



UNITED STATES  
NUCLEAR REGULATORY COMMISSION

REGION I  
475 ALLENDALE ROAD, SUITE 102  
KING OF PRUSSIA, PA 19406-1415

February 20, 2025

EA-2024-138

Kelly Trice  
President  
Holtec Decommissioning International, LLC  
Krishna P. Singh Technology Campus  
1 Holtec Boulevard  
Camden, NJ 08104

SUBJECT: HOLTEC DECOMMISSIONING INTERNATIONAL, LLC, INDIAN POINT ENERGY CENTER UNITS 1, 2 AND 3 - NRC INSPECTION REPORT NOS. 05000003/2024004, 05000247/2024004, 05000286/2024004, AND EXERCISE OF ENFORCEMENT DISCRETION

Dear Kelly Trice:

On December 31, 2024, the U.S. Nuclear Regulatory Commission (NRC) completed an inspection under Inspection Manual Chapter 2561, "Decommissioning Power Reactor Inspection Program," at the permanently shut down Indian Point Nuclear Generating Station Units 1, 2 and 3. The inspection examined activities conducted under your licenses as they relate to safety and compliance with the Commission's rules and regulations, and the conditions of your licenses. The inspection consisted of observations by the inspectors, interviews with site personnel, a review of procedures and records, and plant walk-downs. The results of the inspection were discussed with Frank Spagnuolo, Site Vice President, and other members of your staff on January 23, 2025, and are described in the enclosed inspection report.

Based on the results of the inspection, the NRC determined that a violation of NRC requirements occurred involving inappropriate Decommissioning Trust Fund (DTF) expenditures. However, after considering the facts and circumstances of the issue, and in consultation with the Director of the NRC's Office of Enforcement, the NRC is exercising enforcement discretion in accordance with Section 3.3 of the Enforcement Policy, "Violations Identified Because of Previous Enforcement Action." Therefore, the NRC is not pursuing any enforcement action for this violation.

In accordance with Title 10 of the *Code of Federal Regulations* (10 CFR) 2.390 of the NRC's "Rules of Practice," a copy of this letter, its enclosure, and your response, if any, will be made available electronically for public inspection in the NRC Public Document Room or from the NRC document system (ADAMS), accessible from the NRC Website at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the Public without redaction.

K. Trice

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No reply to this letter is required. Please contact Storm Veunephachan of my staff at (610) 337-5366 if you have any questions regarding this matter.

Sincerely,

Elise Eve, Team Leader  
Decommissioning, ISFSI, and Reactor Health  
Physics Branch  
Division of Radiological Safety and Security

Docket Nos. 05000003, 05000247, and 05000286  
License Nos. DPR-5, DPR-26, and DPR-64

cc w/encl: Distribution via ListServ

Enclosure: Inspection Report Nos. 05000003/2024004,  
05000247/2024004, and 05000286/2024004  
w/Attachment

SUBJECT: HOLTEC DECOMMISSIONING INTERNATIONAL, LLC, INDIAN POINT ENERGY CENTER UNITS 1, 2 AND 3 - NRC INSPECTION REPORT NOS. 05000003/2024004, 05000247/2024004, AND 05000286/2024004, DATED FEBRUARY 20, 2025

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**SUNSI Review Complete: SVeunephachan**

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U.S. NUCLEAR REGULATORY COMMISSION  
REGION I

INSPECTION REPORT

Docket Nos. 05000003, 05000247, and 05000286

License Nos. DPR-5, DPR-26, and DPR-64

Report Nos. 05000003/2024003, 05000247/2024003, and 05000286/2024003

Licensee: Holtec Decommissioning International, LLC (HDI)

Facility: Indian Point Energy Center, Units 1, 2 and 3

Location: Buchanan, NY

Inspection Dates: October 1 – December 31, 2024

Inspectors: K. Warner, CHP, Senior Health Physicist  
Decommissioning, ISFSI and Reactor Health Physics Branch  
Division of Radiological Safety and Security

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Office of Nuclear Materials Safety and Safeguards

Approved By: Elise Eve, Team Leader  
Decommissioning, ISFSI and Reactor Health Physics Branch  
Division of Radiological Safety and Security

