

NUCLEAR REGULATORY COMMISSION

[Docket Nos. STN 50-528, STN 50-529, STN 50-530, and 72-44; NRC-2021-0031]

In the Matter of Arizona Public Service Company

Public Service Company of New Mexico

Palo Verde Nuclear Generating Station, Units 1, 2, and 3, and

Independent Spent Fuel Storage Installation

AGENCY: Nuclear Regulatory Commission.

ACTION: Indirect transfer of licenses; order.

SUMMARY: The U.S. Nuclear Regulatory Commission (NRC) is issuing an Order approving the application dated December 2, 2020, as supplemented by letters dated February 26, 2021 and May 14, 2021, filed by Arizona Public Service Company (APS), on behalf of Public Service Company of New Mexico (PNM), Avangrid, Inc. (Avangrid), and their corporate affiliates. The application sought NRC consent to the indirect transfer of PNM's interests in Renewed Facility Operating License Nos. NPF-41, NPF-51, and NPF-74 for the 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) (together, the Facility). No physical changes to the Facility or operational changes were proposed in the application.

DATES: The Order was issued on May 25, 2021, and is effective for 1 year.

ADDRESSES: Please refer to Docket ID **NRC-2021-0031** when contacting the NRC about the availability of information regarding this document. You may obtain publicly available information related to this document using any of the following methods:

- **Federal Rulemaking Web Site:** Go to <https://www.regulations.gov> and search for Docket ID **NRC-2021-0031**. Address questions about Docket IDs in

Regulations.gov to Stacy Schumann; telephone: 301-287-0624; e-mail:

Stacy.Schumann@nrc.gov. For technical questions, contact the individual listed in the

FOR FURTHER INFORMATION CONTACT section of this document.

- **NRC's Agencywide Documents Access and Management System**

(ADAMS): You may obtain publicly available documents online in the ADAMS Public Documents collection at <https://www.nrc.gov/reading-rm/adams.html>. To begin the search, select "Begin Web-based ADAMS Search." For problems with ADAMS, please contact the NRC's Public Document Room (PDR) reference staff at 1-800-397-4209, 301-415-4737, or by e-mail to pdresource@nrc.gov. The license transfer Order and the NRC staff safety evaluation supporting the Order are available in ADAMS under ADAMS Package Accession No. ML21119A050.

- **Attention:** The PDR, where you may examine and order copies of public documents, is currently closed. You may submit your request to the PDR via e-mail at pdresource@nrc.gov or call 1-800-397-4209 or 301-415-4737, between 8:00 a.m. and 4:00 p.m. (ET), Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Siva P. Lingam, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001; telephone: 301-415-1564, e-mail: Siva.Lingam@nrc.gov.

SUPPLEMENTARY INFORMATION: The text of the Order is attached.

Dated: May 25, 2021.

For the Nuclear Regulatory Commission.

/RA/

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

Attachment – Order Approving Indirect Transfer of Licenses

UNITED STATES OF AMERICA

NUCLEAR REGULATORY COMMISSION

In the Matter of)	
)	
Arizona Public Service Company)	
Public Service Company of New Mexico)	
)	
Palo Verde Nuclear Generating Station,)	Docket Nos. STN 50-528, STN 50-
529)	
Units 1, 2, 3, and Independent Spent)	STN 50-530, and
72-44)	
Fuel Storage Installation)	License Nos. NPF-41, NPF-51, and
NPF-74)	

ORDER APPROVING INDIRECT TRANSFER OF LICENSES

I.

Arizona Public Service Company (APS) is the licensed operator and a licensed co-owner of Renewed Facility Operating License Nos. NPF-41, NPF-51, and NPF-74 for the 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). Palo Verde is located in Maricopa County, Arizona. The other licensed co-owners (tenants-in-common), Salt River Project Agricultural Improvement and Power District; Southern California Edison Company; El Paso Electric Company; Public Service Company of New Mexico (PNM); Southern California Public Power Authority; and Los Angeles Department of Water and Power, hold possession-only rights for these licenses (i.e., they are not licensed to operate the facility).

II.

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 ML21134A244, respectively), APS, on behalf of PNM, Avangrid, Inc. (Avangrid), and their corporate affiliates (together, the Applicants), requested, pursuant to Title 10 of the *Code of Federal Regulations* (10 CFR) Sections 50.80 and 72.50, that the U.S. Nuclear Regulatory Commission (NRC, the Commission) consent to the indirect transfer of PNM's interests in Renewed Facility Operating License Nos. NPF-41, NPF-51, and NPF-74 for Palo Verde Units 1, 2, and 3, respectively, and the general license for the Palo Verde ISFSI to Avangrid.

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.

No physical changes or operational changes are proposed in the application.

A notice of the application and opportunity to comment, request a hearing, and petition for leave to intervene on the application was published in the *Federal Register* (FR) on January 27, 2021 (86 FR 7310). The NRC did not receive any comments or hearing requests on the application.

Under 10 CFR 50.80 and 10 CFR 72.50, no license for a production or utilization facility or ISFSI, or any right thereunder, shall be transferred, 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. Upon review of the information in the application, and other information before the Commission, the NRC staff has determined that PNM can indirectly transfer its 10.2 percent tenant-in-common interest and possession-only rights in the NRC licenses to Avangrid. The proposed transferee is qualified to be the indirect holder of the licenses and the indirect transfer of the licenses is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission pursuant thereto, subject to the condition set forth below.

The findings set forth above are supported by an NRC staff safety evaluation dated the same date as this Order, which is available at ADAMS Accession No. ML21118B028.

III.

Accordingly, pursuant to Sections 161b, 161i, and 184 of the Atomic Energy Act of 1954, as amended, 42 USC § 2201(b), 2201(i), and 2234; and 10 CFR 50.80 and 10 CFR 72.50, IT IS HEREBY ORDERED that the application regarding the proposed

indirect license transfer is approved for Palo Verde Units 1, 2, and 3, and the Palo Verde ISFSI, subject to the following condition.

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.
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.

IT IS FURTHER ORDERED that after receipt of all required regulatory approvals of the proposed indirect transfer action, the Applicants shall inform the Director of the NRC Office of Nuclear Reactor Regulation in writing of such receipt, and of the date of the closing of the transfer, no later than 2 business days prior to the date of the closing of the transfer. Should the proposed indirect transfer not be completed within 1 year of the date of this Order, this Order shall become null and void, provided, however, that

upon written application and for good cause shown, such date may be extended by order. The condition of this Order may be amended upon application by the Applicants and approval by the Director of the Office of Nuclear Reactor Regulation.

This Order is effective upon issuance.

For further details with respect to this Order, see the application dated December 2, 2020, as supplemented by letters dated February 26, 2021, and May 14, 2021, and the NRC staff's safety evaluation dated the same date as this Order, which are available for public inspection electronically through ADAMS in the NRC Library at <https://www.nrc.gov/reading-rm/adams.html>. Persons who do not have access to ADAMS or who encounter problems accessing the documents located in ADAMS should contact the NRC Public Document Room reference staff by telephone at 1-800-397-4209 or 301-415-4737 or by e-mail to pdr.resource@nrc.gov.

Dated: May 25, 2021.

FOR THE NUCLEAR REGULATORY
COMMISSION

/RA/

Caroline L. Carusone, Deputy Director,
Division of Operating Reactor Licensing,
Office of Nuclear Reactor Regulation.