UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

July 10, 2026

Mr. Christopher H. Mudrick
Senior Vice President
and Chief Nuclear Officer
Constellation Energy Generation, LLC
President, Constellation Nuclear
200 Energy Way
Kennett Square, PA 19348

SUBJECT: CALVERT CLIFFS NUCLEAR POWER PLANT, UNITS 1 AND 2; CLINTON POWER STATION, UNIT 1; LIMERICK GENERATING STATION, UNITS 1 AND 2; PEACH BOTTOM ATOMIC POWER STATION, UNITS 2 AND 3; AND SALEM GENERATING STATION, UNITS 1 AND 2 - EXEMPTION REQUEST FROM 10 CFR 50.82(a)(8)(i), 10 CFR 50.82(a)(8)(ii), 10 CFR 50.75(h)(1)(iv), AND 10 CFR 50.75(h)(2) TO ALLOW USE OF THE DECOMMISSIONING TRUST FUND EARNINGS FOR CERTAIN DECOMMISSIONING ACTIVITIES (EPID L-2026-LLE-0017)

Dear Mr. Mudrick:

The U.S. Nuclear Regulatory Commission (NRC) has approved the enclosed exemptions from specific requirements of Title 10 of the *Code of Federal Regulations* (10 CFR) Part 50, Section 50.82(a)(8)(i) and (ii), 10 CFR 50.75(h)(1)(iv) and 10 CFR 50.75(h)(2) for Calvert Cliffs Nuclear Power Plant, Units 1 and 2, Clinton Power Station, Unit 1, Limerick Generating Station, Units 1 and 2, Peach Bottom Atomic Power Station, Units 2 and 3, and Salem Generating Station, Units 1 and 2. This action is in response to your application dated April 1, 2026 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML26092A404). These exemptions allow Constellation Energy Generation, LLC to establish and fund subaccounts within the nuclear decommissioning trust funds for these nuclear stations, using investment earnings in excess of the 2-percent real rate of return credited by NRC regulations. These subaccounts may be used to support certain decommissioning-related activities, such as spent fuel management and site restoration, prior to the permanent cessation of operations, while ensuring that the principal funding required for radiological decommissioning remains preserved.

A copy of the exemption is enclosed. The exemption has been forwarded to the Office of the Federal Register for publication.

Sincerely,

/RA/

Scott P. Wall, Senior Project Manager
Operating Reactor Licensing Branch III
Division of Licensing Projects 1
Office of Nuclear Reactor Regulation

Docket Nos. 50-317, 50-318,
72-08, 50-461, 72-1046
50-352, 50-353, 72-65
50-277, 50-278, 72-29
50-272, 50-311, and 72-48

Enclosure:
Exemption

cc: Listserv

ENCLOSURE

EXEMPTION

CONSTELLATION ENERGY GENERATION, LLC

CALVERT CLIFFS NUCLEAR POWER PLANT, UNITS 1 AND 2

CLINTON POWER STATION, UNIT 1

LIMERICK GENERATING STATION, UNITS 1 AND 2

PEACH BOTTOM ATOMIC POWER STATION, UNITS 2 AND 3

SALEM GENERATING STATION, UNITS 1 AND 2

DOCKET NOS. 50-317, 50-318, 72-08, 50-461, 72-1046, 50-352, 50-353, 72-65,

50-277, 50-278, 72-29, 50-272, 50-311, AND 72-48

NUCLEAR REGULATORY COMMISSION

Docket Nos. 50-317, 50-318, 72-08, 50-461, 72-1046, 50-352, 50-353, 72-65, 50-277, 50-278, 72-29, 50-272, 50-311, and 72-48

Calvert Cliffs Nuclear Power Plant, Units 1 and 2, Clinton Power Station, Unit 1, Limerick Generating Station, Units 1 and 2, Peach Bottom Atomic Power Station, Units 2 and 3, and Salem Generating Station, Units 1 and 2

Exemption

I. Background

Constellation Energy Generation, LLC (CEG, the licensee) is the holder of renewed facility operating licenses DPR-53, DPR-69, SNM-2505, NPF-62, NPF-39, NPF-85, DPR-44, DPR-70 and DPR-75, DPR-56 for Calvert Cliffs Nuclear Power Plant, Units 1 and 2 (Calvert Cliffs), Clinton Power Station, Unit 1 (Clinton), Limerick Generating Station, Units 1 and 2 (Limerick), Peach Bottom Atomic Power Station, Units 2 and 3 (Peach Bottom), and Salem Generating Station, Units 1 and 2 (Salem), respectively. The licenses provide, among other things, that the licensee is subject to all rules, regulations, and orders of the U.S. Nuclear Regulatory Commission (NRC, the Commission) now or hereafter in effect. Calvert Cliffs and Salem are dual unit pressurized-water reactor (PWR) facilities, Limerick and Peach Bottom are dual unit boiling-water reactor (BWR) facility, and Clinton is a single unit BWR facility, and each reactor is licensed under Title 10 of the *Code of Federal Regulations* (10 CFR) part 50, “Domestic Licensing of Production and Utilization Facilities.” There are independent spent fuel storage installations (ISFSIs) onsite at Calvert Cliffs, Clinton, Limerick, Peach Bottom and Salem, each of which have a general license under 10 CFR part 72, “Licensing Requirements for the Independent Storage of Spent Nuclear Fuel, High-Level Radioactive Waste, and Reactor-Related Greater-Than-Class C (GTCC) Waste.”