Enclosure

## EXECUTIVE SUMMARY

Holtec Decommissioning International, LLC (HDI)  
Indian Point Energy Center Units 1, 2, and 3 (IP-1, IP-2, and IP-3)  
NRC Inspection Report Nos. 05000003/2024004, 05000247/2024004, and 05000286/2024004

A routine announced decommissioning inspection was completed on December 31, 2024, at the permanently shut-down Indian Point Units 1, 2, and 3. A combination of on-site and remote inspection activities were performed over this period. The inspection included a review of problem identification and resolution, fire protection, decommissioning performance and status reviews, financial assurance, occupational radiation exposure, and solid radioactive waste management and transportation. The inspection consisted of observations by the inspectors, interviews with site personnel, a review of procedures and records, and plant walk-downs. The U.S. Nuclear Regulatory Commission's (NRC's) program for overseeing the safe decommissioning of a shut-down nuclear power reactor is described in Inspection Manual Chapter (IMC) 2561, "Decommissioning Power Reactor Inspection Program."

### List of Violations

The NRC determined that a violation of NRC requirements occurred associated with Decommissioning Trust Fund (DTF) expenditures. For this issue, the NRC determined it was appropriate to exercise discretion consistent with Section 3.3 of the Enforcement Policy, "Violations Identified Because of Previous Enforcement Action." (Section 2.6)

## **REPORT DETAILS**

### **1.0 Background**

IP-1 was a pressurized water reactor that was granted a 40-year Operating License in 1962 and was permanently shut down in 1974. Pursuant to the June 19, 1980 "Commission Order Revoking Authority to Operate Facility" and the "Decommissioning Plan for Indian Point Unit No. 1," approved by the NRC in an Order, dated January 31, 1996, the reactor remains in a defueled status.

The NRC received the certifications of cessation of power operations and permanent removal of fuel for Units 2 and 3 on May 12, 2020, and May 11, 2021, respectively (ADAMS Accession Numbers: ML20133J902 and ML21131A157). On May 28, 2021, the NRC issued license amendments transferring Indian Point Unit Nos. 1, 2, and 3 facility licenses from Entergy Nuclear Operations, Inc. to Holtec Indian Point 2, LLC; Holtec Indian Point 3, LLC; and Holtec Decommissioning International, LLC (ADAMS Accession No. ML21126A004).

IP-1 and IP-2 are physically contiguous and share systems, such as the integrated liquid waste system and the air handling system; and facilities, such as the chemistry and health physics laboratories. Liquid waste from IP-3 will be transported to and processed at IP-1. Radiological effluent limits are met on an overall site basis and specific operating limits and surveillance requirements for effluent monitoring instrumentation are discussed in the Offsite Dose Calculation Manual.

IP-1, IP-2 and IP-3 were inspected under the "Actively Decommissioning (DECON), No Fuel in the Spent Fuel Pool" category. The categories of decommissioning are described in IMC 2561.

### **2.0 Active Decommissioning Performance and Status Review**

The inspectors performed on-site decommissioning inspection activities on November 4-8, supplemented by in-office reviews and periodic phone calls. The inspection consisted of observations by the inspectors, interviews with site personnel, a review of procedures and records, and site walk-downs.

#### **2.1 Inspection Procedure (IP) 37801, "Safety Reviews, Design Changes, and Modifications at Permanently Shutdown Reactors"**

##### **a. Inspection Scope**

The inspectors conducted document reviews and interviews with site personnel to determine if IPEC procedures and processes, including training and qualifications, were adequate and in accordance with the requirements associated with 10 CFR 50.59. The inspectors reviewed a sampling of changes to determine if changes made by IPEC under 10 CFR 50.59 required prior NRC approval.

b. Observations and Findings

The inspectors determined that the reviewed process applicability screenings and 10 CFR 50.59 screenings and evaluations had been adequately performed and did not require prior NRC approval. Specifically, the inspectors reviewed process applicability determinations for resin liner transport for radioactive waste shipping and storage of Greater Than Class C (GTCC) waste.

c. Conclusions

No violations of more than minor significance were identified.

