

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of

EXELON GENERATION COMPANY, LLC;
EXELON CORPORATION; EXELON
FITZPATRICK, LLC; NINE MILE POINT
NUCLEAR STATION, LLC; R. E. GINNA
NUCLEAR POWER PLANT, LLC; AND
CALVERT CLIFFS NUCLEAR POWER
PLANT, LLC

(Braidwood Station, Units 1 and 2; Byron Station, Unit Nos. 1 and 2; Calvert Cliffs Nuclear Power Plant, Units 1 and 2; Clinton Power Station, Unit No. 1; Dresden Nuclear Power Station, Units 1, 2, and 3; James A. FitzPatrick Nuclear Power Plant; LaSalle County Station, Units 1 and 2; Limerick Generating Station, Units 1 and 2; Nine Mile Point Nuclear Station, Units 1 and 2; Peach Bottom Atomic Power Station, Units 1, 2, and 3; Quad Cities Nuclear Power Station, Units 1 and 2; R. E. Ginna Nuclear Power Plant; Salem Nuclear Generating Station, Unit Nos. 1 and 2; Three Mile Island Nuclear Station, Unit 1; Zion Nuclear Power Station, Units 1 and 2; and the Associated Independent Spent Fuel Storage Installations)

Docket Nos. STN 50-456, STN 50-457, 72-73, STN 50-454, STN 50-455, 72-68, 50-317, 50-318, 72-8, 50-461, 72-1046, 50-10, 50-237, 50-249, 72-37, 50-333, 72-12, 50-373, 50-374, 72-70, 50-352, 50-353, 72-65, 50-220, 50-410, 72-1036, 50-171, 50-277, 50-278, 72-29, 50-254, 50-265, 72-53, 50-244, 72-67, 50-272, 50-311, 72-48, 50-289, 72-77, 50-295, 50-304, and 72-1037

License Nos. NPF-72, NPF-77, NPF-37, NPF-66, DPR-53, DPR-69, NPF-62, DPR-2, DPR-19, DPR-25, DPR-59, NPF-11, NPF-18, NPF-39, NPF-85, DPR-63, NPF-69, DPR-12, DPR-44, DPR-56, DPR-29, DPR-30, DPR-18, DPR-70, DPR-75, DPR-50, DPR-39, DPR-48, and SNM-2505

ORDER APPROVING INDIRECT TRANSFER OF LICENSES AND DRAFT
CONFORMING LICENSE AMENDMENTS

I.

This order pertains to the following licenses (collectively, the Licenses):

- Renewed Facility Operating License Nos. NPF-72 and NPF-77 for Braidwood Station (Braidwood), Units 1 and 2, respectively, and the general license for the associated independent spent fuel storage installation (ISFSI). Braidwood is located in Will

County, Illinois, and it is owned and operated by Exelon Generation Company, LLC (EGC). EGC holds the licenses.

- Renewed Facility Operating License Nos. NPF-37 and NPF-66 for Byron Station (Byron), Unit Nos. 1 and 2, respectively, and the general license for the associated ISFSI. Byron is located in Ogle County, Illinois, and it is owned and operated by EGC. EGC holds the licenses.
- Renewed Facility Operating License Nos. DPR-53 and DPR-69 for Calvert Cliffs Nuclear Power Plant (Calvert Cliffs), Units 1 and 2, respectively, and Renewed Materials License No. SNM-2505 for the associated ISFSI. Calvert Cliffs is located in Calvert County, Maryland, and it is owned by Calvert Cliffs Nuclear Power Plant, LLC (Calvert LLC) and operated by EGC. Calvert LLC and EGC hold the licenses.
- Facility Operating License No. NPF-62 for Clinton Power Station (Clinton), Unit No. 1, and the general license for the associated ISFSI. Clinton is located in DeWitt County, Illinois, and it is owned and operated by EGC. EGC holds the licenses.
- Facility Operating License No. DPR-2 and Renewed Facility Operating License Nos. DPR-19 and DPR-25 for Dresden Nuclear Power Station (Dresden), Units 1, 2, and 3, respectively, and the general license for the associated ISFSI. Dresden is located in Grundy County, Illinois, and it is owned by EGC. Dresden, Unit 1, has permanently ceased operation and is no longer authorized to operate, and EGC is only authorized to perform certain activities (e.g., decommissioning) at the facility. EGC operates Dresden, Units 2 and 3. EGC holds the licenses.
- Renewed Facility Operating License No. DPR-59 for James A. FitzPatrick Nuclear Power Plant (FitzPatrick), and the general license for the associated ISFSI. FitzPatrick is located in Oswego County, New York, and it is owned by Exelon

FitzPatrick, LLC and operated by EGC. Exelon FitzPatrick, LLC and EGC hold the licenses.

