholly owned subsidiaries of Avangrid. Promptly following closing, as part of the proposed transaction, Avangrid would transfer PNMR to Avangrid Networks, Inc. (Avangrid Networks), which holds all of Avangrid's interests in public utilities in the United States.

3.0 REGULATORY EVALUATION

The Applicants' request for NRC approval of the indirect transfer of PNM's interests in Palo Verde as discussed in this safety evaluation is made under 10 CFR 50.80.

The regulation at 10 CFR 50.80(a) states, in part:

No license for a . . . utilization facility . . . , or any right thereunder, shall be transferred, assigned, or in any manner disposed of, 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.

In addition, the regulations at 10 CFR 50.80(b) and (c) apply. The regulation at 10 CFR 50.80(b) states, in part, that an application for a license transfer shall include as much of the information described in 10 CFR 50.33, "Contents of applications; general information," and 10 CFR 50.34, "Contents of applications; technical information," "with respect to the identity and technical and financial qualifications of the proposed transferee as would be required by those sections if the application were for an initial license." The regulation at 10 CFR 50.80(c) states, in part:

. . . the Commission will approve an application for the transfer of a license, if the Commission determines: (1) That the proposed transferee is qualified to be the

holder of the license; and (2) That transfer of the license is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission pursuant thereto.

The regulation at 10 CFR 50.33(f) states, in part:

Except for an electric utility applicant for a license to operate a utilization facility of the type described in [10 CFR] 50.21(b) or [10 CFR] 50.22, [each application shall state] information sufficient to demonstrate to the Commission the financial qualification of the applicant to carry out, in accordance with regulations in this chapter, the activities for which the permit or license is sought.

The regulation at 10 CFR 50.2, "Definitions," states, in part, that an electric utility means:

[A]ny entity that generates or distributes electricity and which recovers the cost of this electricity, either directly or indirectly, through rates established by the entity itself or by a separate regulatory authority.

The regulation at 10 CFR 50.33(k)(1) states, in part:

For an application for an operating license . . . , information in the form of a report, as described in [10 CFR] 50.75[, "Reporting and recordkeeping for decommissioning planning,"] indicating how reasonable assurance will be provided that funds will be available to decommission the facility.

Accordingly, an applicant is required to demonstrate reasonable assurance of funds for decommissioning by reactor type and power level.

The NRC staff applies guidance in NUREG-1577, Revision 1, "Standard Review Plan on Power Reactor Licensee Financial Qualifications and Decommissioning Funding Assurance" (ADAMS Accession No. ML013330264), to evaluate the financial qualifications and methods of providing decommissioning funding assurance for licensees affected by proposed license transfers.

In 10 CFR 50.34(b)(6), the NRC requires that applicants provide certain information on facility operation. It requires, in part, that the information provided by the applicant includes the following:

- (i) The applicant's organizational structure, allocations or responsibilities and authorities, and personnel qualification requirements.
- (ii) Managerial and administrative controls to be used to assure safe operation.

In 10 CFR 50.34(b)(7), the NRC requires that applicants provide the following information in the final safety analysis report:

The technical qualifications of the applicant to engage in the proposed activities in accordance with the regulations in this chapter.

The NRC staff uses the guidance in Chapter 13, "Conduct of Operations," of NUREG-0800, "Standard Review Plan for the Review of Safety Analysis Reports for Nuclear Power Plants: LWR [Light-Water Reactor] Edition," from the following sections:

- Section 13.1.1, Revision 6, "Management and Technical Support Organization," dated August 2016 (ADAMS Accession No. ML15005A449), which describes the process used for the review of the corporate-level management and technical support organization of applicants.
- Sections 13.1.2 - 13.1.3, Revision 7, "Operating Organization," dated August 2016 (ADAMS Accession No. ML15007A296), which describes the process used for the review of the operating organization of applicants, including the structure, functions, and responsibilities of the onsite organization established to safely operate and maintain the facility.

