

Docket 8880

Summary of Agreement

Date: March 2, 2018

- On March 2, 2018, the Department of Public Service, Agency of Natural Resources, and Attorney General's Office joined Entergy and NorthStar, and New England Coalition, the Elnu Abenaki Tribe, the Abenaki Nation of Missisquoi, the Town of Vernon, Windham Regional Commission, and the Town of Vernon Planning and Economic Development Commission, in filing with the Public Utility Commission a Memorandum of Understanding related to Entergy's and NorthStar's request to the PUC to approve the transfer of the Vermont Yankee facility, and the obligation to decommission it, from Entergy to NorthStar.
- The Department of Public Service, Agency of Natural Resources, and Attorney General's Office support the MOU because:
 - The MOU includes more robust package of financial assurances;
 - The MOU provides clarity on site restoration standards that protect public health and the environment;
 - The MOU provides assurance that the decommissioning and restoration project at Vermont Yankee will be completed in the near term, with sufficient financial resources and technical expertise.
- Specifically in the MOU the State Parties have secured a financial assurance package worth in excess of \$250 million to better protect against project risks and overruns and ensure that NorthStar has the funds to complete the cleanup and restoration of the VY site.
 - In particular, NorthStar will now provide:
 - An initial \$30 million contribution plus payments totaling an additional \$25 million to an escrow fund that can be drawn on to pay for unanticipated costs during the decommissioning and site restoration efforts.
 - A pollution liability insurance policy with \$30 million in coverage in the event previously unknown non-radiological contamination is discovered on site.
 - A \$140 million support agreement requiring NorthStar's parent company to provide additional funds as needed to complete decommissioning and site restoration.
 - A corporate guaranty from one of NorthStar's teaming partners for \$25 million.
 - Entergy's commitments under the MOU are:
 - Funding the existing Site Restoration Trust to a total of \$60 million, which is \$35 million more than NorthStar estimates will be required to complete site restoration under its decommissioning approach.

- Supplying an additional \$40 million in, approximately, the year 2023 if certain conditions related to the progress of the decommissioning project are not met at that time.
- The MOU also includes commitments by NorthStar to perform site investigation, clean up, and restoration in accordance with Vermont’s laws and regulations, and engage with ANR and other state agencies in specific processes as part of this work. These commitments ensure the decommissioning and site restoration will be protective of human health and the environment, and will minimize restrictions on productive future use of the Vermont Yankee site. Specific commitments by NorthStar include:
 - Conducting a comprehensive site investigation to characterize the scope and extent of any non-radiological contamination.
 - Removing above-ground structures, filling all subsurface voids, and regrading and reseeded the land.
 - Removing all contaminated below-grade structures, and removing any other below-grade structures to a depth of 4 feet.
 - Complying with the radiological clean-up standard in the Vermont Radiological Health Rule.
 - Conducting non-radiological clean up to residential environmental media standards, unless ANR specifically approves an industrial standard and takes other measures to enable productive use of the site.
 - Only reusing concrete or other building material as fill if such material is tested and found to be “clean” according to applicable radiological and non-radiological standards.
 - Quarterly groundwater monitoring for non-radiological and radiological contaminants.
- NorthStar proposes to conduct a comprehensive site investigation to define the scope of any non-radiological contamination within 6 months after closing of the transaction. NorthStar will also be required to clean up and restore the site under a corrective action plan that will be reviewed and approved by ANR.
- NorthStar will also begin decommissioning and site restoration of the VY Station within the next three years and projects to complete the decommissioning and site restoration project (except in limited areas involved in fuel storage) by 2030, and perhaps even earlier. By contrast, if Entergy retains ownership of Vermont Yankee, it would not begin decommissioning for many decades yet.
- Now that the MOU is filed with the PUC, the parties will continue to engage in the PUC process with full participation of all parties in the existing docket. There will be written testimony filed in support of the MOU, and live technical hearings before the PUC. There will also be a public hearing. The MOU is ultimately subject to PUC approval at the end of that process.
- In addition to the MOU filed today with the PUC, the parties are making publicly available a separate settlement agreement among the parties. In addition to the provisions contained in the MOU, the settlement agreement includes one additional provision outside the scope of the PUC proceeding and was necessary to reach the positive negotiated result that the parties have achieved.