2.2 IP 40801, "Problem Identification and Resolution at Permanently Shutdown Reactors"

a. Inspection Scope

The inspectors assessed the implementation and effectiveness of IPEC's Corrective Action Program (CAP) by reviewing a sampling of issues, non-conformances, and any conditions adverse to quality that were entered into the CAP. The inspectors reviewed a representative selection of CAP documents to determine if a sufficiently low threshold for problem identification existed, if follow-up evaluations were of sufficient quality, and if IPEC assigned timely and appropriate prioritization for issue resolution commensurate with issue significance. The inspectors attended several management review committee meetings to determine if IPEC management was engaged in issue disposition and resolution. Additionally, the inspectors interviewed site personnel responsible for the CAP program. The inspectors reviewed site audits for the past year to determine if they were thorough and that corrective actions were initiated if necessary.

b. Observations and Findings

The inspectors determined that issues had been identified, entered into the CAP, and evaluated commensurate with their safety significance through document review and discussion. The inspectors noted adequate management engagement during management review committee meetings. The inspectors determined that the quality assurance organization was sufficiently independent and that the audits and self-assessments conducted included appropriate scrutiny of licensee performance. The inspectors verified that audits were performed by qualified individuals independent of the organization being audited and that management reviewed the audits, self-assessments, and associated corrective actions. The inspectors verified that the audits and self-assessments were performed in the appropriate timeframe and any weaknesses identified were captured within the CAP. The inspectors determined adequate and timely entries into the CAP and resolution. Specifically, inspectors reviewed condition report "IP2-01183" about identifying a water leak from a valve from the Unit 2 primary water storage tank. Inspectors determined the immediate corrective actions including clean up, radiation protection surveying and sampling were adequate and showed no spread of radioactive material.

c. Conclusions

No violations of more than minor significance were identified.

2.3 IP 71801, "Decommissioning Performance and Status Reviews at Permanently Shutdown Reactors"

a. Inspection Scope

The inspectors reviewed documentation and met with IPEC management to discuss staffing, status of decommissioning and upcoming activities, among other topics to verify whether the licensee had conducted activities in accordance with regulatory and license requirements. The inspectors performed several plant walk-downs to assess field conditions and decommissioning activities by assessing material condition of structures, systems, and components, housekeeping, system configurations, and worker level of knowledge or procedure use and adherence. These walk-downs included all levels of Units 2 and 3 containments, select areas in the Unit 1 sphere and the Unit 3 Fuel Storage Building, and the solid radwaste storage building. The inspectors observed select pre-job briefings and associated work activities, including RCS pipe cutting work in Unit 1, hot work in the Unit 2 reactor cavity, shipment preparations for spent fuel pool racks, and shipment preparation activities for Unit 3 reactor cavity filters generated during reactor internals segmentation. Inspectors also observed Unit 2 upper internals segmentation and Unit 3 lower internals segmentation.

b. Observations and Findings

The inspectors noted that during this inspection period, HDI continued segmentation activities of the reactor lower internals in Unit 3, finished repair of Unit 2 reactor cavity liner leakage, continued cutting and removing RCS piping in Unit 1, packaging and shipment of Unit 2 reactor vessel head, and segmentation activities of the reactor upper internals in Unit 2. The inspectors noted that, for the areas of the plant toured, the material condition and housekeeping were adequate. The inspectors determined that staffing was appropriate for the current stage of decommissioning and training programs were being appropriately implemented.

c. Conclusions

No violations of more than minor significance were identified.

2.4 IP 83750, "Occupational Radiation Exposure at Permanently Shutdown Reactors"

a. Inspection Scope

The inspectors observed activities, reviewed documentation, and interviewed personnel associated with occupational radiation exposure to determine the adequacy of protection of worker health and safety. The inspectors conducted site walk-downs to check and assess radiological postings and locked high radiation doors and gates. The inspectors observed RP technicians performing job coverage and surveys to determine if implementation of

radiological work controls, training and skill level, and instrumentation were sufficient for the activities being performed. The inspectors reviewed radiation work permits to determine if radiation work activities were pre-planned effectively to limit worker exposure. The inspectors reviewed dose records to determine if occupational doses were within regulatory limits. The inspectors reviewed RP surveys and air sampling surveys of radiologically significant work. This work included vessel segmentation and hot work of the Unit 2 reactor vessel head. The inspectors reviewed sealed source leak test records and conducted walk-downs to verify sealed source locations.

