

**THE STATE OF NEW HAMPSHIRE
NUCLEAR DECOMMISSIONING FINANCING COMMITTEE
DOCKET NO. NDFC 2024-01**

PRELIMINARY REPORT AND ORDER

Concord, New Hampshire
November 14, 2024

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**THE STATE OF NEW HAMPSHIRE
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PRELIMINARY REPORT AND ORDER

1 **I. SUMMARY OF FINDINGS**

2 In this docket the Nuclear Decommissioning Financing Committee (“NDFC” or
3 “Committee”) conducted the annual review required by RSA 162-F:22. The Committee
4 made the following determinations to ensure that the Joint Owners of the Seabrook Nuclear
5 Station (“Seabrook Station”) provide sufficient funding to complete the prompt, safe, and
6 orderly decommissioning of Seabrook Station:

- 7 1) The projected cost of decommissioning will be \$1,217,347,830 in December 31, 2024,
8 dollars in accordance with the estimate by TLG Services, Inc. in the 2023 Seabrook
9 Station Decommissioning Cost Analysis (“TLG Cost Study”) (Exhibit 1 Attachment
10 E) escalated to December 31, 2024, at the rate of 3.50%, as approved by this Committee
11 in NDFC 2016-1 and reaffirmed in Docket 2023-01 (*See*: Docket 2016-1 Final Report
12 and Order at 1).
- 13 2) For the purpose of calculating the funding schedules, it shall be assumed that on-site
14 storage of spent nuclear fuel and Greater-Than-Class C (“GTCC”) radioactive waste in
15 the Independent Spent Fuel Storage Installation (“ISFSI”) shall be required until 2100,
16 with the ISFSI subsequently dismantled and permanently removed in 2101.
- 17 3) The decommissioning cost escalation adjustment applied to the funding schedules will
18 continue to be 3.50%.

- 1 4) The funding date will continue to be 2050 as approved in NDFC 2019-1 and reaffirmed
2 in Docket 2023-01 for purposes of calculating the funding schedule for 2025.
- 3 5) The inflation adjustment applied to the funding schedules will continue to be 2.75% as
4 approved by the Committee in NDFC 2016-1 and reaffirmed in Docket 2023-01 (*See:*
5 Docket NDFC 2016-01 Final Report and Order at 2).
- 6 6) The assumed rates of return on the Trust funds shall be as follows:
- 7 a. Equities: 8.50%
- 8 b. Fixed Income:
- 9 Core: 4.25%
- 10 Core-Plus: 4.45%
- 11 c. Cash and cash equivalents: 3.00%
- 12 d. Opportunistic Strategy asset class (“Opportunistic Fund”): 7.50%
- 13 7) The assumed rates of return on escrow fund investments shall be 0.25%.
- 14 8) The funding assurances from each Owner of Seabrook Station (“Joint Owner” or
15 “Seabrook Owner”) are adequate and will remain unchanged.
- 16 9) If any contributions are required to be made to the Seabrook Station decommissioning
17 financing fund, they shall be made to the Escrow Fund established by the NDFC
18 (“Escrow”).
- 19 10) The funding schedules beginning in 2025 shall be calculated in accordance with the
20 Final Report and Order to be issued following the public hearing that will be held in
21 the Town of Seabrook in accordance with RSA 162-F:21.
- 22 11) Because the Escrow Fund holds only approximately \$2,000, the Committee will accept
23 a sworn affidavit attesting to the Escrow Fund balance in lieu of a Certified Audit
24 report.

1 These determinations are discussed in detail in this Preliminary Report and Order.

2 **II. PROCEDURAL HISTORY**

3 Seabrook Station is owned jointly by NextEra Energy Seabrook, LLC (“NextEra”
4 or “Managing Agent”), the Massachusetts Municipal Wholesale Electric Company
5 (“MMWEC”), the Taunton Municipal Lighting Plant (“Taunton”), and the Hudson Light
6 and Power Department (“Hudson”), (collectively, Joint Owners”). Taunton and Hudson
7 were represented at the hearing by NextEra. MMWEC was represented by Haley Pedruczny,
8 Treasurer and Financial Services Manager and Treasurer for MMWEC.

