



[7590-01-P]

NUCLEAR REGULATORY COMMISSION

[Docket No. 50-271; NRC-2018-0226]

**NorthStar Group Services, Inc. on behalf of Entergy Nuclear Vermont Yankee, LLC
Vermont Yankee Nuclear Power Station**

AGENCY: Nuclear Regulatory Commission.

ACTION: Environmental assessment and finding of no significant impact; issuance.

SUMMARY: The U.S. Nuclear Regulatory Commission (NRC) is considering issuance of an exemption in response to a May 25, 2018, request from NorthStar Group Services, Inc. (NorthStar), on behalf of Entergy Nuclear Vermont Yankee, LLC (ENVY, to be known as NorthStar Vermont Yankee, LLC or NorthStar VY). The exemption would allow NorthStar VY to use up to \$20 million in funds from the Vermont Yankee Nuclear Power Station (VY) nuclear decommissioning trust fund (NDT), on a revolving basis, for irradiated fuel management activities should the request for the direct and indirect transfer of the VY Facility License No. DPR-28 to NorthStar VY be approved by the NRC. The staff is issuing a final Environmental Assessment (EA) and final Finding of No Significant Impact (FONSI) associated with the proposed exemption.

DATES: The EA and FONSI referenced in this document is available on **[INSERT DATE OF PUBLICATION]**.

ADDRESSES: Please refer to Docket ID **NRC-2018-0226** when contacting the NRC about the availability of information regarding this document. You may obtain publicly-available information related to this document using any of the following methods:

- **Federal Rulemaking Web Site:** Go to <http://www.regulations.gov> and search for Docket ID **NRC-2018-0226**. Address questions about Docket IDs in Regulations.gov to Jennifer Borges; telephone: 301-287-9127; e-mail:

Jennifer.Borges@nrc.gov. For technical questions, contact the individual(s) listed in the FOR FURTHER INFORMATION CONTACT section of this document.

- **NRC's Agencywide Documents Access and Management System**

(ADAMS): You may obtain publicly-available documents online in the ADAMS Public Documents collection at <http://www.nrc.gov/reading-rm/adams.html>. To begin the search, select "[Begin Web-based ADAMS Search](#)." For problems with ADAMS, please contact the NRC's Public Document Room (PDR) reference staff at 1-800-397-4209, 301-415-4737, or by e-mail to pdr.resource@nrc.gov. For the convenience of the reader, instructions about obtaining materials referenced in this document are provided in the "Availability of Documents" section.

- **NRC's PDR:** You may examine and purchase copies of public documents at the NRC's PDR, Room O1-F21, One White Flint North, 11555 Rockville Pike, Rockville, Maryland 20852.

FOR FURTHER INFORMATION CONTACT: Jack D. Parrott, Office of Nuclear Material Safety and Safeguards, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001; telephone: 301-415-6634; e-mail: Jack.Parrott@nrc.gov.

SUPPLEMENTARY INFORMATION:

I. Introduction

The NRC is considering issuance of an exemption from section 50.82(a)(8)(i)(A) of title 10 of the *Code of Federal Regulations* (10 CFR) for Facility Operating License No. DPR-28, currently issued to ENVY and Entergy Nuclear Operations, Inc. (ENOI), for VY, located in Windham County, Vermont. The exemption was requested by NorthStar, by letter dated May 25, 2018 (ADAMS Accession No. ML18150A315) pursuant to 10 CFR 50.12.

By letter dated January 12, 2015 (ADAMS Accession No. ML15013A426), ENOI informed the NRC that it had permanently ceased power operations at VY and that the

VY reactor vessel had been permanently defueled. By letter dated February 9, 2017 (ADAMS Accession No. ML17045A140), ENOI, on behalf of itself and ENVY, and NorthStar Nuclear Decommissioning Company, LLC (NorthStar NDC) requested that the NRC consent to the proposed direct and indirect transfer of control of VY Facility License No. DPR-28, and the Vermont Yankee Independent Spent Fuel Storage Installation (ISFSI) general license. The proposed license transfer would involve the indirect transfer of control of ENVY's licenses to NorthStar Decommissioning Holdings, LLC, and its parent companies, NorthStar, LVI Parent Corp. and NorthStar Group Holdings, LLC.

