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1. A flexible NRC license transfer process.

Something unique to the United States is the complex structure of its energy markets. Instead of having a single, essentially federally managed utility, as is common in many countries, dozens of private utilities and merchant generators operate nuclear plants and electric generating assets across the country. Over the years, as the owners and operators of the U.S. nuclear fleet have split, merged, and changed (particularly after the deregulation of the electricity markets in the late 1990s and early 2000s), the NRC has grown familiar with the license transfer process—that is, the swapping out of owners and/or operators of nuclear power plants with new ones.

Under this process, the plant's license is transferred from one company to another under a specified process governing such transfers, instead of the new licensee having to apply to the NRC for a new license. The process averages around nine months or so. The license transfer requirement originates in the Atomic Energy Act and is implemented in NRC regulations, supported by specific NRC guidance documents. Since deregulation, the NRC has worked through dozens of license transfers.

Armed with this experience, the NRC

has proven willing and able to handle license transfers involving decommissioning contractors. With Zion as the initial test case, and Vermont Yankee as a further test case for transferring title to spent nuclear fuel, the agency has been able to review and eventually approve these transactions.

Furthermore, the Atomic Energy Act's granting federal preemption over states as to nuclear safety matters will allow a uniform framework for handling transfers of plants to decommissioning contractors to continue to develop over time. That does not mean that the states are left out. For example, some states have set additional conditions for the completion of decommissioning. States can also involve themselves in NRC proceedings, and in the past have negotiated for other decommissioning-related assurances. However, as the NRC regulates the vast majority of technical and financial issues associated with the transfer of a plant for decommissioning, states are hindered from serving as roadblocks to these arrangements.

2. Segregated nuclear decommissioning trust funds.

Fundamentally, the decommissioning of any facility—nuclear or not—is a cost center for a utility. Work has to be done that does not generate electricity.

But there is one important caveat in the case of nuclear power. Because of the large and, at least in the early days of nuclear power, uncertain costs associated with decommissioning a nuclear power station, the NRC has required owner/operators of nuclear power plants to set aside funds over time toward nuclear decommissioning trusts (NDT) that are restricted to certain decommissioning-focused purposes.

These NDTs can get rather sizable (e.g., over \$1 billion for Pilgrim), and they are closely monitored by the NRC for sufficiency. Without these NDTs, only large utilities would have the funding positions required to decommission their nuclear plants, severely curtailing the role that new entrants can play in the market. With these NDTs, however, new entrants promising faster, safer, and more efficient mechanisms for decommissioning can take ownership of the plant, and through these NDTs remain financially qualified to handle decommissioning activities. In some cases, the decommissioning contractor can retain excess funds from the NDT after the successful conclusion of decommissioning—a potential bonus for a job well done.

3. DOE obligation to fund spent fuel management.

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