9 On May 31, 2024, NextEra filed the Seabrook Station 2024 Annual Report.
10 NextEra arranged for copies to be available for public review in the Town of Seabrook.
11 The Annual Report consists of the following:

- 12 • The NextEra Energy Seabrook, LLC Annual Report.
- 13 • The Review of Funding Schedule and Investment Assumptions by LCG
14 Services, Inc. (“LCG Report”); and
- 15 • The Joint Owner Proposed Funding Schedule (Run #2) based on
16 decommissioning Trust balances for each Joint Owner as of April 30, 2024.

17 The Order of Notice (“OON”) for this docket was issued on February 7, 2024.
18 Timely notice of the OON was published in the New Hampshire Union Leader on February
19 12, 2024 and the Seacoast Classified Ads on February 13, 2024, and posted at the Seabrook
20 Community Center on February 9, 2024. An Affidavit of Publication dated February 7,
21 2024, was provided by the Managing Agent.

22 An initial pre-hearing conference was conducted on March 12, 2024, at the New
23 Hampshire Department of Energy, 21 South Fruit Street, Concord, New Hampshire for the

1 purpose of taking appearances from parties interested in participating in the proceeding,
2 proposing a procedural schedule, and receiving the views of full parties to the proceeding
3 concerning the issues to be addressed in the docket.

4 Order No. 1 for this docket was issued on March 20, 2024, setting the scope of the
5 docket and the procedural schedule.

6 On October 29, 2024, a public hearing was held at the New Hampshire Department
7 of Energy, 21 South Fruit Street, Concord, New Hampshire (“Concord Hearing”).

8 During the Concord Hearing, Counsel for NextEra presented a witness panel
9 consisting of: Matthew Levander, Regulatory Affairs Manager for NextEra Energy
10 Seabrook, LLC; Andrew D. Vynne, Director of Business Management for NextEra Energy
11 Resources; and David Emerson, Senior Vice-President and Principal of LCG Associates in
12 his capacity as the Decommissioning Trust’s Investment Consultant.

13 The Exhibits indicated in Chart 1 below were offered and accepted by the
14 Committee at the Concord Hearing. Pursuant to RSA 162-F, a subsequent public hearing
15 will be held in the Town of Seabrook no sooner than thirty days after issuance of this
16 Preliminary Report and Order.

17 **Chart 1**
18 **Hearing Exhibits**

Exhibit Number	Description
1	2024 Annual Report
2	Stipulation of the Full Parties
3	Proposed Schedule of Payments
4	Affidavit of Kevin McLaughlin
5	Audit of Trust
6	Audit of Escrow

1 municipal Joint Owners (MMWEC, Taunton, and Hudson) provided affidavits adopting
2 the Stipulation.

3 Haley Pedruczny, Treasurer & Financial Services Manager and Treasurer
4 submitted an affidavit in support of, and adopting, the Stipulation as it relates to
5 MMWEC's positions contained therein including the Stipulation's statements on the
6 adequacy of MMWEC's funding assurances and MMWEC's long-standing position on the
7 inadequacy of NextEra's funding assurances (Exhibit 2 at 5).

8 Kimberly Holmes, General Manager for Taunton, submitted an affidavit in support
9 of the Stipulation and its statement on the adequacy of Taunton's funding assurance
10 including supplemental information consisting of the most recent report of credit rating on
11 Taunton from Moody's.

12 Justin Connell, General Manager for Hudson, submitted an affidavit in support of
13 the Stipulation and its statement on the adequacy of Hudson's funding assurance including
14 supplemental information consisting of the most recent report of credit rating on Hudson
15 from Moody's.

16 The Joint Owners requested that the Committee make the following findings,
17 subject to MMWEC's continuing reservations regarding NextEra's funding assurances:

- 18 1. The cost of decommissioning is estimated at \$1,217,347,830 in December 31,
19 2024 dollars;
- 20 2. Earnings assumptions shall remain as approved in Docket No. 2023-1, with the
21 exception that the earnings assumption for cash shall be increased from 2.25%
22 to 3.00%;
- 23 3. The financial assurances, as approved in Docket No. 2023-1, remain adequate;

1 4. The Managing Agent shall file the 2025 annual report no later than May 31,
2 2025; Following receipt of the Final Report and Order in this docket, the
3 Managing Agent shall submit funding schedules in accordance with the above
4 but updated to include the Trust balances and earning and expense estimates as
5 required by the Committee in the Final Report and Order.