II. Request/Action.

By letter dated April 1, 2026 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML26092A404), and pursuant to 10 CFR 50.12, “Specific exemptions," CEG submitted to the NRC a request for exemption from 10 CFR 50.82(a)(8)(i), 10 CFR 50.82(a)(8)(ii), 10 CFR 50.75(h)(1)(iv), and 10 CFR 50.75(h)(2) for Calvert Cliffs, Clinton, Limerick, Peach Bottom, and Salem. The provisions of 10 CFR 50.82(a)(8)(i) state, in part, that 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 10 CFR 50.2, “Definitions.” These activities are referred to as “radiological decommissioning” activities and have to do with removing a facility or site safely from service and reducing residual radioactivity and do not include other parts of the larger decommissioning process, such as spent fuel management and site restoration. An exemption from this regulation would allow the licensee to make withdrawals from the Calvert Cliffs, Clinton, Limerick, Peach Bottom, and Salem nuclear decommissioning trust (NDTs) for expenses for activities that are not radiological decommissioning activities. Similarly, the regulations at 10 CFR 50.75(h)(1)(iv) and 10 CFR 50.75(h)(2) restrict decommissioning trust fund disbursements (other than for payment of ordinary administrative costs and other incidental expenses of the fund in connection with the operation of the fund) to radiological decommissioning expenses until final radiological decommissioning has been completed. The provisions of 10 CFR 50.82(a)(8)(ii) generally restrict the use of decommissioning trust funds until after the permanent cessation of operation. An exemption from this regulation would allow the licensee to make withdrawals from the Calvert Cliffs, Clinton, Limerick, Peach Bottom, and Salem NDTs during operations. Taken together, the licensee has requested exemptions from these requirements to allow the licensee to periodically transfer certain earnings from Calvert Cliffs, Clinton, Limerick, Peach Bottom, and Salem NDTs to subaccounts with the NDTs that could then be used for activities related to the larger decommissioning process (not just to radiological decommissioning activities) and during operations.

The requirements in 10 CFR 50.75(h)(1)(iv) and 10 CFR 50.75(h)(2) further provide that, except for withdrawals being made under 10 CFR 50.82(a)(8) or for payments of ordinary administrative costs and other incidental expenses of the fund in connection with the operation of the fund, no disbursement may be made from the NDT without written notice to the NRC at least 30 working days in advance. Therefore, an exemption from 10 CFR 50.75(h)(1)(iv) or 10 CFR 50.75(h)(2), as applicable, is also needed to allow the licensee to make periodic withdrawals of earnings from the NDT dedicated to radiological decommissioning for transfer into the “non-50.75” subaccounts without prior notification to the NRC.

III. Discussion.

Pursuant to 10 CFR 50.12, the Commission may, upon application by any interested person, or upon its own initiative, grant exemptions from the requirements of 10 CFR part 50 when (1) the exemptions are authorized by law, (2) the exemptions will not present an undue risk to public health and safety, and (3) the exemptions are consistent with the common defense and security. Also, special circumstances must be present, which include that application of the regulation in the particular circumstances would not serve the underlying purpose of the rule or is not necessary to achieve the underlying purpose of the rule.

A. The Exemptions are Authorized by Law.

The exemptions from 10 CFR 50.82(a)(8)(i), 10 CFR 50.82(a)(8)(ii), 10 CFR 50.75(h)(1)(iv), and 10 CFR 50.75(h)(2) would allow the licensee to transfer certain earnings from the Calvert Cliffs, Clinton, Limerick, Peach Bottom, and Salem NDTs to subaccounts within the NDTs without prior notification that could then be used for activities related to the larger decommissioning process and during operations. As explained in subsequent sections of this document, with the proposed exemptions in place, there would still be reasonable assurance of adequate funding for the radiological decommissioning of Calvert

Cliffs, Clinton, Limerick, Peach Bottom, and Salem since the licensee's proposed use of certain earnings from the facilities' NDTs for non-radiological decommissioning activities and potentially during operations would not negatively impact the availability of funding for radiological decommissioning. Accordingly, granting the proposed exemptions will not result in a violation of the Atomic Energy Act of 1954, as amended (AEA), or the NRC's regulations. Therefore, the NRC finds that the exemptions are authorized by law.

