

August 3, 2012

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

In the Matter of)	
)	
NextEra Energy Seabrook, LLC)	Docket No. 50-443-LR
)	
(Seabrook Nuclear Station, Unit 1))	ASLBP No. 10-906-02-LR-BD01

NRC STAFF'S ANSWER TO INTERVENORS' MOTION
FOR LEAVE TO FILE NEW CONTENTION CONCERNING
TEMPORARY STORAGE AND ULIMATE DISPOSAL OF NUCLEAR WASTE

INTRODUCTION

Pursuant to 10 C.F.R. § 2.309(h)(1), and the Atomic Safety and Licensing Board's April 4, 2011 Initial Scheduling Order, the Staff of the U.S. Nuclear Regulatory Commission ("NRC Staff" or "Staff") hereby files its answer to "Intervenors' Motion for Leave to File a New Contention Concerning Temporary Storage and Ultimate Disposal of Nuclear Waste at Seabrook station, Unit 1" (July 9, 2012) (Agencywide Documents Access and Management System ("ADAMS") Accession No. ML12191A420) ("Motion") filed by Friends of the Coast and New England Coalition ("FOTC/NEC"). The Motion raises a new contention based on the D.C. Circuit Court of Appeal's June 8, 2012 opinion in *New York v. NRC*, 681 F.3d 471 (D.C. Cir. 2012). As explained below, the new contention would be admissible if the Atomic Safety and Licensing Board ("Board") rules on it after the D.C. Circuit issues the mandate for that decision. But, if the Board rules before the issuance of the mandate, then the Commission's existing regulations bar admission of the contention, and the Board should dismiss it without prejudice to timely refiling upon issuance of the court's mandate.

BACKGROUND

A. Procedural History

As relevant to the instant motion, this proceeding concerns the May 25, 2010, application of NextEra Energy Seabrook, LLC (“NextEra”) to renew its operating licenses for Seabrook Station, Unit 1 (“Seabrook”) for an additional 20 years from the current expiration date of March 15, 2030.¹ FOTC/NEC has shown standing and has been admitted as a party to this proceeding. *NextEra Seabrook, LLC* (Seabrook Station, Unit 1), LBP-11-02, 73 NRC 28 (2011). FOTC/NEC currently has two admitted contentions in this proceeding. *NextEra Energy Seabrook, LLC* (Seabrook Station, Unit 1), CLI-12-05, 75 NRC __, __ (Mar. 8, 2012) The contentions challenge the adequacy of NextEra’s severe accident mitigation analysis. *Id.* On July 9, 2012, FOTC/NEC filed the instant Motion. The same or similar contentions were filed in other proceedings.

B. The NRC’s Waste Confidence Decision

In the National Environmental Policy Act of 1969 (“NEPA”), Congress announced a national policy “to create and maintain conditions under which man and nature can exist in productive harmony.” 42 U.S.C. § 4331(a). NEPA requires the NRC to prepare an environmental impact statement (“EIS”) to support a major Federal action, such as issuing a license for a power reactor. 42 U.S.C. § 4332. The NRC regulations in 10 C.F.R. Part 51 govern this process. Among other things, these regulations require applicants to submit an environmental report (“ER”) as part of a licensing application to aid the NRC in conducting its environmental analysis. 10 C.F.R. § 51.41.

¹ Letter from Paul O. Freeman, Site Vice President dated May 25, 2010, transmitting application for license renewal for Seabrook Station, Unit 1 (ADAMS Accession No. ML101590099) (“LRA”).

Before acting on a power reactor license application, NEPA requires the NRC to address the environmental impacts of operation, including on-site storage and disposal of the reactor's spent fuel after the licensed period of operation ends. *Minnesota v. NRC*, 602 F.2d 412, 414-15, 419 (D.C. Cir. 1979). In the past, "the Commission sensibly has chosen to address high-level waste disposal generically." *Duke Energy Corp. (Oconee Nuclear Station, Units 1, 2, and 3)*, CLI-99-11, 49 NRC 328, 345 (1999). The agency has most recently addressed issues pertaining to spent fuel storage and disposal in its "Waste Confidence Decision Update," 75 Fed. Reg. 81,037 (Dec. 23, 2010) ("Waste Confidence Decision") and a temporary storage rulemaking, "Consideration of Environmental Impacts of Temporary Storage of Spent Fuel after Cessation of Reactor Operation," Final Rule, 75 Fed. Reg. 81,032 (Dec. 23, 2010) ("Temporary Storage Rule").