In addressing foreign ownership, control, or domination (FOCD) issues, Section 103d of the Atomic Energy Act of 1954, as amended (the Act), states, in part:

No license may be issued to an alien or any corporation or other entity if the Commission knows or has reason to believe it is owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government.

The regulation at 10 CFR 50.33(d)(3) states that if the applicant is a corporation or an unincorporated association, the application shall state:

- (i) The state where it is incorporated or organized and the principal location where it does business;
- (ii) The names, addresses and citizenship of its directors and of its principal officers;
- (iii) Whether it is owned, controlled, or dominated by an alien, a foreign corporation, or foreign government, and if so, give details.

The regulation at 10 CFR 50.38, "Ineligibility of certain applicants," is the regulatory provision that implements the FOCD provisions of the Act. The NRC staff evaluates license transfer applications in a manner that is consistent with the guidance provided in the "Final Standard Review Plan on Foreign Ownership, Control, or Domination" (64 FR 52355; September 28, 1999) to determine whether the transferee is owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government.

The NRC staff reviews information that relates to the Price-Anderson insurance and indemnity requirements under Section 170 of the Act, "Indemnification and Limitation of Liability," and 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements," and reviews the onsite property insurance requirements under 10 CFR 50.54, "Conditions of licenses," paragraph (w).

The proposed transaction described in the application would constitute an indirect transfer of PNM's ownership interests in the facility. Generally, for indirect transfers of control of a license, the NRC must find that the transaction will not affect the technical and financial qualifications of the holders of the license.

4.0 TECHNICAL QUALIFICATIONS

4.1 Management and Technical Support

As discussed in Section 4.2 of this safety evaluation, Section 4, "Technical Qualifications," of Enclosure 1 to the application dated December 2, 2020, states that:

APS will continue to be the entity licensed to operate [Palo Verde], and its technical qualifications will be entirely unaffected by the proposed indirect license transfers.

Section 3, "General Corporate Information Regarding PNM and Its Parent Companies," of Enclosure 1 to the application states, in part, that:

PNM holds minority co-owner interests in [Palo Verde], which are currently 10.2 [percent]. As such, PNM has voting rights under the Arizona Nuclear Power Project Participation Agreement which sets forth the rights of co-owners with respect to [Palo Verde]. However, PNM does not exercise control over the [Palo Verde] licenses taken as a whole.

Section 13.1.1 of NUREG-0800 states, in part, that "[t]he review for license transfer will examine the acceptability of any changes to the technical organization or personnel qualifications proposed as a result of a license transfer . . ." It further states, in part, that "[t]he objective of this review is to ensure that the corporate management is involved with, informed of, and dedicated to the safe design, construction, testing, and operation of the nuclear plant. In addition, the review is to ensure that sufficient technical resources have been, are being, and will continue to be provided to adequately accomplish these objectives."

The NRC staff reviewed the application and determined that the proposed transition of PNM from being an independent organization to being a subsidiary of Avangrid is not expected to have any impact on the management and technical support organization at Palo Verde and the ISFSI. PNM will maintain partial voting authority over Palo Verde and the ISFSI; however, as a minority-owner, decisions affecting operations at Palo Verde and the ISFSI will not be dependent on PNM's decisionmaking authority at the facility, and the APS management and technical support organization will continue to function as an independent entity.

The NRC staff reviewed the application to determine whether the proposed corporate management is involved with, informed of, and dedicated to the safe operation of Palo Verde and the ISFSI. The indirect transfer of PNM's ownership interests in Palo Verde and the ISFSI would result from the proposed transaction in which PNM and its parent holding company, PNMR, would become indirect wholly owned subsidiaries of Avangrid. The licensed operator of the facility would continue to be APS. Because there would be no actual impact on the facility management and technical support organization responsible for oversight at Palo Verde, the NRC staff finds the application in this review area to be acceptable.

