



Cooper Nuclear Station Decommissioning Study and Trust Fund Update

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NPPD Board Meeting – Strategic Business Matters
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Objective of today's presentation

- Review results of updated Decommissioning Study (performed by TLG Services)
 - Changes since 2019 study
 - Nuclear Decommissioning Trust (NDT) fund adequacy
 - NDT funding sensitivities
- Review of Decommissioning Trust Fund Agreements
 - Proposal for a new Internal Decommissioning Trust Agreement

A few background basics

- Decommissioning Financial Assurance is a requirement of 10CFR 50.75(f)(3)
- Engineering estimate and update periodically performed by TLG Services
 - Same methodology and same firm as previously used (Last done in 2019)
 - Three Buckets of Decommissioning Costs are included in the study:
 1. License Termination (LT): Costs associated with Decommissioning of Site and ISFSI
 2. Spent Fuel Mgt (SFM): Costs after cessation of operation due to DOE breach of contract
 3. Site Restoration (SR): Costs to place the site back to Useable Conditions
- Funds from NDT* is assumed to cover License Termination and Site Restoration Costs.
 - Spent Fuel Management (SFM) is assumed to be reimbursed by the DOE (SFM monies are held in Revenue Fund)
- Decommissioning requirements are identified in the Decommissioning Trust Agreement (established by Resolution 90-75)

*NDT= Nuclear Decommissioning Trust fund

TLG Services Engineering Study - Evaluated Four Scenarios

- DECON (Shutdown in both 2034 and 2054)
 - Demolition & deconstruction of the site buildings starts immediately
 - Fuel not transferred directly to DOE is shipped to ISFSI pad
 - Demolition & deconstruction of ISFSI follows completion of fuel shipment from CNS
- SAFSTOR (Shutdown in both 2034 and 2054)
 - Fuel in Spent Fuel Pool is relocated to ISFSI Pad
 - Site is laid up to await demolition & deconstruction
 - Demolition & deconstruction of site and ISFSI deferred to maximum allowable time (complete within 60 years)

Summary of Results of 2023 Study

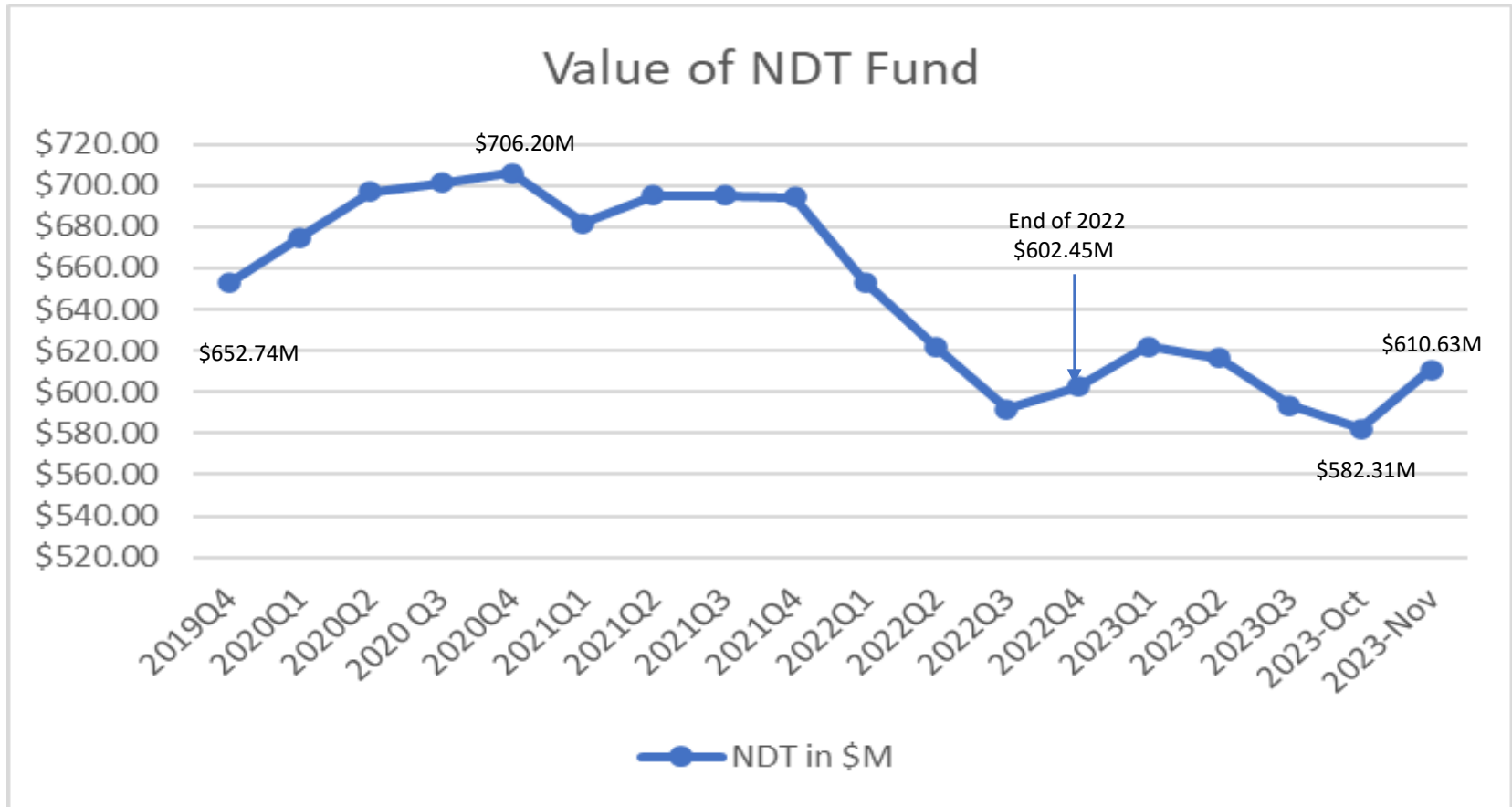
- Estimated costs increased approximately 4.5% per year (compared to 2% as assumed in 2019)
- DECON Methodology remains the lowest total cost option