The Waste Confidence Decision Update and the Temporary Storage Rule support generic findings in 10 C.F.R. § 51.23(a), regarding the impacts of spent fuel storage after the licensed period of operation. See Motion at 4; 10 C.F.R. § 51.23(a). The Commission rendered several findings in § 51.23(a). Two of those findings are (1) that spent fuel "can be stored safely and without significant environmental impacts for at least 60 years beyond the licensed life for operation" and (2) that "there is reasonable assurance that sufficient mined geologic repository capacity will be available . . . when necessary." 10 C.F.R. § 51.23(a). 10 C.F.R. § 51.23(b) relies on § 51.23(a) to exclude "discussion of any environmental impact of spent fuel storage [during] the period following the term of the reactor operating license" from any EIS, Environmental Assessment, or ER. 10 C.F.R. § 51.23(b).

DISCUSSION

FOTC/NEC based the proposed contention on the D.C. Circuit Court of Appeals' recent decision in *New York v. NRC*, 681 F.3d 471, 473 (D.C. Cir. 2012). The D.C. Circuit's decision vacated the NRC's updated Waste Confidence Decision and its Temporary Storage Rule and

remanded those rulemakings to the NRC. *Id.* at 483. The proposed contention states as follows:

The Environmental Report for Seabrook does not satisfy NEPA because it does not include a discussion of the environmental impacts of spent fuel storage after cessation of operation, including the impacts of spent fuel pool leakage, spent fuel pool fires, and failing to establish a spent fuel repository, as required by the U.S. Court of Appeals in *State of New York v. NRC*, No. 11-1045 (June 8, 2012). Therefore, unless and until the NRC conducts such an analysis, no license may be issued.

Motion at 4.² At root, the Petition asserts that because the generic findings in the Commission's rulemaking have been vacated, "the NRC no longer has any legal basis for Section 51.23(b), which relies on those findings to exempt both the agency staff and license applicants from addressing long-term spent fuel storage impacts in individual licensing proceedings." Motion at 4.

Although the contention was filed after the initial deadline for submitting contentions in this proceeding, FOTC/NEC asserts that it meets the standards of § 2.309(f)(2) for late-filed contentions. Petition at 6-7. Considering the holding of the D.C. Circuit and that the Petition was filed within 30 days of the ruling, the Staff agrees that FOTC/NEC has sufficiently demonstrated the timeliness of its filing under that regulation and the Board's April 4, 2011 Initial Scheduling Order at II.C.1.

Under 10 C.F.R. § 2.335(a) a licensing board may not admit any contention that challenges a Commission rule or regulation, unless a waiver is requested under 10 C.F.R. § 2.335(b). Absent issuance of the court's mandate vacating 10 C.F.R. § 51.23(a), FOTC/NEC's new contention is a challenge to a Commission regulation and barred by

² On August 1, 2011, the NRC issued NUREG-1437, Generic Environmental Impact Statement for License Renewal of Nuclear Power Plants Supplement 46 Regarding Seabrook Station Draft Report for Comment (ADAMS Accession No. ML11213A080) ("DSEIS"). Therefore, FOTC/NEC's contention should be considered a challenge to the DSEIS not the environmental report for Seabrook.

§ 2.335(a). FOTC/NEC's Motion recognizes this, noting that "because the mandate has not yet issued in *State of New York*, this contention may be premature." Motion at 2. Indeed, the Commission has observed, "A court acts only through its mandate. When a mandate is stayed, a decision has no binding effect . . ." *Public Service Co. of New Hampshire* (Seabrook Station, Units 1 and 2), CLI-76-17, 4 NRC 451, 466 (1976) (citing *Bailey v. Henslee*, 309 F.2d 840, 844 (8th Cir. 1962)). Thus, when a board suspended a construction permit because an appellate decision invalidated a relevant NRC regulation, the Commission overturned the board, in part, because that mandate had not yet issued. *Id.* at 467. Moreover, licensing boards have typically found contentions premature, and therefore inadmissible, when those contentions relied on court decisions for which a mandate had not issued. *E.g.*, *Cleveland Elec. Illuminating Co.* (Perry Nuclear Power Plant, Units 1 and 2), LBP-82-53, 16 NRC 196, 205 (1982).³ As the licensing board in *Perry* stated, "Until that mandate is issued, the rules of the Commission remain in effect and this Board continues to be bound by them. As a result, the Court of Appeals' decision does not as yet provide a ground for" an admissible contention.⁴ *Id.* at 205.