4.2 Operating Organization

Sections 13.1.2 - 13.1.3 of NUREG-0800 state, in part, that "[t]he review for a transfer of an [operating license] should focus on evaluating changes to the operating organization proposed as a result of the transfer." It also states, in part, that "[t]he [NRC staff] reviewer should ensure

that the proposed changes will result in an organization that will continue to meet the relevant review criteria.”

The NRC staff reviewed the application and determined that the proposed transition of PNM from being an independent organization to being a subsidiary of Avangrid is not expected to have any impact on the operating organization at Palo Verde and the ISFSI. In accordance with the licenses for Palo Verde and the ISFSI, APS will remain the organization technically qualified to engage in the activities authorized by the licenses, in accordance with NRC regulations.

The NRC staff reviewed the application to determine whether sufficient technical resources would continue to be provided to adequately operate Palo Verde and the ISFSI as a result of the proposed indirect license transfer. As stated above, APS would continue to be the licensed operator of Palo Verde and the ISFSI. Upon the consummation of the proposed transaction resulting in PNM and its parent holding company, PNMR, becoming indirect wholly owned subsidiaries of Avangrid, the technical qualifications of the APS operating organization would not be adversely affected and APS would continue to safely operate Palo Verde and the ISFSI. Because there would be no actual impact on the facility operations or operating organization at Palo Verde, the NRC staff finds the application in this review area to be acceptable.

Based on its evaluation as described above, the NRC staff finds that the management and technical support organization and the operating organization of Palo Verde and the ISFSI will continue to support the safe operation of the facility and will retain responsibility for the operation of the facility after the proposed indirect license transfer. Therefore, the NRC staff concludes that the proposed indirect license transfer satisfies 10 CFR 50.80 with respect to technical qualifications.

5.0 FINANCIAL QUALIFICATIONS

According to the application, following the close of the proposed transaction and indirect license transfer, PNM would continue to recover the cost of electricity through rates established by the New Mexico Public Regulation Commission. As such, PNM would continue to be an “electric utility” as defined in 10 CFR 50.2 following the proposed transaction. Accordingly, the application is not subject to a financial qualifications review under 10 CFR 50.33(f)(2). This is consistent with the guidance in NUREG-1577.

In consideration of the foregoing, the NRC staff finds that the proposed transaction would not adversely impact the financial qualifications of PNM.

Based on its evaluation as described above, the NRC staff concludes that the proposed indirect license transfer satisfies 10 CFR 50.80 with respect to financial qualifications.

6.0 DECOMMISSIONING FUNDING

Following the proposed transaction, PNM would continue as a corporate entity, becoming an indirect wholly owned subsidiary of Avangrid. At the time of the proposed indirect license transfer, the existing decommissioning trust funds maintained by PNM for its 10.2 percent interests in Palo Verde and the ISFSI would be retained by PNM.

Pursuant to 10 CFR 50.75(f)(1), licensees are required to report to the NRC, by March 31, 1999, and at least once every 2 years thereafter, on the status of their decommissioning funding for each reactor or part of a reactor that they own. The most recent PNM decommissioning funding

status report for its 10.2 percent share of ownership of Palo Verde and the ISFSI was provided to the NRC by APS on March 26, 2021 (ADAMS Accession No. ML21085A877). APS's submittal provides comprehensive decommissioning funding status report information for each of the seven co-owners of Palo Verde.

Pursuant to 10 CFR 50.75(e)(1)(ii), "External sinking fund," each Palo Verde co-owner maintains decommissioning trust funds that satisfy the NRC's requirements using the external sinking fund method of financial assurance for decommissioning. The proposed transaction would not result in changes to PNM's decommissioning trust funds or to the method of providing financial assurance for decommissioning. Following the proposed indirect license transfer, PNM's 10.2 percent share of Palo Verde and the ISFSI, including decommissioning liability, would continue to be owned by and remain the responsibility of PNM, but with a different, indirect owner.