B. The Exemption Presents no Undue Risk to Public Health and Safety.

The exemptions from 10 CFR 50.82(a)(8)(i), 10 CFR 50.82(a)(8)(ii), 10 CFR 50.75(h)(1)(iv), and 10 CFR 50.75(h)(2) would allow the licensee to transfer certain earnings from the Calvert Cliffs, Clinton, Limerick, Peach Bottom, and Salem NDTs to subaccounts within the NDTs without prior notification that could then be used for activities related to the larger decommissioning process and during operations. The underlying purpose of these regulations is to provide reasonable assurance that adequate funds will be available for radiological decommissioning of power reactors, including the general licensed ISFSIs.

Based on the licensee's site-specific decommissioning cost estimates for Calvert Cliffs, Clinton, Limerick, Peach Bottom, and Salem, and the associated cash flow analyses, as confirmed by NRC staff below in Section D, the proposed transfer of earnings in excess of the 2 percent real rate of return credited by the NRC in 10 CFR 50.75(e) from the NDTs to subaccounts within the NDTs dedicated to the larger decommissioning process, including spent fuel management activities, would not adversely affect the licensee's ability to complete radiological decommissioning within 60 years of permanent cessation of operations of and terminate the licenses at Calvert Cliffs, Clinton, Limerick, Peach Bottom, and Salem. Additionally, the funds within the subaccounts, while not dedicated to radiological decommissioning, may be used for radiological decommissioning, as necessary.

Furthermore, an exemption from 10 CFR 50.75(h)(1)(iv) or 10 CFR 50.75(h)(2), as applicable, to allow the licensee to transfer earnings to the subaccounts dedicated to non-radiological decommissioning activities without prior written notification to the NRC will not affect the sufficiency of funds in the NDT to accomplish radiological decommissioning as discussed below in section D, and such transfers are reviewable under the biennial reporting requirements of 10 CFR 50.75(f)(1). Therefore, the requested exemptions will not present an undue risk to public health and safety if granted.

Further, granting this exemption would allow for significant source terms being removed from the Calvert Cliffs, Clinton, Limerick, Peach Bottom, and Salem site and properly disposed of well in advance of when those activities could have been accomplished without the exemptions. Additionally, granting the exemptions would not increase the consequences of postulated accidents, would not change the types or amounts of effluents that may be released offsite, and would not increase occupational or public radiation exposure.

Based on the foregoing, the NRC finds that the exemptions will not present an undue risk to the public health and safety.

C. The Exemptions are Consistent with the Common Defense and Security.

The exemptions from 10 CFR 50.82(a)(8)(i), 10 CFR 50.82(a)(8)(ii), 10 CFR 50.75(h)(1)(iv), and 10 CFR 50.75(h)(2) would allow the licensee to transfer certain earnings from Calvert Cliffs, Clinton, Limerick, Peach Bottom, and Salem NDTs subaccounts within the NDTs without prior notification that could then be used for activities related to the larger decommissioning process and during operations. These exemptions would not adversely affect the licensee’s ability to physically secure its facilities or protect special nuclear material. Furthermore, the proposed use of excess funds in the NDTs for non-radiological decommissioning activities has no relation to security issues. Therefore, the NRC finds that the exemptions are consistent with the common defense and security.

D. Special Circumstances.

The exemptions from 10 CFR 50.82(a)(8)(i), 10 CFR 50.82(a)(8)(ii), 10 CFR 50.75(h)(1)(iv), and 10 CFR 50.75(h)(2) would allow the licensee to transfer certain earnings from Calvert Cliffs, Clinton, Limerick, Peach Bottom, and Salem to subaccounts within the NDTs that could then be used for activities related to the larger decommissioning process and during operations. In accordance with 10 CFR 50.12(a)(2)(ii), special circumstances are present whenever application of the regulation in the particular circumstances would not serve the underlying purpose of the rule or is not necessary to achieve the underlying purpose of the rule. The underlying purpose of these regulations is to provide reasonable assurance that adequate funds will be available for the radiological decommissioning of power reactors, including their generally licensed ISFSIs. The strict application of 10 CFR 50.82(a)(8)(i), 10 CFR 50.82(a)(8)(ii), 10 CFR 50.75(h)(1)(iv), and 10 CFR 50.75(h)(2) would prohibit the withdrawal (or transfer) of funds from Calvert Cliffs, Clinton, Limerick, Peach Bottom, and Salem NDTs for activities other than radiological decommissioning until after final radiological decommissioning has been completed.