- Renewed Facility Operating License Nos. NPF-11 and NPF-18 for LaSalle County Station (LaSalle), Units 1 and 2, respectively, and the general license for the associated ISFSI. LaSalle is located in LaSalle County, Illinois, and it is owned and operated by EGC. EGC holds the licenses.
- Renewed Facility Operating License Nos. NPF-39 and NPF-85 for Limerick Generating Station (Limerick), Units 1 and 2, respectively, and the general license for the associated ISFSI. Limerick is located in Montgomery County, Pennsylvania, and it is owned and operated by EGC. EGC holds the licenses.
- Renewed Facility Operating License Nos. DPR-63 and NPF-69 for Nine Mile Point Nuclear Station (NMP), Units 1 and 2, respectively, and the general license for the associated ISFSI. NMP is located in Oswego County, New York, and it is operated by EGC. Nine Mile Point Nuclear Station, LLC (NMP LLC) owns NMP, Unit 1, and holds the license with EGC. NMP LLC and Long Island Lighting Company own NMP, Unit 2, and hold the license with EGC.
- Facility Operating License No. DPR-12 and Subsequent Renewed Facility Operating License Nos. DPR-44 and DPR-56 for Peach Bottom Atomic Power Station (Peach Bottom), Units 1, 2, and 3, respectively, and the general license for the associated ISFSI. Peach Bottom is located in York and Lancaster Counties, Pennsylvania. Peach Bottom, Unit 1, has permanently ceased operation and is no longer authorized to operate, and EGC is only authorized to perform certain activities (e.g., decommissioning) at the facility. EGC owns and holds the license for Peach Bottom, Unit 1. Peach Bottom, Units 2 and 3, are owned by PSEG Nuclear, LLC (PSEG) and

EGC and operated by EGC. PSEG and EGC hold the licenses for Peach Bottom, Units 2 and 3.

- Renewed Facility Operating License Nos. DPR-29 and DPR-30 for Quad Cities Nuclear Power Station (Quad Cities), Units 1 and 2, respectively, and the associated general license for the ISFSI. Quad Cities is located in Rock Island County, Illinois, and it is owned by EGC and MidAmerican Energy Company and operated by EGC. EGC and MidAmerican Energy Company hold the licenses.
- Renewed Facility Operating License No. DPR-18 for R. E. Ginna Nuclear Power Plant (Ginna), and the general license for the associated ISFSI. Ginna is located in Wayne County, New York, and it is owned by R. E. Ginna Nuclear Power Plant, LLC (Ginna LLC) and operated by EGC. Ginna LLC and EGC hold the license.
- Renewed Facility Operating License Nos. DPR-70 and DPR-75 for Salem Nuclear Generating Station (Salem), Unit Nos. 1 and 2, respectively, and the general license for the associated ISFSI. Salem is located in Salem County, New Jersey, and it is owned by PSEG and EGC and operated by PSEG. PSEG and EGC hold the licenses.
- Renewed Facility License No. DPR-50 for Three Mile Island Nuclear Station (TMI), Unit 1, and the general license for the associated ISFSI. TMI is located in Dauphin County, Pennsylvania. TMI, Unit 1, has permanently ceased operation and is no longer authorized to operate, and EGC is only authorized to perform certain activities (e.g., decommissioning) at the facility. EGC owns and holds the license for TMI, Unit 1.
- Facility Operating License Nos. DPR-39 and DPR-48 for Zion Nuclear Power Station (Zion), Units 1 and 2, respectively, and the general license for the associated ISFSI. Zion is located in Lake County, Illinois, and it is owned by EGC. Radiological

decommissioning of the Zion units has been completed such that the only licensed activities that EGC may perform at the site are associated with the ISFSI operation and maintenance. EGC holds the licenses.

II.

