

# The Department of Public Service: Vermont Yankee Decommissioning Status Update

Prepared for the Vermont Nuclear Decommissioning Citizens Advisory Panel

May 13, 2024

# 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 31<sup>st</sup> 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, 2023 was \$49,449,605.12
  - ▶ The balance of the NDT as of December 31, 2023 was \$112,835,988.17
- ▶ § 2(h)(4) - The amount of funds estimated to be required to complete site restoration.
  - ▶ As of Dec. 31, 2023, approximately \$7.138 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 2, 2024 (for December)	\$8,000,000.00
February 6, 2024 (for January)	\$5,500,000.00
March 6, 2024 (for February)	\$5,000,000.00
April 1, 2024 (for March)	\$6,000,000.00

Table 2: Site Restoration Trust Disbursements

Date Received	Disbursement
January 9, 2024 (for December)	\$424,049.96
February 6, 2024 (for January)	\$424,049.96
March 5, 2024 (for February)	\$104,983.33
April 8, 2024 (for March)	\$480,843.05
May 7, 2024 (for April)	\$480,843.05

- ▶ As of April 30, 2024, the NDT balance is approximately \$94.3 million; As of April 30, 2024, the SRT balance is approximately \$47.8 million;
- ▶ All disbursements are for work already completed.

# Financial Update: Trust Balances

**Table 3: Trust Balance Update**

	Nuclear Decommissioning Trust (NDT)	NDT Value at Maturity	Site Restoration Trust (SRT)	SRT Value at Maturity
Dec. 31, 2023	\$112,835,988.17	\$114,825,487.02	\$49,449,605.12	\$50,790,268.92
Jan. 31, 2024	\$108,109,715.68	\$109,922,894.20	\$48,781,231.01	\$50,035,323.51
Feb. 29, 2024	\$103,266,857.20	\$105,256,744.53	\$48,181,116.53	\$49,711,338.92
March 31, 2024	\$98,687,558.04	\$100,609,925.26	\$47,936,746.99	\$49,406,078.62
Apr. 30, 2024	\$94,276,080.73	\$96,154,956.59	\$47,756,819.20	\$49,414,430.27

**In Summary:**

- ▶ **License termination activities** total \$536.2 million, including pre-closing costs. As of April 30, 2024, \$437.8m has been earned, leaving \$98.4m remaining to complete license termination work. The Nuclear Decommissioning Trust balance is \$94.3m (w/ unrealized losses) as of April 30, 2024.
- ▶ **Spent fuel management costs** total \$290.9m. NorthStar has earned \$32.6m as of April 30, 2024, leaving \$258.3m required to manage spent fuel until all fuel is removed from the site (date for completion is 2052). NorthStar anticipates collecting an additional \$276.5m from the DOE for spent fuel management costs.
- ▶ **Site restoration costs** total \$25m. As of April 30, 2024, NorthStar has earned \$20.5m, leaving \$4.5m required to complete site restoration work. The site restoration trust fund contains \$47.8m (w/ unrealized losses) as of April 30, 2024.

# Financial & Technical Updates

- ▶ Site visit conducted March 2024
  - ▶ Observed work areas within reactor building and outside the turbine and reactor buildings, including spare turbine rotor segmentation work area, ventilation stack below grade structures, and reactor building access ramp.
  - ▶ No conditions observed during visit were inconsistent with the project progress reported by NorthStar in their December 2023, January 2024, and February 2024 status reports.
- ▶ NDT Balance vs. Remaining License Termination Activities
  - ▶ NS has completed additional work not yet reflected within the latest earned value report;
  - ▶ NDT is invested exclusively in U.S. Treasury securities which should normalize as they approach maturity;
    - ▶ NS's stated intent is to hold all securities to maturity and assumes the effective value of the NDT at maturity is \$96.2 million. NorthStar also expects to continue receiving interest earnings on the NDT which are not reflected in the reported NDT values;
    - ▶ Financial Assurances - \$55 million Financial Assurance Escrow required under Paragraph 2(c) of MOU; \$140 million Support Agreement under Paragraph 2(b) 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.