In addition to the exemption request dated April 1, 2026, the NRC staff reviewed the licensee's decommissioning funding status report for Calvert Cliffs, Clinton, Limerick, Peach Bottom, and Salem, dated March 26, 2025 (ML25085A363), submitted in accordance with 10 CFR 50.75(f). The estimated minimum NDT values reported therein were determined using the NRC's methodology in NUREG-1307, Revision 20, "Report on Waste Burial Charges, Changes in Decommissioning Waste Disposal Costs at Low-Level Wate Burial Facilities," dated February 2025 (ML25037A226). The NDT balances reported for the end of calendar year 2024 were approximately $561 and $728 million for Calvert Cliff, Units 1 and 2, $362 and $300 million for Salem, Units 1 and 2, $644 and $688 million for Limerick, Units 1 and 2, $391 and $424 million for Peach Bottom, Units 2 and 3, and $748 million for Clinton, Units 1, respectively. Based on its analysis of current NDT balances and projected 2 percent real rate of return compared to both current minimum funding assurance amounts and site-specific cost estimates for Calvert Cliffs, Clinton, Limerick, Peach Bottom, and Salem, the staff finds that there is reasonable assurance that adequate funding will be available to radiologically decommission and terminate the license for each facility. Even with the granting of the proposed exemptions, these balances would continue to grow because only earnings above 2 percent of the NDT funds would be transferred to subaccounts, which provides reasonable assurance that adequate funds would continue to be available for radiological decommissioning. Moreover, the ability to conduct activities that are part of the larger decommissioning process sooner than would otherwise be allowed without the exemptions has the potential to reduce overall decommissioning costs.

Therefore, application of the regulations in 10 CFR 50.82(a)(8)(i), 10 CFR 50.82(a)(8)(ii), 10 CFR 50.75(h)(1)(iv), and 10 CFR 50.75(h)(2) to prevent the proposed excess fund transfers to NDT subaccounts is not necessary to achieve the underlying purpose of these rules. Accordingly, the NRC finds that the special circumstances of 10 CFR 50.12(a)(2)(ii) are present.

E. Environmental Considerations.

This exemption involves changes to requirements for decommissioning funding. The NRC staff has determined that a categorical exclusion applies and that special circumstances, in accordance with 10 CFR 51.22, “Categorical exclusion,” are not present that would preclude reliance on the categorical exclusion. Accordingly, this exemption meets the eligibility criteria for categorical exclusion set forth in paragraph (a)(1)(xii) of 10 CFR 51.22. Pursuant to 10 CFR 51.22, no environmental assessment or environmental impact statement need to be prepared in connection with the issuance of the exemption.

IV. Conclusions.

Accordingly, the Commission has determined that, pursuant to 10 CFR 50.12(a), the exemptions are authorized by law, will not present an undue risk to public health and safety, and are consistent with the common defense and security. Also, special circumstances are present.

Therefore, the Commission hereby grants CEG exemptions from 10 CFR 50.82(a)(8)(i), 10 CFR 50.82(a)(8)(ii), 10 CFR 50.75(h)(1)(iv), and 10 CFR 50.75(h)(2) to allow CEG to transfer certain earnings from the Calvert Cliffs, Clinton, Limerick, Peach Bottom, and Salem NDTs to subaccounts within the NDTs without prior notification that may then be used to pay for activities related to the larger decommissioning process and during operations, as detailed in the exemption request dated April 1, 2026. The exemptions are effective upon issuance. The exemptions will expire on an individual reactor basis once the NRC has docketed the licensee's certifications of permanent cessation of operations and permanent removal of fuel from the reactor vessel required under 10 CFR 50.82(a)(1)(i) and (ii) for the respective reactor unit, consistent with 10 CFR 50.82(a)(2).

Dated: July 10, 2026

For the Nuclear Regulatory Commission.

/RA David Wrona Acting for/

Hipólito González, Acting Director
Division of Licensing Projects I,
Office of Nuclear Reactor Regulation.
Regulation.

SUBJECT: CALVERT CLIFFS NUCLEAR POWER PLANT, UNITS 1 AND 2; CLINTON POWER STATION, UNIT 1; LIMERICK GENERATING STATION, UNITS 1 AND 2; PEACH BOTTOM ATOMIC POWER STATION, UNITS 2 AND 3; AND SALEM GENERATING STATION, UNITS 1 AND 2 - EXEMPTION REQUEST FROM 10 CFR 50.82(a)(8)(i), 10 CFR 50.82(a)(8)(ii), 10 CFR 50.75(h)(1)(iv), AND 10 CFR 50.75(h)(2) TO ALLOW USE OF THE DECOMMISSIONING TRUST FUND EARNINGS FOR CERTAIN DECOMMISSIONING ACTIVITIES (EPID L-2026-LLE-0017) DATED JULY 10, 2026

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