

**REQUEST FOR ADDITIONAL INFORMATION (RAI)
APPLICATION FOR ORDER APPROVING TRANSFER OF CONTROL OF KEWAUNEE
POWER STATION LICENSE AND CONFORMING LICENSE AMENDMENT**

Background

By letter dated May 10, 2021, as supplemented by letter dated May 13, 2021 (Agencywide Documents Access and Management System [ADAMS] Accession Nos. ML21131A141 and ML21145A083, respectively), Dominion Energy Kewaunee, Inc. (the licensee) and EnergySolutions, LLC (EnergySolutions) (together, the Applicants) filed an application seeking U.S. Nuclear Regulatory Commission (NRC) approval of the indirect transfer of control of Renewed Facility Operating License No. DPR-43 for Kewaunee Power Station (Kewaunee) and the general license for the Kewaunee independent spent fuel storage installation (ISFSI) from Dominion Nuclear Projects, Inc. (Dominion), the parent entity of the licensee, to EnergySolutions.

Financial RAIs

The NRC's regulations at Title 10 of the *Code of Federal Regulations* (10 CFR) 50.80 and 72.50 state that no license, or any right thereunder, shall be transferred, directly or indirectly, through transfer of control of the license, unless the Commission gives its consent in writing. The regulation at 10 CFR 50.80(c) states, in part, that "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 the 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) requires that an application for a license to operate a utilization facility provide "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 further states that, as applicable, the following should be provided:

- (4) Each application for a[n] . . . operating license . . . submitted by a newly-formed entity organized for the primary purpose of constructing and/or operating a facility must also include information showing:
 - (i) The legal and financial relationships it has or proposes to have with its stockholders or owners;
 - (ii) The stockholders' or owners' financial ability to meet any contractual obligation to the entity which they have incurred or proposed to incur; and
 - (iii) Any other information considered necessary by the Commission to enable it to determine the applicant's financial qualification.

- (5) The Commission may request an established entity or newly-formed entity to submit additional or more detailed information respecting its financial arrangements and status of funds if the Commission considers this information appropriate. This may include information regarding a licensee's ability to continue the conduct of the activities authorized by the license and to decommission the facility.

In addition to requirements in 10 CFR Part 50, certain regulations in 10 CFR Part 72 apply to a generally licensed ISFSI, as listed in 10 CFR 72.13(c), including 10 CFR 72.30(b)–(f); that regulation includes provisions for demonstration of financial assurance for decommissioning of a generally licensed ISFSI.

RAI-1. Contingency - NUREG-1757, Vol. 3, Rev. 1, "Consolidated Decommissioning Guidance" (ADAMS Accession No. ML12048A683), states, in part:

In general, a contingency of 25 percent applied to the sum of all estimated decommissioning costs should be adequate, but in some cases a higher contingency may be appropriate. The 25 percent contingency factor provides reasonable assurance for *unforeseen* circumstances that could increase decommissioning costs and should not be reduced or eliminated simply because foreseeable costs are low. Proposals to apply the contingency only to selected components of the cost estimate, or to apply a contingency lower than 25 percent, should be approved only in circumstances when a case-specific review has determined that there is an extremely low likelihood of unforeseen increases in the decommissioning costs....

Accordingly, the NRC staff requests additional information regarding the reason for including a lower contingency amount than suggested. The staff could not find a justification of why the decommissioning cost estimate did not meet the recommended 25 percent contingency. Provide, for NRC staff consideration, a justification for using less than the recommended 25 percent contingency for the cost of decommissioning Kewaunee.

RAI-2. U.S. Department of Energy Breach of Contract - In 10 CFR 50.54(bb), the NRC requires, in part, a licensee to submit, for NRC review and preliminary approval, the program by which the licensee intends to manage and provide funding for the management of all spent fuel at the reactor following permanent cessation of operation of the reactor until title to the spent fuel and possession of the spent fuel is transferred to the U.S. Department of Energy (DOE) for its ultimate disposal.