6 The Stipulation states that the Joint Owners agree that there is no need to alter the
7 funding assurances for MMWEC, Taunton or Hudson. There have been no changes in
8 their financial status that would warrant a change in their funding assurances. As originally
9 enunciated in Docket NDFC 2002-2, MMWEC maintains its position that NextEra's
10 funding assurances are inadequate because NextEra is not a utility and presents a risk that
11 is not present in the MMWEC business model.

12 The Stipulation also presents the Joint Owners' preliminary proposed funding
13 schedule beginning on January 1, 2025, based on balances in the decommissioning Trust
14 as of April 30, 2024.

15 **IV. DISCUSSION**

16 **A. Status of Trust**

17 Chart 3 presents the Trust and escrow balances for each of the Trust's investment
18 asset classes for the year-ends of 2022 and 2023.

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Chart 3
Trust and Escrow Balances

Fund Investments	Year-End 2022 Balances (\$Millions) (%)		Year-End 2023 Balances (\$Millions) (%)	
1A Fixed Income	102.8	10.8	109.1	9.8
1B Equities	117.0	12.3	140.2	12.6
2 Fixed Income	35.7	3.8	37.9	3.4
3 Fixed Income	120.3	12.7	132.2	11.9
5 Equities	442.6	46.9	510.9	46.1
6 Equities	45.3	4.8	56.0	5.0
7 Opportunistic	84.0	8.7	122.3	11.0
Trust Total	947.6		1,108.6	
Escrow Investments	0.0	100.0	0.0	100.0
Total incl Escrow	947.6		1,109.6	

3 Funds 1A and 1B are “qualified” funds used by NextEra. Earnings generated by
4 qualified funds receive a favorable tax rate that, by law, is set at 20%. Taxes on qualified
5 funds are included as expenses and are paid out of the Trust, as can be seen in the funding
6 schedules. Non-qualified fund earnings flow through to the Managing Agent and are taxed
7 at the corporate federal tax rate plus any applicable state tax. Tax obligations on
8 nonqualified funds are funded outside the Trust. The three municipal Joint Owners are not
9 subject to taxes and do not invest in the qualified funds. NextEra has investments in the
10 qualified and non-qualified funds. The Investment Guidelines, which are approved by the
11 New Hampshire State Treasurer, dictate the limiting percentage that the portfolio of an
12 individual owner may hold in each fund or asset class.

13 Each Joint Owner is projected to be “overfunded” which means that under current
14 assumptions for rates of return and a funding date of 2050, each Joint Owner will have
15 surplus funds in their decommissioning Trust balances after completion of
16 decommissioning and final removal of all remaining spent nuclear fuel from the site in

1 2101 (Exhibit 2 at 2-3). Chart 4 shows the projected overfunding based on Trust balances
 2 as of April 30, 2024, as reported in the Stipulation.

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**Chart 4
 Projected Overfunding**

Joint Owner	Projected Overfunding Based on Current Assumptions	Projected Overfunding with the Proposed Increase in Cash Rate of Return
NextEra	\$63.5 Billion	\$72.2 Billion
MMWEC	\$1.4 Billion	\$1.7 Billion
Taunton	\$ 8.1 Million	\$7.8 Million
Hudson	\$6.4 Million	\$10.0 Million
Total	\$65 Billion	\$74 Billion

5 Since all of the Joint Owners are projected to be overfunded as shown in Chart 4,
 6 none of them are required to contribute to the Trust. This has been the case since the NRC
 7 approved the extension of Seabrook Station’s operating license in 2019 from March 15,
 8 2030 to March 15, 2050, and the Committee subsequently extended the funding date to
 9 coincide with the new license expiration date.

10 **B. Seabrook Station Operational Performance**

11 Seabrook Station continues to operate well. The chart below compares the
 12 station’s capability factor to the median for the other 92 operating nuclear reactors in the
 13 US for the last five years. (Exhibit 1, Table 1 to Attachment E).