By application dated February 25, 2021 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML21057A273), as supplemented by letters dated March 25, June 11, September 16, and September 29, 2021 (ADAMS Accession Nos. ML21084A165, ML21162A292, ML21259A040, and ML21272A276 (package), respectively), EGC, on behalf of itself and Exelon Corporation; Exelon FitzPatrick, LLC; NMP LLC; Ginna LLC; and Calvert LLC (collectively, the Applicants) requested, pursuant to Section 184 of the Atomic Energy Act of 1954, as amended (the Act), and Title 10 of the *Code of Federal Regulations* (10 CFR) Sections 50.80, "Transfer of licenses," and 72.50, "Transfer of license," that the U.S. Nuclear Regulatory Commission (NRC, the Commission) consent to the indirect transfer of control of the Licenses.

Specifically, the Applicants requested that the NRC consent to the indirect transfer of control of the Licenses to support a proposed transaction (referred to as the spin transaction) in which Exelon Corporation will transfer its 100 percent ownership of EGC to a newly-created subsidiary that will then be spun off to Exelon Corporation shareholders, becoming EGC's new ultimate parent company. Once the spin transaction is completed, the new ultimate parent company, EGC, and its subsidiaries will no longer be affiliated with Exelon Corporation. EGC will remain the same Pennsylvania limited liability company as before the spin transaction and will continue to own and/or operate the aforementioned reactor units and associated ISFSIs (collectively, the facilities), as applicable, and hold the Licenses, but it will be reorganized and renamed. The name for the new ultimate parent company and the new name for EGC have not yet been determined; therefore, they are identified herein as HoldCo and SpinCo, respectively.

The Applicants further requested that the NRC consent to the indirect transfer of control of the licenses for the FitzPatrick, NMP, and Ginna facilities to support the reorganization of EGC. As part of the reorganization, Exelon FitzPatrick, LLC; NMP LLC; Ginna LLC; and, as applicable, their parent entities, will become subsidiaries of a newly-created, wholly-owned subsidiary of SpinCo. In addition, Exelon FitzPatrick, LLC will be renamed. The name for this new subsidiary of SpinCo and the new name for Exelon FitzPatrick, LLC have not yet been determined; therefore, they are identified herein as New York HoldCo and New FitzPatrick, LLC, respectively.

The Applicants also requested NRC approval to replace existing nuclear operating services agreements and financial support agreements associated with the ownership and operation of the Calvert Cliffs, NMP, Ginna, and FitzPatrick facilities. The Applicants requested NRC approval to transfer the qualified and non-qualified trusts for FitzPatrick from Exelon Generation Consolidation, LLC (a subsidiary of EGC) to New FitzPatrick, LLC.

Pursuant to 10 CFR 50.90, "Application for amendment of license, construction permit, or early site permit," and 72.56, "Application for amendment of license," the Applicants requested conforming amendments to the Licenses to reflect the proposed transfer. In addition, the Applicants requested that the conforming amendments to the licenses for Calvert Cliffs, Units 1 and 2; NMP, Units 1 and 2; and Ginna delete conditions referencing the Constellation Energy Nuclear Group, LLC (a subsidiary of EGC) Board and its operating agreement to reflect the internal reorganization of EGC described in the application.

On May 3, 2021, the NRC published a notice of consideration of approval of the proposed license transfer and conforming license amendments in the *Federal Register* (86 FR 23437). This notice provided an opportunity to comment, request a hearing, and petition for leave to intervene on the application. On June 2, 2021 (86 FR 29599), the comment period was extended to June 23, 2021.

Separate requests for a hearing on the application were filed by Eric Epstein, on behalf of himself and Three Mile Island Alert, Inc., on June 14, 2021 (ADAMS Accession No. ML21165A196); EDF Inc. on June 14, 2021 (ADAMS Accession No. ML21165A295); the Environmental Law and Policy Center on June 23, 2021 (ADAMS Accession No. ML21174A320); and the State of Illinois on July 12, 2021 (ADAMS Accession No. ML21193A326). EDF Inc. withdrew its request for a hearing on August 9, 2021 (ADAMS Accession No. ML21221A153). The remaining hearing requests are pending before the Commission. The NRC also received written comments regarding the application. The comments within the scope of the NRC staff's review of the application are addressed in the NRC staff's safety evaluation of the application.

