



NYSERDA

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President and CEO

May 24, 2022

Karl Sturzebecher
Project Manager
U.S. Nuclear Regulatory Commission
Office of Nuclear Material Safety and Safeguards
Reactor Decommissioning Branch
Mail Stop: T-5A10
Rockville, MD 20852

Subject: Exemption Request to Reduce Insurance Coverage for Indian Point Site

Dear Mr. Sturzebecher:

On March 25, 2022, Holtec Decommissioning International, LLC (HDI) submitted an exemption request related to liability insurance for Indian Point Nuclear Generating Units 1, 2, and 3 (Indian Point). The request seeks exemption from provisions of 10 CFR 140.11(a)(4) which require primary and secondary offsite liability insurance for the site. If granted by NRC, the exemption would allow HDI to reduce the primary liability insurance for the site from \$450 Million to \$100 Million, and completely eliminate the secondary liability insurance, both while spent fuel remains in the spent fuel pools.

The State of New York opposes this exemption until all waste is removed from pools, currently scheduled to be approximately ten months following the NRC's anticipated decision on the exemption request.

Holtec acknowledges in its exemption request that the risk of credible accidents still exists during the time period for which it seeks to downgrade its insurance coverage. (See HDI-IPEC-22-031, Request for Exemption from 10 CFR 140.11(a)(4) Concerning Primary and Secondary Liability Insurance Enclosure at 4, stating that with regard to "the operational focus [on] spent fuel and the spent fuel pool (SFP) cooling ... the spectrum of credible accidents is much smaller" and that "the *majority* of the design basis accident (DBA) scenarios previously postulated in the safety analyses for the plant are no longer possible," but declining, as they must, to state that the risk is zero) (emphasis added).

It is this continuing non-zero risk with which the State expresses concern. With mere months remaining before all waste is scheduled to be out of the pools, passing any such level of risk on to neighboring communities is without justification and contrary to the public interest. As currently contemplated, if Staff review results in adjudication of this exemption request in February 2023 and Holtec immediately terminates its current level of insurance protection, ten or fewer months remain between the issuance of this exemption and the removal of all spent fuel from the pools that will eliminate the risk of a spent fuel pool accident, at which point the State supports the downgrade of insurance.¹ Upon information and belief, Holtec will already have paid its insurance premium for 2023 with the decommissioning trust fund, meaning the coverage will have been provided for and would then be revoked, once Staff issues its determination on this request. The State submits that full coverage should remain in place for the remainder of the year.

Holtec's profit motivation in undertaking the purchase of Indian Point, along with other reactors in its northeastern fleet, is to minimize expenditures from the trust fund, leaving as many funds available after decommissioning as possible for itself. A modest expenditure on insurance premiums for this final remaining year, perhaps under \$5 million, is well worth the potential reduction in profit to ensure that no costs from any accident during the period of time when NRC regulations impose full insurance requirements are imposed on the host communities. Moreover, a high number of recent safety violations at Holtec's Oyster Creek facility raise questions about whether this facility and this owner in particular warrant this exemption; while the exemption has been granted at numerous other facilities, it is not clear that this workforce is as experienced as that of other nationwide facilities not operating under this contract-worker business model.² Holtec recently detailed each of these violations in a letter to the Indian Point Decommissioning Board; a copy of that letter is attached and incorporated herein. An exemption is especially inappropriate in the context of Indian Point because that site has the highest population in its surrounding 50-mile EPZ of any U.S. site permitted by NRC.

We submit that an exemption of this kind is inappropriate, also, because this very issue is currently out for notice and comment rulemaking, and that one Commissioner has noted that "[b]ecause the storage of spent nuclear fuel in spent fuel pools poses credible risks of onsite and offsite contamination in the event of a zirconium fire, the revised draft proposed rule should maintain the existing level of required insurance *until a plant's spent fuel is transferred to dry cask storage.*" See SECY-18-0055, Proposed Rule: Regulatory

¹ Holtec currently projects that it will transfer spent fuel to the ISFSI by November 2023.

² See Douglas Macmillan, [The dangerous business of decommissioning America's nuclear plants - The Washington Post](#) (May 13, 2022).

Improvements for Production and Utilization Facilities Transitioning to Decommissioning (RIN 3150-AJ59)
Notation Vote at 2 ([ML21230A313](#)).

If you have any questions, please contact me.

Sincerely,

A handwritten signature in cursive script that reads "Alyse Peterson".

Alyse Peterson, P.E.
Senior Advisor

Attachment

cc: Doug Tift, NRC (w/attachment)



HDI-IPEC-22-041

May 3, 2022

Mr. Thomas Congdon
Chairman, Decommissioning Oversight Board
NYS Department of Public Service
3 Empire State Plaza, Albany, NY 12223

Subject: Holtec's Response to NYS Department of Public Service (DPS) Letter dated March 8, 2022

References: 1) NYS Department of Public Service (PSC) Thomas Congdon letter dated March 8, 2022 to Richard Burrone, Site Vice President – Indian Point, Holtec Decommissioning International, LLC

Dear Mr. Congdon:

Holtec Decommissioning International, LLC (HDI) is submitting the enclosed response to your letter on behalf of the Indian Point Decommissioning Oversight Board dated March 8, 2022. As requested, the response addresses Holtec's learnings from previous US Nuclear Regulatory Commission violations at other Holtec sites outside of New York.

If there are any questions regarding the enclosed responses or should you wish to discuss further, please do not hesitate to contact Walter Wittich at 914-254-7212 or myself at (856) 797-0900, ext. 3578.