Under the Federal Rules of Appellate Procedure, a "court's mandate must issue 7 days after the time to file a petition for rehearing expires, or 7 days after entry of an order denying a

³ *But see Louisiana Power and Light Co.*, (Waterford Steam Electric Station, Unit 3) LBP-82-100, 16 NRC 1550, 1556-57 (1982) (noting that because "the mandate of that case has not been issued . . . we have deferred our rulings on these requests").

⁴ The Commission recognizes its responsibility to "act promptly and constructively in effectuating the decisions of the courts." *Vermont Yankee Nuclear Power Corp.* (Vermont Yankee Nuclear Power Station), CLI-76-14, 4 NRC 163, 166 (1976). Further, the Commission understands that "all that the mandate does is to effectuate the court of appeal's judgment by formally returning the proceeding to the NRC[;] the eventual – legally required – issuance of the mandate is hardly an 'unanticipated event.'" *Pacific Gas & Elec. Co.* (Diablo Canyon Power Plant Independent Spent Fuel Storage Installation), CLI-06-27, 64 NRC 399, 401 (2006). Thus, the Commission, of course, could decide to act prior to issuance of the court's mandate. *Vermont Yankee*, CLI-76-14, 4 NRC at 166. However, in the instant case, the Board cannot admit a contention that challenges an NRC regulation before a court of appeals issues its mandate striking down that regulation.

timely petition for panel rehearing, petition for rehearing en banc or motion for stay of mandate, whichever is later.” Fed. R. App. P. 41(b). On July 6, 2012, at the Commission’s request, the D.C. Circuit extended the period of time to file a petition for rehearing of *New York v. NRC* to August 22, 2012. *New York v. NRC*, No. 11-1045 (D.C. Cir. July 6, 2012) (order granting unopposed motion to extend time to seek rehearing). As a result, under Rule 41(b), the mandate will not likely issue until at least August 29, 2012. Accordingly, because 10 C.F.R. § 51.23(b) remains in effect until the mandate issues, NRC regulations will continue to require the Board to exclude FOTC/NEC’s contention until the court issues the mandate. *Seabrook Station*, CLI-76-17, 4 NRC at 466. Consequently, the admissibility of the underlying contention depends on whether the mandate has issued when this Board rules on the Petition.⁵

If the D.C. Circuit’s mandate issues before the Board rules on the contention’s admissibility, upon the mandate’s issuance, the contention as pled would satisfy each of the § 2.309(f)(1) criteria and would be admissible as a contention of omission. See Motion at 4-6. This determination, however, would remain subject to direction or action taken by the Commission in response to the D.C. Circuit’s ruling, including any generic rulemaking action and/or issuance of any Commission instruction with respect to how contentions based on the court’s ruling are to be addressed in individual NRC proceedings. For example, in the event that the Commission solely undertakes a generic rulemaking approach to address these issues, the contention may need to be dismissed. See, e.g., *Oconee*, CLI-99-11, 49 NRC at 345 (“Licensing Boards ‘should not accept in individual license proceedings contentions which are (or are about to become) the subject of general rulemaking by the Commission.’”).

⁵ See 10 C.F.R. § 2.335(a) (noting that unless a party seeks a waiver of Commission regulations, “no rule or regulation of the Commission, or any provision thereof, concerning the licensing of production and utilization facilities . . . is subject to attack by way of discovery, proof, argument, or other means in any adjudicatory proceeding”).