b. Observations and Findings

The inspectors verified technician training and qualifications were up to date. The inspectors verified that radiological work was planned, and post job reviews were performed as needed and were effective in limiting worker exposure and occupational dose was acceptable for the scope of the radiological activities performed. The inspectors observed RP staff during reactor vessel segmentation in Unit 2 and Unit 3. The inspectors also observed the staging of continuous air samplers, low volume grab samplers, and High Efficiency Particulate Air (HEPA) filters while work was performed. The placement of air samplers was adequate to capture any potential airborne activities. The inspectors determined that RP staff effectively controlled work activities, survey records were clear and complete, and RP technicians used appropriate instruments for the surveys. The inspectors conducted walk-downs of sealed sources and verified their locations and were safely stored against unauthorized use. The inspectors noted that sealed sources are inspected for damage and accounted for when sealed source inventory checks are conducted.

c. Conclusions

No violations of more than minor significance were identified.

2.5 IP 86750, "Solid Radioactive Waste Management and Transportation of Radioactive Materials"

a. Inspection Scope

The inspectors observed activities, interviewed personnel, performed walkdowns, and reviewed documentation to assess the licensee's programs for handling, storage, and transportation of radioactive material. The inspectors observed workers handling and packaging radioactive waste and performed walk-downs of radioactive waste storage locations, including radioactive material pens 1, 2, and 3, the solid radwaste storage building, and the 53' of the Unit 1 Nuclear Services Building to evaluate if the licensee had properly classified and stored radioactive materials. The inspectors observed personnel surveying, labeling, and placarding vehicles used for transporting radioactive waste and reviewed work packages for shipments of radioactive waste. The review included records of shipment packaging, surveying, labeling, marking, placarding, vehicle checks, and emergency instructions to determine compliance with NRC and Department of Transportation (DOT) regulations. The inspectors reviewed training records to determine if radwaste personnel were qualified to implement the site solid radwaste program.

The inspectors reviewed the available 10 CFR Part 61 analyses for IPEC waste streams, including dry active wastes, resins, and control rod drives.

b. Observations and Findings

The inspectors determined that solid radioactive waste was adequately stored and monitored and worker radwaste training and qualifications were up to date. The inspectors determined that radioactive waste shipping paperwork was properly completed and HDI and HDI contractor personnel were knowledgeable of their duties and responsibilities. The inspectors determined that radioactive waste shipped was properly described, classified, packaged, marked, and labeled, and was in proper condition for transport. The inspectors determined that IPEC's radwaste shipments were in compliance with NRC and DOT regulations. Specifically, the inspectors reviewed five radioactive waste shipment packages and observed portions of a radioactive shipment consisting of a tritium filter carousel including final RP surveying placarding and briefing to the driver. The inspectors interviewed qualified radwaste shippers about procedures and how waste is characterized and classified for shipment.

c. Conclusions

No violations of more than minor significance were identified.

2.6 IP 92702, "Follow-up on Traditional Enforcement Actions Including Violations, Deviations, Confirmatory Action Letters, and Orders"

a. Inspection Scope

The inspectors reviewed HDI's response (ML24080A172) and long-term corrective actions to the notice of violation (EA-2024-010) documented in NRC inspection report numbers 05000003/2023004, 05000247/2023004, and 05000286/2023004 (ML24017A236) to determine if the corrective actions and extent of condition were adequate. Review of shorter-term corrective actions was documented in NRC inspection reports 05000003/2024002, 05000247/2024002, and 05000286/2024002 (ML24211A138).

b. Observations

The inspectors reviewed the procedural guidance HDI created for reviewing, separating, and approving invoices for reimbursements from the trust funds. The inspectors verified that a procedure had been written (DSP-RA-005, Nuclear Decommissioning Trust Fund Reimbursement) and determined that, if followed, it would be adequate to ensure compliance with NRC regulations. The inspectors reviewed the initial training on appropriate decommissioning trust fund use for the Project Controls Group. The inspectors determined the training was adequate for its purpose and verified that the training was set up to be recurring. The inspectors reviewed the extent of condition review submitted by HDI to determine if the review was sufficient to identify any previous unauthorized reimbursements to ensure that future expenditures from the DTF meet the requirements of 10 CFR 50.82. The inspectors noted that the extent of condition was performed by an independent evaluator with sufficient experience. The evaluator identified additional

examples of unauthorized reimbursements from the IPEC DTFs, including an unaccounted-for charitable contribution and duplicate reimbursements for union dues. The inspectors noted that these unauthorized reimbursements from the IPEC DTFs are violations of NRC requirements. Disposition of this issue is described in the violation section below.