The exemption would allow NorthStar VY to use up to \$20 million of funds on a revolving basis such that at any one time, up to \$20 million of the nuclear decommissioning trust fund (NDT) could be used for irradiated fuel management. This exemption would only apply following NRC approval of the license transfer application and closing of the underlying transaction.

Consistent with 10 CFR 51.21 the NRC has prepared this final EA to document its environmental review for the exemption request. Based on the results of the EA, which is provided in Section II below, and in accordance with 10 CFR 51.31(a), the NRC has determined it is not necessary to prepare an environmental impact statement and is therefore issuing this final FONSI.

II. Environmental Assessment

Description of the Proposed Action:

The proposed action would exempt NorthStar VY from the requirements set forth in 10 CFR 50.82(a)(8)(i)(A) restricting the use of decommissioning trust funds. Specifically, the proposed action would allow NorthStar VY to use up to \$20 million from the VY NDT, on a revolving basis, for irradiated fuel management activities, not associated with radiological decommissioning. The proposed action is in accordance with the application dated May 25, 2018.

Need for the Proposed Action:

NorthStar stated an exemption is needed should the license transfer request be approved in order for NorthStar VY to access up to \$20 million of the NDT, in excess of those funds needed for radiological decommissioning, on a revolving basis, to fund irradiated fuel management activities, which are not associated with radiological decommissioning.

As required by 10 CFR 50.82(a)(8)(i)(A), decommissioning trust funds may be used by a licensee if the withdrawals are for expenses for legitimate decommissioning activities consistent with the definition of decommissioning in 10 CFR 50.2. This definition addresses radiological decommissioning and does not include activities associated with irradiated fuel management. Therefore, NorthStar VY needs an exemption from 10 CFR 50.82(a)(8)(i)(A) to allow the use of funds from the NDT for irradiated fuel management activities.

NorthStar states that its cash flow analysis in Enclosure 1 of the application dated May 25, 2018, demonstrates that the NDT contains adequate funds to cover the estimated costs of radiological decommissioning and the additional funds for \$20 million in irradiated fuel management activities that are covered by the exemption request. The adequacy of funds in the NDT to cover the costs of activities associated with radiological

decommissioning and the additional funds for \$20 million in irradiated fuel management activities through license termination is supported by NorthStar's revised Post-Shutdown Decommissioning Activity Report dated April 6, 2017 (ADAMS Accession No. ML17096A394). The applicant states that application of the 10 CFR 50.82(a)(8)(i)(A) requirement restricting use of the trust fund is not necessary to ensure that adequate funds will be available for the radiological decommissioning of VY. Therefore, the applicant states that an exemption is needed to avoid unnecessary and undue costs to cover irradiated fuel management expenses from other sources.

Environmental Impacts of the Proposed Action:

The proposed action involves an exemption from the requirements related to use of the NDT that are of a financial nature and allow NorthStar VY to pay for irradiated fuel management activities with up to \$20 million of the NDT on a revolving basis. This exemption does not authorize any additional regulatory or land-disturbing activities, but does allow NorthStar VY to finance irradiated fuel management activities, which support decommissioning.

In granting the exemptions, the NRC completed an evaluation and concluded that there was reasonable assurance that adequate funds are available in the NDT to complete all activities associated with decommissioning. There is no decrease in safety associated with the use of the NDT to fund activities associated with irradiated fuel management.

