

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

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

ORDER APPROVING INDIRECT TRANSFER OF CONTROL 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 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 (EPE); Public Service Company of New Mexico; 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 March 18, 2021 (Agencywide Documents Access and Management System (ADAMS) Accession Nos. ML21077A256), EPE requested pursuant to 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 Palo Verde NRC licenses.

According to the application, EPE currently owns a 15.8 percent tenant-in-common interest and holds possession-only rights in the Palo Verde NRC licenses. The indirect transfer of control of EPE's possession only non-operating interests in the Palo Verde NRC licenses resulted from the acquisition of an approximately 33.3 percent membership interest in IIF US Holding 2 GP, LLC (IIF US 2 GP), the general partner of IIF US Holding 2 LP (IIF US 2), by a private individual, Anne Cleary, a U.S. citizen, subsequent to the retirement and relinquishment of an approximately 33.3 percent IIF US 2 GP membership interest held by Dennis Clarke, a U.S. citizen. APS owns a 29.1 percent tenant-in-common interest and holds both operating and possession rights in the Palo Verde NRC licenses. Further, APS operates, and will 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 Palo Verde NRC licenses are: Salt River Project Agricultural Improvement and Power District (17.49 percent); Southern California Edison Company (15.8 percent); Public Service Company of New Mexico (10.2 percent); Southern California Public Power Authority (5.91 percent); and Los Angeles Department of Water and Power (5.7 percent).

According to the application, the transaction involved the issuance of the approximately 33.3 percent interest in IIF US 2 GP that was relinquished by Dennis Clarke on September 30, 2020, to Anne Cleary pursuant to that certain resolution dated September 30, 2020, of the IIF US 2 GP Owners, Rita J. Sallis and Christopher Ward. As a result of the transaction, as of December 17, 2020, Anne Cleary became an approximately 33.3 percent owner of IIF US 2 GP and indirect owner of EPE. The approximately 33.3 percent interests of each of Rita J. Sallis and Christopher Ward were unaffected by the transaction.

After the transaction, Anne Cleary owns an approximately 33.3 percent membership interest in IIF US 2 GP. APS continues to own a 29.1 percent tenant-in-common interest and continues to hold both operating and possession rights in the Palo Verde NRC licenses. Further, APS continues 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. Also, as before the transaction, no entity owns 50 percent or more of the voting interests. Accordingly, after the transaction, there is no change in the control of the operation of Palo Verde; APS continues to make all technical decisions that do not require approval from all owners of Palo Verde.

No physical changes or operational changes were 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 May 4, 2021 (86 FR 23757). 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 the acquisition of an approximately 33.3 percent membership interest in IIF US 2 GP by Anne Cleary is acceptable. The transferee is qualified to be the indirect holder of the licenses and indirect transfer of the licenses is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission pursuant thereto.

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. ML22003A105.

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 indirect transfer of control of licenses is approved for Palo Verde Units 1, 2, and 3 and the Palo Verde ISFSI.

This Order is effective upon issuance.

For further details with respect to this Order, see the application dated March 18, 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 email to PDR.Resource@nrc.gov.

Dated: January 25, 2022.

FOR THE NUCLEAR REGULATORY COMMISSION

Brian D. Wittick, Acting Deputy Director,
Division of Operating Reactor Licensing,
Office of Nuclear Reactor Regulation.