Sincerely,

Jean A. Fleming
Vice President, Licensing, Regulatory Affairs and PSA
Holtec Decommissioning International, LLC

Enclosure: Response to NYS Department of Public Service (DPS) Letter dated March 8, 2022

cc: New York State Liaison Officer Designee, NYSERDA

Response to NYS Department of Public Service (DPS) Letter dated March 8, 2022.

General Statement

Holtec International has an NRC approved Quality Assurance (QA) program that meets the highest quality standards. This program ensures that engineering, design, and manufacturing work is done in accordance with requirements. If an issue is identified, the QA program also provides the path to resolving that issue and putting corrective actions in place to avoid a recurrence. So for each of the citations listed in the DPS letter, Holtec has performed a thorough evaluation and taken corrective actions to prevent similar citations. As necessary those corrective actions have been proceduralized and are carried forward to all future work (including that at IPEC).

A discussion of each of the citations is provided below:

- 10/28/2021: Three violations issued for unapproved changes to HI-STORM cask designs impacting water removal from the loaded canister for regular and high-burnup fuel.

While none of the violations listed in the referenced document relate to water removal from canisters, we will take the opportunity to address the items listed in the referenced inspection report. All of the three items listed were specific to a version of the HI-TRAC (100G), version of the HI-STORM 100 with a Girdle Beam Structure (GBS), and HI-STORM FW Version E which are not used at IPEC. However, for completeness Holtec evaluated its change control process and made changes to training material to ensure that these problems do not reoccur. In addition, the writer's guide instructions for evaluations under 10CFR72.48 was revised to capture these lessons learned and prevent recurrence.

- 08/16/2019: Violation for improper evaluation and acceptance of gouges in the surfaces of fuel storage canisters at the San Onofre nuclear plant.

This citation was specific to the design of the HI-STORM Underground Maximum Capacity (UMAX) canister storage system, which is not used at the IPEC site.

- 11/29/2018: Three violations issued for (1) unapproved shim pin changes found during a receipt inspection of dry casks at the San Onofre nuclear plant; (2) unapproved modification to the HI-TRAC VW transfer cask design; and (3) unapproved reduction in the number of lift cleat studs on a multi-purpose canister at the Pilgrim nuclear plant in January 2015.

Item 3 was a site-specific issue, and the impacted cask has already been repaired and is safely stored. Additionally, the lift cleat stud thread design was updated to minimize the risk of re-occurrence. For items 1 and 2, these were related to design changes that the NRC determined should have been submitted as license amendment requests prior to implementation. It is important to note that the NRC never indicated that these modifications were unsafe or unlikely to be approved, but were implemented prior to the approval. In fact, both changes were submitted to the NRC subsequently and have been fully approved and are now acceptable for loading. However, as a result of these citations, especially the one outlined as item 1, Holtec implemented a number of enhancements to its design program. These enhancements included increased levels of oversight and improved manufacturability reviews to prevent occurrence of a similar issue.

- 02/24/2011: Violation issued for an unacceptable evaluation of spent fuel rod integrity following a design basis accident drop of a loaded cask.

This citation related to an FSAR analysis of spent fuel rod integrity in the event of a drop, which was updated to use a different methodology. The NRC determined that this new analysis should have required prior approval. This citation was labeled as low significance because the analysis did demonstrate safety of the fuel rods, and no accidents involving drops of the system have occurred. However, to avoid future similar issues, updates to procedures and training were made so that there was a clear understanding across the organization about what is considered a method of evaluation and what changes are allowed without prior NRC approval.

- 08/05/2009: Violation issued for the unapproved elimination of a leak-tightness check for casks.

This violation occurred because Holtec followed change control processes to update manufacturing procedures related to helium leak tests of the canisters and determined that no NRC approval was needed before implementing a change. However, the NRC disagreed with this determination and stated that NRC approval would have been needed. All the canisters impacted by this change were identified to be safe in their current condition, and to avoid any further confusion, the helium leak test is now a legally specified requirement in the Holtec Certificate of Compliance. Additionally, Holtec implemented improvements in its change review process to ensure that confinement boundary limits were clearly specified, so that similar issues will not arise in the future.

In Summary:

As noted in the opening statement, Holtec's QA Program does meet the highest of quality standards and does ensure that engineering activities, design and manufacturing are performed in accordance with all applicable standards. Relative to the noted violations in this document, in all cases corrective actions were put in place to ensure regulations were met and actions in place to preclude recurrence.

The first three noted violations in this document pertain specifically to different cask versions, designs and a cask storage design that are not used at IPEC. However, the responses to the violations did take into account "extent of condition" to determine if there was any impact that would pertain to any other cask system that the company manufactures. In this case, specific to IPEC, our Defueling Procedures which were previously used to load 54 casks successfully under Entergy were totally revised based in part on the corrective actions from the violations (and Operating Experience) prior to loading 4 casks in the 4th quarter of 2021 under Holtec's ownership. This is a classical example of a company using its learnings to enhance performance.

In addition, the Regulatory & Licensing Department at Camden headquarters is under new leadership that brings the right level of expertise regarding communication and technical knowledge with the NRC and all other regulatory agencies. This department is further supported by IPEC personnel assigned to the same functional area.

All of this is not to say that there will be zero violations across the fleet as we continue to Defuel, Decontaminate and Dismantle nuclear plants in the future. However, using a fleet concept, the company structure is such that it is a learning organization and will ensure all violations are respectfully answered with the right corrective actions.