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**Chart 5
 Seabrook Station versus Industry Median Capability Factors**

	2019	2020	2021	2022	2023
Seabrook Station	94.6	93.4	93.5	93.5	91.5
Industry Median	92.0	91.8	94.5	91.3	92.1

1 The NRC continues to rate all of Seabrook Station’s regulatory performance
2 indicators in the “green” category which means that its performance is at the expected
3 satisfactory level and all safety and regulatory objectives are being met. (Exhibit 1, Table
4 2 to Attachment E). Plants in the green performance category undergo normal NRC
5 oversight. In the area of environmental compliance, Seabrook Station is subject to New
6 Hampshire Department of Environmental Services (“NHDES”) and U.S. Environmental
7 Protection Agency regulations. NHDES inspectors assess the Plant’s ability to self-
8 monitor and comply with the effluent limits and compliance schedules in the National
9 Pollutant Discharge Elimination System Permit (“NPDES”) and compliance with the Title
10 V Air Permit. NHDES completed its last NPDES evaluation of Seabrook Station in March
11 2023 and found no material deficiencies.

12 **C. Projected Cost of Decommissioning**

13 The Committee conducted a review of the detailed revised cost estimate presented
14 by TLG Associates on behalf of the Joint Owners during the quadrennial comprehensive
15 review last year. Since no changes are being proposed in this docket, the projected cost of
16 decommissioning shall be assumed to be the estimated cost approved in NDFC 2023-1
17 escalated at 3.50% to December 31, 2024, dollars or \$1,217,347,830.

18 **D. Funding Date**

19 The Funding Date is the date established by the Committee at which time the Trust
20 must hold sufficient funds to complete decommissioning under the schedule approved by
21 the NDFC. (RSA 162-F:14 VII). The funding schedules are calculated using the Funding
22 Date, which is the date established by the Committee at which time the fund shall have
23 sufficient moneys to complete decommissioning. (RSA162-F:14,VII). In NDFC Docket

1 2019-01, the Committee extended the Funding Date from 2030 to March 15, 2050 based
2 on the 20-year license extension awarded to Seabrook Station in March 2019, and its
3 continued strong operational performance. The Joint Owners have not requested a change
4 and the Committee continues to consider the 2050 Funding Date to be appropriate.

5 **E. Escalation**

6 Escalation is the assumed rate at which the cost of activities specific to
7 decommissioning Seabrook Station increases from year to year. The Committee approved
8 the continued use of 3.50% during the 2023 comprehensive review (*See*: NDFC 2023-01
9 Final Report and Order at 1) and will maintain it at that rate in this docket.

10 **F. Inflation Rate**

11 When a Joint Owner is required to make contributions to the Trust, the funding
12 schedule is structured so that the payments increase each year by the inflation rate. Since
13 the Joint Owners are all overfunded and are therefore not required to make contributions
14 to the Trust, the inflation adjustment is not applicable to the proposed funding schedules.
15 LCG nonetheless provided a review of the inflation assumption in their 2024 report.
16 (Exhibit 1, Attachment C at 29) which acknowledged the near term inflationary pressures
17 but noted the long-term horizon of the Trust and recommended no change to the inflation
18 assumption. The Committee therefore maintains the assumed inflation rate at 2.75%.

19 **G. Trust and Escrow Earnings Assumptions**

20 The Treasurer's Investment Guidelines for the Seabrook Decommissioning Trust
21 provides four asset classes available for the Joint Owner investments: Equities, Core Fixed
22 Income, Core Plus Fixed Income, and Opportunistic. Within the equity class, there are a
23 range of possible funds available: qualified and non-qualified (see Section IV.A above);

1 large cap and small cap; and international. The Treasurer revised the Investment
 2 Guidelines in 2014 to establish the Core Plus Fixed Income class which relaxed certain
 3 investment restrictions in the Core Fixed Income. The Opportunistic class consists of
 4 private debt, opportunistic credit and private equity strategies. Only NextEra currently
 5 invests in the Core Plus Fixed Income and the Opportunistic asset classes. The assumed
 6 rates of return for these asset classes are shown below.

7 **Chart 6**
 8 **Assumed Rates of Return**

Asset Class	Current Approved Rate of Return
Equities	8.50%
Core Fixed Income (Fund 2)	4.25%
Core Plus Fixed Income (Funds 1A and 3)	4.45%
Opportunistic	7.50%
Cash	2.25%

9

10 The Joint Owner Target allocations for equities and fixed income and the actual allocations
 11 as of April 30, 2024 are shown in Chart 7 below.