Pursuant to 10 CFR 50.80, no license for a production or utilization facility, 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. Pursuant to 10 CFR 72.50, no license or any part included in a license issued under 10 CFR Part 72 for an ISFSI 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, as supplemented, and other information before the Commission, the NRC staff has determined that SpinCo; Calvert LLC, New FitzPatrick, LLC; NMP LLC; and Ginna LLC are qualified to hold the Licenses to the extent proposed in the application, as supplemented, to permit the spin transaction and reorganization of EGC, and that transfer of the Licenses is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission pursuant thereto, subject to the conditions set forth below.

Upon review of the application, as supplemented, for conforming license amendments to reflect the transfer, the NRC staff has determined that:

- (1) The application, as supplemented, complies with the standards and requirements of the Act and the Commission's rules and regulations set forth in 10 CFR Chapter I.
- (2) The facilities will operate in conformity with the application, as supplemented, the provisions of the Act, and the rules and regulations of the Commission.
- (3) There is reasonable assurance that the activities authorized by the amendments can be conducted without endangering the health and safety of the public and that such activities will be conducted in compliance with the Commission's regulations.
- (4) The issuance of the amendments will not be inimical to the common defense and security or to the health and safety of the public.
- (5) The issuance of the amendments will be in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied. 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. ML21277A248 (non-proprietary).

III.

Accordingly, pursuant to Sections 161b, 161i, and 184 of the Act, 42 U.S.C. §§ 2201(b), 2201(i), and 2234, and 10 CFR 50.80, 10 CFR 72.50, 10 CFR 50.90, and 10 CFR 72.56, IT IS HEREBY ORDERED that the license transfer application, as described herein, is approved, subject to the following conditions:

1. SpinCo and New FitzPatrick, LLC shall provide satisfactory documentary evidence to the Director of the Office of Nuclear Reactor Regulation that, as of the date of the indirect license transfer, the licensees reflected in the amended licenses have obtained the appropriate amount of insurance required of a licensee under 10 CFR Part 140 and 10 CFR 50.54(w).

2. If EGC does not hold Facility Operating License Nos. DPR-39 and DPR-48 for Zion, Units 1 and 2, respectively, and the general license for the Zion ISFSI at the time of the closing of the spin transaction, then these licenses shall not be transferred to SpinCo as part the spin transaction.
3. At least 5 business days before the closing of the spin transaction, the Applicants shall submit, signed under oath or affirmation, the following information to the NRC in accordance with 10 CFR Parts 50 and 72: (1) the final legal entity names of HoldCo, SpinCo, New York HoldCo, and New FitzPatrick, LLC; (2) the state of incorporation and address for HoldCo; (3) the address for New York HoldCo; and (4) the names, addresses, and citizenship of the directors and principal officers of HoldCo and New York HoldCo.
4. The NRC staff's approval of the license transfer is subject to the Commission's authority to rescind, modify, or condition the approved transfer based on the outcome of any post-effectiveness hearing on the license transfer application.

IT IS FURTHER ORDERED that after receipt of all required regulatory approvals of the proposed indirect license transfer, the Applicants shall inform the Directors of the Office of Nuclear Reactor Regulation and the Office of Nuclear Material Safety and Safeguards in writing of such receipt no later than 5 business days prior to the date of the closing of the transfer. Should the proposed license 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 conditions of this order may be amended upon application by the Applicants and approval by the NRC.

IT IS FURTHER ORDERED that consistent with 10 CFR 2.1315(b), the license amendments that make changes, as indicated in Enclosure 2 to the letter forwarding this order, to reflect the subject license transfer, are approved. The amendments shall be issued and made effective at the time the proposed transfer actions are completed.

This order is effective upon issuance.

For further details with respect to this order, see the application dated February 25, 2021, as supplemented by letters dated March 25, June 11, September 16, and September 29, 2021, and the associated NRC staff safety evaluation dated the same date as this order. Publicly available documents created or received at the NRC are accessible 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: November 16, 2021.

FOR THE NUCLEAR REGULATORY COMMISSION.

Bo M. Pham, Director,
Division of Operating Reactor Licensing,
Office of Nuclear Reactor Regulation.

Jane E. Marshall, Director,
Division of Decommissioning, Uranium
Recovery, and Waste Programs,
Office of Nuclear Material Safety and Safeguards.

Shana R. Helton, Director,
Division of Fuel Management,
Office of Nuclear Material Safety and Safeguards.