

The Department of Public Service: Vermont Yankee Decommissioning Status Update

Prepared for the Vermont Nuclear Decommissioning Citizens Advisory Panel

May 8, 2023

The Department of Public Service's Continuing Role

▶ Financial

- ▶ Review financial performance of the project, including cash flow;
- ▶ Analyze the financial health of NorthStar; and
- ▶ Assess the viability of financial assurances.

▶ Technical

- ▶ Confirm work performed is reasonable and consistent with SRT & NDT withdrawals; and
- ▶ Evaluate project to identify risks or concerns that could challenge successful completion.

▶ Department Activities

- ▶ Review monthly summaries of expenditures;
- ▶ Review requests for disbursement from Site Restoration Trust (“SRT”);
- ▶ Monthly meetings with NorthStar to follow-up with reporting;
- ▶ Department consultant conducts regular site visits to verify work completed; and
- ▶ Upload publicly available information to the Department’s VY Decommissioning Page.

Annual Reporting Requirements

- ▶ The March 2, 2018 Memorandum of Understanding requires NorthStar to file (i) an annual public certification and (ii) financial disclosures by March 31st of each calendar year;
- ▶ MOU § 2(h) - Annual Public Certification - submitted to the Department of Public Service, the Agency of Natural Resources, the Department of Health, and the Vermont Office of Attorney General;
- ▶ MOU § 2(i) - Annual Financial Disclosures - submitted only to the Department.

MOU § 2(h) - Annual Public Certification

- ▶ § 2(h)(1): A detailed description of all work completed as of the date of certification pursuant to corrective action plans approved by ANR pursuant to Subchapter 5 and the I-Rule;
 - ▶ There are six corrective action plans approved by ANR to date. Additional corrective actions plans to be submitted where access is currently limited or restricted by existing structures.
- ▶ § 2(h)(2) - A detailed description and schedule of remaining corrective actions and site restoration work;
 - ▶ Submitted within the public certification and to ANR.
- ▶ § 2(h)(3) - The amount of funds available for site restoration as of the end of the calendar year preceding the date of the report;
 - ▶ The balance of the SRT as of December 31, 2022 was \$51,183,764.33
 - ▶ The balance of the NDT as of December 31, 2022 was \$180,193,826.43
- ▶ § 2(h)(4) - The amount of funds estimated to be required to complete site restoration.
 - ▶ Approximately \$11,937 million will be required to complete site restoration work.

MOU § 2(i) - Financial Disclosures and Reports

- ▶ § 2(i)(1) - Audited financials for NorthStar Group Holdings, LLC and NorthStar Group Services, Inc. for the preceding calendar year;
 - ▶ Audited financials were received.
- ▶ § 2(i)(2) - Audited statements of NDT and SRT fund balances and an accounting of all disbursements;
 - ▶ Audited statements of fund balances were received.
- ▶ § 2(i)(3) - A schedule of both cumulative. . . and projected fund activity for NDT and SRT funds. . . including an updated “pay item disbursement schedule” and . . . an update of the current “Deal Model” through completion of partial site release and site restoration of the VY Station site;
 - ▶ An updated pay-item disbursement schedule and deal model was received.
- ▶ § 2(i)(4) - A variance analysis, comparing actual disbursements detailed in the updated “Deal Model” to estimated disbursements in the prior year’s reporting, explaining all variances in excess of 10% or \$2 million.
 - ▶ A variance analysis was received.

Financial Update: Disbursements from NDT and SRT

Table 1: Nuclear Decommissioning Trust Disbursements

Date Received	Disbursement
January 31, 2023 (for January)	\$5,600,000.00
March 2, 2023 (for February)	\$4,800,000.00
April 6, 2023 (for March)	\$7,100,000.00

Table 2: Site Restoration Trust Disbursements

Date Received	Disbursement
February 2, 2023 (for January)	\$48,190.25
March 2, 2023 (for February)	\$48,190.25
April 4, 2023 (for March)	\$48,190.25
May 2, 2023 (for April)	\$310,891.41

- ▶ As of March 31, 2023, the NDT balance is roughly \$162.5 million;
- ▶ As of March 31, 2023, SRT balance is roughly \$51.3 million;
- ▶ All disbursements are for work already completed.

Financial Update: Trust Balances

Table 3: Trust Balance Update

	Nuclear Decommissioning Trust (NDT)	Site Restoration Trust (SRT)
November 30, 2022	\$188,351,197.17	\$51,132,844.56
December 31, 2022	\$180,193,826.43	\$51,183,764.33
January 31, 2023	\$173,322,466.57	\$51,622,882.94
February 28, 2023	\$166,199,288.60	\$50,985,883.17
March 31, 2023	\$162,551,281.45	\$51,348,168.05

In Summary:

- ▶ **License termination activities** total \$536.2 million, including pre-closing costs. As of March 31, 2023, \$368.2 million has been earned, leaving \$168 million remaining to complete license termination work. The Nuclear Decommissioning Trust balance is \$162.5 million (w/ unrealized losses) as of March 31, 2023.
- ▶ **Spent fuel management** costs total \$290.9 million. NorthStar has earned \$28 million as of March 31, 2023, leaving \$262.9 million required to manage spent fuel until all fuel is removed from the site (date for completion is 2052). NorthStar anticipates collecting an additional \$276.5 million from the DOE for spent fuel management costs.
- ▶ **Site restoration** costs total \$25 million. As of March 31, 2023, NorthStar has earned \$13.5 million, leaving \$11.5 million required to complete site restoration work. The site restoration trust fund contains \$51.3 million (w/ unrealized losses) as of November 30, 2022.

Financial & Technical Updates

- ▶ Site visit conducted February 2023
 - ▶ Included observation of work activities in turbine building, reactor building, refueling floor, and outside areas near the turbine and reactor buildings;
 - ▶ No conditions observed during visit were inconsistent with the project progress reported by NorthStar in their December 2022 and January 2023 status reports.
 - ▶ Site visit also conducted end of April 2023, pending report.
- ▶ NDT Balance vs. Remaining License Termination Activities
 - ▶ NDT is invested exclusively in U.S. Treasury securities which should normalize as they approach maturity;
 - ▶ NDT based on current market conditions and is reflective of unrealized losses due to rising interest rates; does not account for continuing interest on the NDT funds;
 - ▶ Before unrealized loss, the NDT's projected value if securities are held to maturity is \$165.9m. Remaining \$2.1m through interest earnings on NDT;
 - ▶ \$55 million Financial Assurance Escrow required under Paragraph 2(c) of MOU.
- ▶ Progress - Based on the last approved schedule provided by NorthStar and the annual financial reporting, the Department's consultants find the estimated work completed to be reasonable. NorthStar appears to be on course to complete the project with available funding.