12 **Chart 7**
 13 **Joint Owner Equity/Fixed Income Investment Allocations**

Owner	Target Allocation (%)	Actual Allocation as of April 30, 2014 (%)
NextEra	65/45	64/36
MMWEC	45/55	62/38
Taunton	30/70	47/53
Hudson	30/70	34/66

1 The total portfolio rate of return for the Trust as a whole, assuming each Joint
2 Owner is at its Target Allocations as shown above, is 7.28%. LCG believes that the
3 approved rates of return for equities, fixed and Opportunistic are too low and that a 25 basis
4 point increase would be justified. Nonetheless, they are not recommending that the Joint
5 owners request such an increase since the approved rates, although conservative, are
6 reasonable. (Exhibit 1 Attachment C at 6-8).

7 The Joint Owners are requesting an increase of 75 basis points on the rate of return
8 assumption for cash fund cash equivalents from 2.25% to 3.00%. Cash is highly correlated
9 to the interest environment and the return on cash changes more frequently than other asset
10 classes (Concord Hearing Tr. at 39). The Joint Owners do not hold substantive cash
11 investments now. However, the assumed rate of return on cash and cash equivalents has
12 an impact on the funding model because the Investment Guidelines require the Joint
13 Owners to start liquidating a significant portion of their equity holdings into cash at a point
14 five years prior to the scheduled end of licensed operating life. The Committee finds the
15 request for an increase in the assumed rate of return on cash and cash equivalents to be
16 reasonable in the current environment and approves the proposed rates of return including
17 the increase in the assumption for cash and cash equivalents.

18 **H. Funding Assurances**

19 Funding assurances are required of all non-utility owners of Seabrook Station.
20 (RSA 162-F: 21-a, III). The NDFC may impose a funding assurance requirement to ensure
21 recovery of decommissioning costs in the event there is a premature permanent cessation
22 of operations. (RSA 162-F: 19. IV). The Joint Owners have not requested any changes in
23 the Funding Assurances at this time.

1 In NDFC Docket 2002-02, the NDFC established funding assurance requirements
2 for NextEra, which included a guaranty by its indirect parent company, NextEra Energy
3 Capital Holdings (formerly FPL Group Capital, Inc.), which in turn is backed by a guaranty
4 from the holding company, NextEra Energy, Inc. (formerly FPL Group, Inc.).

5 As one of the conditions of NextEra’s acquisition of an 88.5% share of Seabrook
6 Station in 2002, the Committee also established financial “triggers” that would result in
7 immediate Trust or escrow contributions in the event of a decline in the financial health of
8 NextEra Energy or NextEra Energy Capital Holdings. None of the triggers have ever been
9 reached. Because NextEra has grown significantly since 2002, the Committee requested
10 that NextEra conduct a review of the triggers and determine if they are still appropriate or
11 should be changed or eliminated. In NDFC 2021-1, the Committee consented to NextEra’s
12 request that this review be deferred until its trust balance exceeds its share of the total
13 estimated decommissioning obligation.

14 Under the approved investment earnings assumptions and decommissioning
15 escalation rate, the “cross-over point” at which the Trust assets will exceed the
16 decommissioning obligation for each Joint Owner is projected to occur as follows:

17 **Chart 8**
18 **Crossover Point for Joint Owners**

Joint Owner	Crossover
NextEra	2024
Hudson	2029
Taunton	2029
MMWEC	2035

19 The following chart summarizes the status of the Funding Assurances with respect
20 to the triggers.

1
2

**Chart 9
Status of NextEra Funding Assurances and Triggers**

Event	Result	2023 Status
NextEra Energy Seabrook fails to make a scheduled payment to the decommissioning fund	<ul style="list-style-type: none"> ➤ In addition to scheduled payments, payment equal to 6-months of payments paid into the fund ➤ All decommissioning payments will also be made as scheduled by NDFC 	No payments have been missed.
NextEra Energy sells 80% FP&L (FPL utility) generation assets	<ul style="list-style-type: none"> ➤ 12-months of decommissioning payments paid into Escrow ➤ NextEra Energy Seabrook must show cause why funding assurance should not be changed ➤ All decommissioning payments will also be made as scheduled by NDFC 	A review of the 8K's and 10K's demonstrated that NextEra Energy did not sell 80% of FP&L's generation assets in 2023.
NextEra Energy's Funded debt to total Capitalization exceeds 0.65:1.00	<ul style="list-style-type: none"> ➤ NextEra Energy Seabrook will not pay any cash dividends or other transfers to NextEra Energy, /or/ ➤ NextEra Energy Seabrook may make payment equal to 6-months of payments paid into the decommissioning fund, in addition to all other scheduled payments ➤ All decommissioning payments will also be made as scheduled by NDFC 	The adjusted total debt to capital ratio was 53.7% as of 12/31/2023. [Exhibit 1 at 11]
NextEra Energy's operating income falls below \$800 million	<ul style="list-style-type: none"> ➤ NextEra Energy Seabrook must show cause why funding assurance should not be changed ➤ All decommissioning payments will also be made as scheduled by NDFC 	According to the NextEra Energy Annual Report for 2022 (10K), operating income was \$10,237 million as of year-end 2023.
NextEra Energy's operating income falls below \$600 million	<ul style="list-style-type: none"> ➤ 12-months of payments paid into Escrow ➤ NextEra Energy Seabrook must show cause why funding assurance should not be changed ➤ All decommissioning payments will also be made as scheduled by NDFC 	According to the NextEra Energy Annual Report for 2022 (10K), operating income was \$10,237 million as of year-end 2022

1 The Committee is satisfied that the financial capability of NextEra Energy
2 Seabrook, as backed by the funding assurances of NextEra Energy, Inc., remains sufficient
3 to fund NextEra Energy Seabrook’s decommissioning obligation, even in the event of a
4 permanent premature cessation of operations.

5 The Committee previously determined that Taunton, Hudson, and MMWEC are
6 subject to contractual and statutory obligations that cannot be voided, even by resorting to
7 bankruptcy by means of employing the current Bankruptcy Code, and that additional
8 funding assurances were not required of those Seabrook Joint Owners (*See*: NDFC Docket
9 No. 2008-01 Final Report and Order at 21 – 29).

10 **I. Status of Independent Spent Fuel Storage Installation (“ISFSI”)**

11
12 The ISFSI is a concrete pad at the site on which storage modules that house the dry
13 storage canisters holding the spent nuclear fuel rods are placed after a period of cooling in
14 the spent fuel pool. The 2023 TLG Decommissioning Cost Study reported that the required
15 duration for cooling spent nuclear fuel in the adjacent spent fuel cooling pool after being
16 taken out of the reactor and before transfer to dry storage in the ISFSI had been reduced
17 from four to three years. The ISFSI will not be a permanent storage location for the spent
18 nuclear fuel but is instead a method to ensure that spent nuclear fuel is stored safely until
19 it is turned over to the Department of Energy (“DOE”). (Exhibit 2 at 6).

20 The ISFSI has sufficient space to safely store all spent nuclear fuel used to operate
21 the plant until the expiration of the Operating License in 2050. The concrete pad, however,
22 may have to be expanded, depending on the DOE’s ultimate schedule for taking receipt of
23 the spent nuclear fuel. An area for future expansion of the concrete pad has been identified

1 to accommodate the full reactor core offload of spent nuclear fuel through the end of the
2 current Operating License period in 2050. (Exhibit 1 at 5)

3 The Stipulation states that the NRC issued a license for a consolidated spent fuel
4 storage facility in Texas in 2021 and another in New Mexico in 2023. The licenses were
5 subsequently vacated by the Court of Appeals which held that the NRC does not have
6 authority to license private parties to develop away-from-reactor spent fuel storage
7 facilities. Review of both cases has been sought at the Supreme Court by the applicants
8 and the NRC. If ultimately licensed, these facilities plan to accept spent nuclear fuel from
9 commercial nuclear power reactors on an interim basis prior to the construction of a
10 permanent federal waste repository. If such a facility becomes available for Seabrook
11 Station, NextEra would consider it for interim storage of the spent nuclear fuel provided
12 that such alternative(s): (1) provide for safe and reliable storage, and (2) the costs of such
13 transfer and storage are borne by the federal government.