Accordingly, the NRC staff requests additional information regarding the proposed DOE reimbursements process and scope that would be relied upon in the site-specific decommissioning cost estimate (SSDCE) for spent fuel management. The staff is unable to reconcile the DOE reimbursements as scheduled and therefore clarification is necessary. Also, provide a more detailed explanation of the DOE reimbursements for breach of the standard contract. In addition, it is not apparent to the staff the source of the numbers in the SSDCE cash flow description. Therefore, provide, for NRC staff consideration, such references.

Technical RAIs

As part of its technical review, the NRC staff uses the guidance in NUREG-0800, "Standard Review Plan for the Review of Safety Analysis Reports for Nuclear Power Plants: LWR [Light-Water Reactor] Edition," Chapter 13, "Conduct of Operations," Section 13.1.1, Revision 6, "Management and Technical Support Organization" (ADAMS Accession No. ML15005A449), and Sections 13.1.2 - 13.1.3, Revision 7, "Operating Organizations" (ADAMS Accession No. ML15007A296); Regulatory Guide 1.8, Revision 4, "Qualification and Training of Personnel for Nuclear Power Plants" (ADAMS Accession No. ML19101A395); and American Nuclear Society / American National Standards Institute (ANSI/ANS) 3.1-2014, "Selection, Qualification, and Training of Personnel for Nuclear Power Plants."

RAI-3. Specific Provisions - As per NUREG-0800, Section 13.1.1, paragraph I.4.c, the description of the specific provisions which have been made for uninterrupted technical support for operations should be part of the description of the organization for a license transfer application.

In the Kewaunee Post-Shutdown Decommissioning Activities Report, Revision 2, attached to the supplemental letter dated May 13, 2021, the Dominion spent fuel management plan is identified and described on page 5. However, it is unclear whether EnergySolutions intends to follow this plan following the consummation of the proposed license transfer transaction. Accordingly, describe EnergySolutions' commitment to the existing Dominion spent fuel management plan identified on page 5 and whether EnergySolutions has any specific changes in activities, timing of the implementation, and updates to the original plan. Provide any supporting analyses and evaluations, as appropriate.

RAI-4. Technical Qualifications - More information is needed to determine the technical qualifications of the proposed transferee, as required under 10 CFR 50.80. Specifically, further detail on the responsibilities and experience of the on-site dismantlement managers identified in Enclosure 2, "Pre-Closing and Post-Closing Organizational Charts," of the application is needed to determine the qualifications of the persons who will be filling those positions.

The Applicants provided the resumes for some of the planned positions identified in Figure 2.3, "Kewaunee Solutions, Inc. Organization," in Enclosure 2 of the application. However, the resumes were not provided for the following planned management positions identified in Figure 2.3: Radiation Protection Manager, Licensing Manager, Engineering Manager, Safety Manager, and Quality Assurance Manager. Accordingly, provide the resumes for the individuals that are proposed to fill these positions that have not yet been provided so that the NRC staff will be able to complete its determination of whether the proposed transferee is technical qualified to be the holder of the license.

RAI-5. Technical Support - NUREG-0800, Section 13.1.1 and Sections 13.1.2 - 13.1.3 indicate that the objective of a review of license transfers under 10 CFR 50.80 is to ensure that the corporate management is involved with, informed of, and dedicated to the safe decommissioning of the plant. In addition, the review is to ensure that sufficient technical resources will be provided to adequately accomplish this objective and that there are sufficient interface arrangements and controls between the applicant and the major support organizations that the applicant will be responsible for and oversee.

More information is needed to evaluate any proposed changes to the current technical organization that would result from the proposed transfer and to evaluate the supporting technical resources that would be used for the decommissioning operations provided that the transfer is approved.

Accordingly, describe the difference between the current Dominion organizational structure for Kewaunee and that of the proposed organization after the consummation of the proposed transaction. If a function under the current organization will not be carried over to the proposed organization, explain why. Identify if there are any planned support agreements between Dominion post-Closing and EnergySolutions' strategic partners and how they fit into the planned Kewaunee Solutions organization chart in Enclosure 2 of the application. Also, identify if these supporting organizations would provide support to operations at the site. If so, identify where they would provide support in the organization and also identify the lines of communication and authority that these supporting organization would have in the overall proposed transferee's organization.