The proposed licensee will be required to maintain a comprehensive, regulation-based decommissioning funding oversight program to provide reasonable assurance that sufficient funding will be available for radiological decommissioning should the license transfer be approved. After submitting its site-specific Decommissioning Cost Estimate and until the licensee has completed its final radiation survey and demonstrated that residual radioactivity has been reduced to a level that permits

termination of its license, 10 CFR 50.82(a)(8)(v) requires a licensee to annually submit a financial assurance status report. The report must include, among other things, amounts spent on decommissioning, remaining NDT balance, and estimated costs to complete radiological decommissioning. If the remaining balance, plus expected earnings, together with any other financial assurance method does not cover the estimated costs to complete the decommissioning, 10 CFR 50.82(a)(8)(vi) specifies that additional financial assurance must be provided to cover the cost of completion. These annual reports provide a means for the NRC to monitor the adequacy of available funding.

Additionally, in accordance with the VY Renewed Facility Operating License (ADAMS Accession No. ML18156A181), Condition 3.J.a.(iii), the decommissioning trust agreement must provide that no disbursements or payments from the trust, other than for ordinary administrative expenses, shall be made by the trustee until the trustee has first given thirty days prior written notice to the NRC. Article IV, Section 4.05 of the Master Decommissioning Trust Agreement (ADAMS Accession No. ML15111A086), by and between Entergy Nuclear Vermont Yankee, LLC, and The Bank of New York Mellon as Trustee, provides that no disbursements or payments shall be made by the Trustee, other than administrative expenses, in accordance with Section 4.02 of the Master Trust Agreement, until the Trustee has first given the NRC 30 days prior written notice of payment; provided, however, that no disbursement or payment from the Trust shall be made if the Trustee receives prior written notice of objection from the Director of the Office of Nuclear Reactor Regulation. License condition 3.J.a.(iii) would still be in effect upon license transfer and NorthStar VY would remain subject to the disbursement notification condition in the license.

The environmental impacts of decommissioning have been generically evaluated by the NRC and documented in NUREG-0586, Supplement 1, NRC's Generic Environmental Impact Statement on Decommissioning of Nuclear Power Reactors

(GEIS) (ADAMS Accession Nos. ML023470304, ML023470323, ML023500187, ML023500211, and ML023500223). NorthStar's revised Post-Shutdown Decommissioning Activity Report (ADAMS Accession No. ML17096A394) discusses that impacts from planned decommissioning activities at VY are less than and bounded by the impacts considered in the GEIS and NUREG-1496, NRC's Generic Environmental Impact Statement in Support of Rulemaking on Radiological Criteria for License Termination of NRC-Licensed Nuclear Facilities (ADAMS Accession Nos. ML042310492, ML042320379, and ML042330385). Based on its review, the NRC agrees with NorthStar's conclusion that VY decommissioning activities were bounded by previous analyses.

The exemption does not authorize NorthStar VY to perform new land-disturbing activities that could affect land use, soils and geology, water resources, ecological resources, or historic and cultural resources. The exemption does not authorize NorthStar VY to conduct additional regulatory activities, outside those already licensed by the NRC; therefore, there are no incremental effects to air quality, traffic and transportation, socioeconomic, environmental justice, or accidents. The exemption only changes the source of funds allowed for managing irradiated fuel activities. The exemption will not increase the probability or consequences of accidents. As a result of the exemption, there are no changes in the types or amounts of effluents that are, or may be, released offsite. NorthStar VY must continue to comply with all appropriate NRC regulations related to occupational and public radiation exposure and thus the exemptions will not result in an increase to occupational or public doses. Finally, NorthStar VY is required to maintain adequate funding for the radiological decommissioning of VY and to provide information regarding this funding to the NRC. Accordingly, the NRC concludes that there will be no potential incremental environmental impacts as a result of granting the exemption.

Environmental Impacts of the Alternatives to the Proposed Action:

As an alternative to the proposed action, the NRC staff could have denied NorthStar VY's exemption request. Denial of the exemption request would have resulted in NorthStar VY using funds from the trust only for radiological decommissioning and not also for irradiated fuel management activities as described in the exemption request. The environmental impacts of this alternative would be substantively the same as the environmental impacts for granting the exemption request because there are no potential incremental environmental impacts as a result of granting the exemption request.

Alternative Use of Resources

Since the environmental impacts of the alternative would be substantively the same as the environmental impacts for granting the exemption request there would be no difference in the use of resources for the alternative.

