

THE BUCK STOPS ... *WHERE?*

Decommissioning Funding and Liability

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NY Decommissioning Forum

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– For a Nuclear-Free, Carbon-Free World –

Background: Decom Funding

NRC Funding Assurance Rule (1986)

- Utilities Unprepared: Ft. St. Vrain, Rancho Seco

Shortfalls: Rowe, CT Yankee

- Utilities return to ratepayers

Utility Deregulation

- Merchant Reactors and LLCs
- Decom Fund transfers - no ongoing investment
 - Funds vulnerable to market crashes
- Parent Corporation Liability Uncertain (Unlikely?)

Decom Funding Methods

Four Methods under NRC Rules

- Combinations of Methods Acceptable

1) Sinking Trust Fund

- Similar to a pension or Social Security trust fund
- Depends on Annual Contributions and Adjustments
- Only Applies to Utility-Owned Reactors

2) Prepayment

- DTF Transfers to Merchant Reactors treated this way

3) Insurance or Surety Bond

- Verifiable Insurance Instrument/Policy

4) Parent Company Guarantee

Indian Point Decom Funding

Licensees Required to Report Every Two years

- DTF Balances and Decom Cost Projections
- Decommissioning Costs = radiological decommission ONLY
 - **NOT** fuel storage, site remediation, emergency planning, property taxes, etc.

Entergy March 2017 Report

Reactor	Trust Fund Balance	Cost Estimate	Difference
Indian Point 1	\$442.9 million	\$590.8 million	-\$147.9 million
Indian Point 2	\$564.1 million	\$495.2 million	+68.9 million
Indian Point 3	\$719.2 million	\$495.2 million	+\$224.0 million
TOTALS	\$1.73 billion	\$1.58 billion	+\$145 million

Projections vs. Reality

Indian Point Funding Looks Good on Paper

- Better than Most Other Reactors
- Nine Mile Point + Ginna = -\$365 million

PROBLEM: NRC Cost Projections Inadequate

- Universally Low vs. Reality
- Annual Escalation Factors not Accurate or Adequate
 - 2017 Indian Point estimates are LOWER than 2015

Site-Specific Estimates = 30%-60% Higher

- Vermont Yankee PSDAR: 33% increase
- Oyster Creek 2017: site-specific = 50% higher than NRC minimum

Actual Costs Escalate Further

- Complications, New Plumes, Waste Disposal Costs, etc.

Decom Fund Shortfalls Likely

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Entergy March 2017 Report

Reactor	2017 Trust Fund Balance	2015 Cost Estimate	Site-Specific Estimate
Indian Point 1	\$442.9 million	\$558.0 million	\$837.0 million
Indian Point 2	\$564.1 million	\$524.1 million	\$786.1 million
Indian Point 3	\$719.2 million	\$524.1 million	\$786.1 million
TOTALS	\$1.73 billion	\$1.61 billion	\$2.41 billion

Indian Point Closure Agreement

Legal Settlement Includes Supplemental Funds

- Funds are *NOT* for Decommissioning

Local Government Assistance

- \$15 million NYS contribution to state fund for plant closure assistance
- 2015 state law supporting power plant communities

Environmental and Community Benefit Funds

- \$15 million Entergy contribution
- Other environmental and community projects

NRC Permits Mismanagement

Exemptions for Use of Decom Funds

- Depletes Decom Funds for Non-Decom Purposes
- NRC Accepts SAFSTOR to Justify

Typical Exemptions Granted

- Fuel Transfer/Storage
 - Despite Dept. Of Energy legal settlements (~80% of cost)
 - No reimbursement of Decom Fund required
- Property Taxes
- Emergency Planning
- Lobbying and Legal Costs

Effectively a Subsidy to Parent Companies

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