The March 26, 2021, APS decommissioning funding status report provided information to the NRC on the status of decommissioning funding for Palo Verde, as of December 31, 2020. Per the submittal, the total amount of decommissioning funding required for each unit at Palo Verde, using the table of minimum amounts formula under 10 CFR 50.75, was \$530 million (in 2020 dollars). Based on PNM's 10.2 percent ownership of Palo Verde, the amount of decommissioning funding estimated to be required by PNM pursuant to 10 CFR 50.75(b) and (c) was approximately \$54 million per unit (in 2020 dollars); per the APS submittal, PNM reported decommissioning trust fund balances of approximately \$112 million, \$123 million, and \$140 million, for Units 1, 2, and 3, respectively, as of December 31, 2020.

The NRC staff evaluated these decommissioning funding amounts using the guidance in NUREG-1307, Revision 18, "Report on Waste Burial Charges: Changes in Decommissioning Waste Disposal Costs at Low-Level Waste Burial Facilities," dated January 2021 (ADAMS Accession No. ML21027A302). The NRC staff determined that the current decommissioning funding amounts, which would be retained following the proposed transaction, exceed the NRC minimum decommissioning funding requirements based on current trust fund balances and future compounding of fund assets within the trust funds through the expiration dates of the operating licenses. Also, the Palo Verde ISFSI is a generally licensed ISFSI and Palo Verde licensee co-owners currently rely on excess funds from the 10 CFR 50.75 decommissioning trust funds as financial assurance for ISFSI decommissioning, a method authorized by 10 CFR 50.75(e) and 10 CFR 72.30(e)(5). The NRC staff finds that the aggregate dollar amount of PNM's financial instruments provides adequate financial assurance to cover its cost estimates and, therefore, that these financial instruments are acceptable for ISFSI decommissioning.

Based on its evaluation as described above, the NRC staff finds that the proposed indirect license transfer would not affect the decommissioning funding arrangements currently in place for Palo Verde and the ISFSI. The information provided in the application and in the biennial decommissioning funding status report for Palo Verde conforms to the guidance in NUREG-1577 for the NRC staff's review of decommissioning funding assurance. Therefore, the NRC staff finds that PNM has complied with the regulations at 10 CFR 50.75 and 10 CFR 72.30 with respect to providing decommissioning funding assurance for Palo Verde and the ISFSI. Accordingly, the NRC staff concludes that the proposed indirect license transfer satisfies 10 CFR 50.33(k)(1) and 10 CFR 50.80 with respect to decommissioning funding.

7.0 ANTITRUST

The Act does not require or authorize antitrust reviews of post-operating license transfer applications.² The application post-dates the issuance of the operating licenses for the facility under consideration in this safety evaluation and, therefore, no antitrust review is required or authorized.

8.0 FOREIGN OWNERSHIP, CONTROL, OR DOMINATION

According to the application, approximately 81.5 percent of the voting shares of Avangrid are owned by Iberdrola. In order to address and negate the possibility of any foreign ownership, control, or domination of the Palo Verde licenses, PNM will adopt a Negation Action Plan. Notably, PNM holds minority co-owner interests in Palo Verde, which are currently 10.2 percent. As such, PNM has voting rights under the Arizona Nuclear Power Project Participation Agreement, which sets forth the rights of co-owners with respect to Palo Verde. However, PNM does not exercise control over the Palo Verde licenses taken as a whole. Rather, APS is the licensed operator and exercises primary control over nuclear safety and security relating to Palo Verde. Consistent with 10 CFR 50.33(d), the application contains the names, addresses, and citizenship of the directors and principal officers of all involved parent companies and license holders.