Agencies or Persons Consulted:

On October 3, 2018, the NRC notified the State of Vermont of this EA and FONSI. The NRC staff has determined that the exemption would have no impact on historic and cultural resources or ecological resources and therefore no consultations are necessary under Section 7 of the Endangered Species Act and Section 106 of the National Historic Preservation Act, respectively.

III. Finding of No Significant Impact

NorthStar proposed an exemption from 10 CFR 50.82(a)(8)(i)(A) to allow the proposed VY licensee (NorthStar VY) to use \$20 million from the NDT for irradiated fuel management activities on a revolving basis. The proposed action would not have a significant effect on the quality of the human environment because it involves an exemption from requirements that are of a financial nature and that do not have an impact on the environment. The exemption only changes the source of funds allowed

for managing irradiated fuel activities. The exemption does not authorize NorthStar VY to conduct additional regulatory activities, outside those already licensed by the NRC; therefore, there are no incremental effects to air quality, traffic and transportation, socioeconomics, environmental justice, or accidents. As a result of the exemption, there are no changes in the types or amounts of effluents that are, or may be, released offsite. In addition, NorthStar VY must continue to comply with all appropriate NRC regulations related to occupational and public radiation exposure, and thus, the exemption will not result in an increase to occupational or public doses.

Consistent with 10 CFR 51.21, the NRC conducted the environmental assessment for the proposed action, which concluded that there are no environmental impacts as a result of the exemption. This FONSI incorporates by reference the EA included in Section II of this document. Therefore, the NRC concludes that the exemption does not, and will not, have significant effects on the quality of the human environment. Accordingly, the NRC has decided not to prepare an environmental impact statement for the proposed action.

The related environmental documents are NorthStar’s application dated May 25, 2018; NUREG-0586, Supplement 1, NRC’s Generic Environmental Impact Statement on Decommissioning of Nuclear Power Reactors (GEIS); NorthStar’s revised Post-Shutdown Decommissioning Activity Report; and NUREG-1496, NRC’s Generic Environmental Impact Statement in Support of Rulemaking on Radiological Criteria for License Termination of NRC-Licensed Nuclear Facilities. The finding and other related environmental documents are available for public inspection as indicated above.

IV. Availability of Documents

Date	Title	ADAMS accession no.
5/25/2018	Vermont Yankee Nuclear Power Station - Request for Exemption from 10 CFR	ML18150A315

	50.82(a)(8)(i)(A).	
1/12/2015	Vermont Yankee, Certifications of Permanent Cessation of Power Operations and Permanent Removal of Fuel from the Reactor Vessel.	ML15013A426
2/9/2017	Vermont Yankee - Application for Order Consenting to Direct and Indirect Transfers of Control of Licenses and Approving Conforming License Amendment and Notification of Amendment to Decommissioning Trust Agreement.	ML17045A140
8/15/2018	ISFSI Only Tech Spec Amendment Package.	ML18156A181
7/31/2002	Master Decommissioning Trust Agreement for Vermont Yankee Nuclear Power Station.	ML15111A086
11/30/2002	NUREG-0586, Supplement 1, Generic Environmental Impact Statement on Decommissioning of Nuclear Facilities Regarding the Decommissioning of Nuclear Power Reactors.	ML023470304 ML023470323 ML023500187 ML023500211 ML023500223
4/6/2017	Vermont Yankee Nuclear Power Station - Notification of Revised Post-Shutdown Decommissioning Activities Report (Revised PSDAR).	ML17096A394
7/31/1997	NUREG-1496, Vols. 1-3, Generic Environmental Impact Statement in Support of Rulemaking on Radiological Criteria for License Termination of NRC-Licensed Nuclear Facilities.	ML042310492 ML042320379 ML042330385

Dated at Rockville, Maryland, this 3rd day of October, 2018.

For the Nuclear Regulatory Commission.

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Reactor Decommissioning Branch
Division of Decommissioning, Uranium
Recovery, and Waste Programs,
Office of Nuclear Material Safety and
Safeguards.

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