14 **J. Status of Low Level Radioactive Waste Disposal (“LLRW”)**

15 The status and expected cost of the disposal of LLRW generated by, and disposed
16 of during, the decommissioning of Seabrook Station has not changed. Over 99% by
17 volume of the LLRW requiring disposal is Class A. Compared to Class B and C LLRW,
18 Class A contains the least radioactivity, decays in the shortest period of time (measured in
19 decades), and is therefore the easiest to dispose of. NextEra has an agreement with Energy
20 Solutions for disposal of all operational and decommissioning Class A LLRW at their
21 Clive, Utah facility at pre-established firm pricing. The small volumes of Class B and C
22 LLRW are stored onsite at this time. NextEra anticipates that market forces will make

1 disposal facilities available for Class B and C long before the scheduled shutdown of
2 Seabrook Station. (Exhibit 2 at 5)

3 **K. Status of the Impact of Climate Change on Seabrook Station**

4 During the 2023 review, the Committee requested that NextEra provide a summary
5 of the results of the ocean temperature and flooding re-analyses that were being conducted
6 to assess the effects of climate change. In the current report, NextEra states that it is
7 “evaluating additional studies and actions needed beyond 2030” to protect the plant from
8 projected sea level rise and that a separate reanalysis of the impact of increased ocean
9 temperature on the design basis accident analyses was underway. (Exhibit 2 at 6-7).
10 NextEra will provide the Committee with a summary of the results of these studies with
11 respect to the their effect on decommissioning cost and schedule upon their completion.

12 **L. Contributions**

13 Since all of the Joint Owners are projected to be overfunded, the 2025 funding
14 schedule requires no contributions from any of the Joint Owners.

15 **M. Funding Schedules**

16 If the Final Report and Order for this docket is issued on or before December 31,
17 2024, the Funding Schedule for 2024 shall be based on the actual trust balances as of
18 November 30, 2024, plus assumed earnings for December, minus estimated expenses. If
19 the Final Report and Order for this docket is issued after December 31, 2024, the Funding
20 Schedule for 2025 shall be based on the actual trust balances as of December 31, 2024. The
21 input assumptions and other requirements of the Final Report and Order shall be used in
22 establishing the 2025 Funding Schedule.

1 **N. Guidance for 2025 Annual Report**

2 NextEra is to file, no later than March 31, 2025, an independent auditor’s report of
3 the Seabrook Nuclear Decommissioning Financing Trust Fund as of December 31, 2024.
4 In view of the de minimis amount of money in the Escrow account, the Committee will not
5 require an audit of the Escrow going forward. By May 31, 2025, NextEra shall file the
6 annual update required in order for the Committee to perform the annual review of fund
7 performance and fund assurance as required by RSA:F-22.II.

8 **V. CONCLUSION**

9 For the reasons set forth within this Preliminary Report and Order, the Committee
10 finds that the requirements of RSA 162-F will be met by the decisions of the NDFC and
11 the resulting schedules of payment.

12 **Based on the foregoing, it is hereby**

13 **ORDERED**, that the funding assurance provided by NextEra Energy Seabrook
14 approved in the Docket 2002-2 Final Report and Order shall remain in place and
15 unchanged; and it is

16 **FURTHER ORDERED**, that the funding schedule for 2025 shall be calculated
17 using the assumptions delineated in the Summary of Findings of this Preliminary Report
18 and Order and as supplemented and/or revised in the Final Report and Order issued
19 following the final public hearing to be conducted no sooner than 30 days after the release
20 of this Preliminary Report and Order; and it is

21 **FURTHER ORDERED**, that NextEra Energy Seabrook is to file no later than
22 March 31, 2025, an independent auditor’s report on the Seabrook Nuclear

1 Decommissioning Financing Trust Fund and the Seabrook Escrow Fund as of December
2 31, 2024; and it is

3 **FURTHER ORDERED**, that the 2025 Annual Report is to be filed no later than
4 May 31, 2025, and it is

5 **FURTHER ORDERED**, that any party to this proceeding wishing to comment on
6 this Preliminary Report and Order shall file written comments with the NDFC no later than
7 **December xx, 2024**, and provide a copy to all parties on the same date; and it is

8 **FURTHER ORDERED**, that the date of the public hearing to be held in the Town
9 of Seabrook will be held on a date to be announced by separate notice of this Committee
10 and will be at least 30 days after this Preliminary Report and Order has been made available
11 for review in the Town of Seabrook and in the office of the public utilities commission in
12 accordance with RSA 162.

13 This is a Preliminary Report and Order of the NDFC prepared pursuant to RSA
14 162-F:21, III. A Final Report and Order will be issued after the Committee has reviewed
15 all comments received regarding this Preliminary Report and Order and following the
16 review of all comments submitted at the hearing to be held in the Town of Seabrook, New
17 Hampshire.

18 This Preliminary Report and Order is released on November 14, 2024.