In the supplemental letter dated May 14, 2021, the Applicants confirmed acceptance of the following condition for inclusion in any license transfer order:

Avangrid, Inc. must ensure that:

1. At the time of the indirect license transfer, Public Service Company of New Mexico ("PNM") will implement the Negation Action Plan provided as Attachment 2 to Enclosure 1 of the Application for Order Approving Indirect Transfers of Control of Licenses dated December 2, 2020 (ADAMS Accession No. ML20337A344).
2. The sole shareholder of PNM must consent to amend the Bylaws of PNM to provide that authority over PNM's interests in Palo Verde be delegated to the President of PNM.
3. PNM shall provide thirty (30) days prior written notice to the Director, Office of Nuclear Reactor Regulation, before any further material amendment to Article IV, Section 2 of PNM's Bylaws.
4. The President of PNM must be a U.S. citizen.
5. The PNM President may delegate authority to one or more designated PNM representatives for Palo Verde co-owner matters, and these representatives also must be U.S. citizens under the supervision of the PNM President.
6. The amendment to the Bylaws must specifically provide that the sole shareholder or any of its parent companies cannot remove the PNM President or fail to reappoint the PNM President based upon a decision made with respect to Palo Verde.

² Kansas Gas and Electric Co., et al. (Wolf Creek Generating Station, Unit 1), CLI-99-19, 49 NRC 441 (1999).

7. The PNM President must sign a certificate acknowledging the duties owed to the NRC and the United States regarding the prohibition of foreign ownership, control or domination of any reactor license.

The NRC staff reviewed the information in the application and the proposed Negation Action Plan measures. Based on this review and with the imposition of the above condition in the license transfer order, the staff has reasonable assurance that PNM will not be foreign owned, controlled, or dominated.

9.0 NUCLEAR INSURANCE AND INDEMNITY

Upon review of the requirements of the Price-Anderson Act (Section 170 of the Act) and the NRC's implementing regulations at 10 CFR Part 140, the NRC staff finds that the current indemnity agreement does not need to be modified to reflect the proposed indirect license transfer of the parent companies since there would be no change to the named license holders. Additionally, the financial protection currently provided by APS in the form of offsite liability insurance and onsite property insurance would continue to remain in effect unchanged. APS remains required to provide, maintain, and report the appropriate amount of insurance in accordance with 10 CFR 50.54(w), 10 CFR 140.11, "Amounts of financial protection for certain reactors," paragraph (a)(4), and 10 CFR 140.21, "Licensee guarantees of payment of deferred premiums."

10.0 SUMMARY

Based on its review of the information provided in the application, its independent analysis, and the condition described herein, the NRC staff finds that the proposed indirect license transfer satisfies the NRC's technical qualifications; financial qualifications; decommissioning funding; antitrust; foreign ownership, control, or domination; and nuclear insurance and indemnity requirements.

11.0 CONCLUSION

The Commission has concluded, based on the considerations discussed above, that (1) the proposed transferee is qualified to be the holder of the licenses and (2) transfer of the licenses is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission pursuant thereto.

Principal Contributors: T. Wertz, NMSS
J. Vazquez, NRR

Date: May 25, 2021

SUBJECT: PALO VERDE NUCLEAR GENERATING STATION, UNITS 1, 2, AND 3 AND THE INDEPENDENT SPENT FUEL STORAGE INSTALLATION - ORDER APPROVING INDIRECT TRANSFER OF LICENSES (EPID L-2020-LLM-0002) DATED MAY 25, 2021

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ADAMS Accession Nos.:

Package: ML21119A050

Letter/SE: ML21118B028

Order: ML21118B029

FRN (not in pkg): ML21118B031

*by e-mail

**by memorandum

OFFICE	NRR/DORL/LPL4/PM*	NRR/DORL/LPL4/LA*	NMSS/REFS/FAB/BC (A)*	NRR/DRO/IOLB/BC**
NAME	SLingam	PBlechman	RTurtill	CCowdrey
DATE	4/28/2021	4/29/2021	4/22/2021	4/26/2021
OFFICE	OGC* (NLO)	NRR/DORL/LPL4/BC*	NRR/DORL/DD*	NRR/DORL/LPL4/PM*
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