If the D.C. Circuit's mandate has not issued by the time the Board rules on the contention, then 10 C.F.R. § 51.23 will remain in place. That regulation excludes from NRC NEPA documents a consideration of the environmental impacts of onsite spent fuel storage after the licensed term of operation. Because the contention demands such a consideration, Motion at 4, the contention at present would constitute an impermissible attack on existing Commission regulations. 10 C.F.R. § 2.335(a). Accordingly, pending the issuance of the court's mandate, the Board should reject the contention, subject to refiling without prejudice when, and if, the mandate issues. If the Petitioners refile the contention after the court issues the mandate, it would be timely if filed within 30 days of the mandate's issuance and would be admissible provided the claims it raises do not become the subject of a generic rulemaking. 10 C.F.R. § 2.309(f)(2); *Oconee*, CLI-99-11, 49 NRC at 345.

CONCLUSION

For the foregoing reasons, the Staff agrees with FOTC/NEC that the contention would be admissible upon issuance of the D.C. Circuit's mandate in *New York v. NRC*. However, if the Board rules before that time, the contention must be rejected as an impermissible challenge to NRC regulations. Finally, the admission of this contention is subject to any further action by the Commission, including commencement of a generic rulemaking to address these matters, and/or the issuance of instructions as to how the contention should be addressed.

Respectfully submitted,

Signed (electronically) by

Mary B. Spencer
Counsel for NRC Staff
U.S. Nuclear Regulatory Commission
Office of the General Counsel
Mail Stop – O-15D21
Washington, DC 20555
Telephone: (301) 415-1324
E-mail: mary.spencer@nrc.gov
Date of signature: August 3, 2012

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

In the Matter of)
)
NextEra Energy, LLC) Docket Nos. 50-443
)
(Seabrook Station, Unit 1)) ASLBP No. 10-906-02-LR-BD01

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing "NRC STAFF'S ANSWER TO INTERVENORS' MOTION FOR LEAVE TO FILE NEW CONTENTION CONCERNING TEMPORARY STORAGE AND ULIMATE DISPOSAL OF NUCLEAR WASTE for dated August 3, 2012, have been served upon the following by the Electronic Information Exchange, this 3rd day of August, 2012:

Office of the Secretary
Attn: Rulemakings and Adjudications Staff
Mail Stop: O-16C1
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001
E-mail: Hearing.Docket@nrc.gov

Dr. Richard E. Wardwell
Administrative Judge
Atomic Safety and Licensing Board
Mail Stop - T-3 F23
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001
E-mail: Richard.Wardwell@nrc.gov

Paul S. Ryerson, Chair
Administrative Judge
Atomic Safety and Licensing Board
Mail Stop - T-3 F23
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001
E-mail: Paul.Ryerson@nrc.gov

Office of Commission Appellate
Adjudication
Mail Stop: O-16C1
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001
E-mail: OCAAMAIL.Resource@nrc.gov

Dr. Michael F. Kennedy
Administrative Judge
Atomic Safety and Licensing Board
Mail Stop - T-3 F23
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001
E-mail: Michael.Kennedy@nrc.gov

Anne Siarnacki, Law Clerk
Atomic Safety and Licensing Board
Mail Stop: T-3F23
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001
E-mail: Anne.Siarnacki@nrc.gov

Steven Hamrick, Esq.
NextEra Energy Seabrook, LLC
801 Pennsylvania Ave NW Suite 220
Washington, DC 20004
Steven.hamrick@fpl.com

Raymond Shadis
Friends of the Coast
New England Coalition
Post Office Box 98
Edgecomb, Maine 04556
E-mail: shadis@prexar.com

David R. Lewis, Esq.
Pillsbury, Winthrop, Shaw, Pittman, LLP
2300 N Street, NW
Washington, DC 20037-1137
E-mail: david.lewis@pillsburylaw.com

Mitchell Ross, Esq.
James Petro, Esq.
NextEra Energy Seabrook, LLC
700 Universe Boulevard
Juno Beach, FL 33408
E-mail: mitch.ross@fpl.com
James.petro@fpl.com

Matthew Brock
Assistant Attorney General
Environmental Protection Division
Office of the Attorney General
One Ashburton Place, 18th Floor
Boston, Massachusetts 02108
E-mail: matthew.brock@state.ma.us

Signed (electronically) by

Mary B. Spencer
Counsel for the NRC Staff
U.S. Nuclear Regulatory Commission
Mail Stop O-15 D21
Washington, DC 20555-0001
(301) 415-1324
mary.spencer@nrc.gov
Date of Signature: August 3, 2012