According to HDI's response to the NOV, the independent extent of condition was intended to be a "review of all HDI sites DTF reimbursements to verify regulatory compliance." The inspectors noted that the initial extent of condition scope included review of records dating back to April 2022 with reviews further back for charitable contributions and for some of the other identified unauthorized expenditures. The inspectors provided an observation to HDI that the extent of condition review was of limited scope, in that the review did not evaluate all expenditures in newly identified misuses (i.e., union dues, and costs reimbursed from incorrect DTFs) since being the license holder at IPEC.

HDI entered issue report IP3-01760 into their CAP to track corrective actions as described in the extent of condition report. The corrective actions include reimbursing (with interest) the unauthorized payments identified in the extent of condition to the appropriate DTFs, maintaining a list of off-site properties used to support decommissioning activities to ensure associated charges such as utilities are reimbursable, and establishing a periodic audit of the reimbursement process. The inspectors verified that the reimbursement paperwork was completed.

#### Violation

10 CFR 50.82(a)(8)(i) states, in part, decommissioning trust funds may be used by licensees if the withdrawals are for expenses for legitimate decommissioning activities consistent with the definition of decommissioning in § 50.2.

10 CFR 50.2 defines decommissioning as removing a facility or site safely from service and reducing residual radioactivity to a level that permits—

- (1) Release of the property for unrestricted use and termination of the license; or
- (2) Release of the property under restricted conditions and termination of the license.

Contrary to the above, from April 2022 through 2024, HDI used the IPEC decommissioning trust funds for expenses that were not legitimate decommissioning activities. Specifically, HDI used funds for purposes that were not related to removing the facility or site safely from service and reducing residual activity to a level that permits release of the property for either unrestricted or restricted conditions and termination of the license. These included duplicate union dues withdrawals and an additional charitable contribution.

The inspectors determined this issue constitutes a Severity Level IV violation. However, after considering the facts and circumstances of the issue and in consultation with the NRC's Office of Enforcement the NRC is exercising enforcement discretion consistent with Section 3.3 of the NRC Enforcement Policy, "Violations Identified Because of Previous Enforcement Action." Specifically, the NRC considered that these additional inappropriate DTF expenditures were identified as part of an extent of condition the licensee conducted a required corrective action to the to the notice of violation (EA-2024-010) documented in

NRC inspection report numbers 05000003/2023004, 05000247/2023004, and 05000286/2023004 (ML24017A236). These inappropriate expenditures resulted from the same root cause of inadequate procedural guidance and are of similar safety significance. The inspectors also noted that HDI wrote a new procedure (DSP-RA-005, Nuclear Decommissioning Trust Fund Reimbursement) for evaluating DTF expenditures as a required corrective action to the previous violation to help address the root cause.

c. Conclusions

The inspectors noted that HDI completed its actions in response to EA-2024-010. The NRC is exercising enforcement discretion in lieu of pursuing any enforcement action for a violation for the additional inappropriate DTF expenditures identified during the extent of condition review, which is documented as enforcement action number EA-2024-138.

**3.0 Exit Meeting Summary**

On January 23, 2025, the inspectors presented the inspection results to Frank Spagnuolo, Site Vice President, and other members of the IPEC organization. No proprietary information was retained by the inspectors or documented in this report.

**SUPPLEMENTARY INFORMATION**

**ITEMS OPEN, CLOSED, AND DISCUSSED**

None

**PARTIAL LIST OF DOCUMENTS REVIEWED**

Miscellaneous

NDT Credit Letter – IPEC1  
NDT Credit Letter – IPEC2  
NDT Credit Letter – IPEC3  
EOC Summary Report

Incident Reports

IR-IP3-01760