In 2023 \$	DECON 2034	DECON 2054	SAFSTOR 2034	SAFSTOR 2054
License Termination (covered by NDT)	\$789.9M	\$799.6M	\$1,024.3M	\$1037.4M
Site Restoration (covered by NDT)	\$56.7M	\$56.4M	\$56.3M	\$56.0M
Subtotal	\$846.6M	\$856.0M	\$1080.6M	\$1,093.4M
Spent Fuel Mgt (Reimbursed by DOE)	\$402.8M	\$323.2M	\$383.0M	\$307.4M
Total	\$1,249.4M	\$1,179.2M	\$1,463.6M	\$1,400.8M

NDT Fund Adequacy

- NPPD utilizes TLG Services study results - which reflect the total cost of decommissioning - and compares that amount to amounts currently in NDT to determine if monies are sufficient pay for the total cost of decommissioning
- Sensitives (for purposes of this presentation) have been performed using the recent TLG Services data to determine a range of required annual funding amounts
 - The complete financial analysis identifying future funding requirements will be completed for the 2025 Rate Outlook
- NPPD performs a cash flow analysis of NDT using TLG Services estimate with the following assumptions:
 - DECON methodology with 3% NDT annual yield, and 2% inflation (1% real ROR)
 - » In 2019 while margin of excess collections was reduced, additional collections were not required
 - » However, based on actual fund performance in 2022, reinstated annual collection of \$10.1M in 2024

NDT Performance since 2019



Analysis Gaps from 2019 to Current

Actual NDT Fund Balance Differs from Assumptions used in Study

Year	Assumed NDT Fund Balance*	Actual NDT Fund Balance	Difference
2019	\$652.7M	N/A	N/A
2022	\$713.3M	\$602.5M	-\$110.8M
Current (Nov 2023)	\$733.2M	\$610.6M	-\$122.6M

*Escalated 2019 Dollars to 2023 Dollars via 3% assumption of NDT performance used in 2019

SAFSTOR: Deficit of \$122.6M less in assumed funds and an increase in costs of \$99.7M results in total gap of **-\$222.3M**

DECON: Deficit of \$122.6M less in assumed funds and an increase in costs of \$71.3M results in total gap of **-\$193.9M**

Year	Assumed Cost **	2023 TLG Services Costs	Difference
SAFSTOR			
2019	\$906.2M	N/A	
2023	\$980.9M	\$1,080.6M	+\$99.7M
DECON			
2019	\$716.2M	N/A	
2023	\$775.3M	\$846.6M	+\$71.3M

Sensitivity Analysis of Funding Requirements

General Assumptions

- Assumes fund balance as of end of 2022
 - Annual collection will continue through 2033
 - \$10.1M collection only in 2024
 - Maintain the 2% Inflation and NDT Yield of 3% assumptions
 - Utilize latest (2023) estimate from TLG Services for DECON Methodology
 - NDT will be used for both the License Termination and Site Restoration expenses
 - Spent Fuel Mgt expenses will be reimbursed by DOE (these monies are held in the Revenue Fund)
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- NPPD Performed two sensitivity analysis of NDT funding requirements:
 - Cessation of operations **in 2034** using TLG Services study estimates
 - Need to increase annual collections to approx. \$21M, from 2025 through 2033
 - Included this in Alternate Rate Outlook Study
 - Cessation of operations **in 2054** using TLG Services study estimates
 - Can decrease annual collections to approx. \$3M, from 2025 to 2053
 - Included this in Alternate Rate Outlook Study

Decommissioning Trust Fund and Agreements

- External Decommissioning Trust Fund (existing)
 - Currently holds all NDT funds
 - Funds are only accessible when there are definitive plans in place to permanently shut down CNS
 - NRC requires bankruptcy remote entity to hold decommissioning funds
 - Trustee is US Bank
- Internal Decommissioning Trust Fund (proposed new)
 - Provides additional flexibility
 - Trustee will be US Bank
- Annual NDT collections will be placed in Trusts based on the following:
 - External: NRC minimum funding requirement
 - Internal: Costs for License Termination and to return the site to useable condition in excess of the NRC minimum requirement

Internal Decommissioning Trust Fund

- To be held at US Bank (same as External Trust)
- Investment managers and permitted investments to be the same
- Monies will be held on balance sheet and will not be in the Revenue Fund
- Internal Decommissioning Trust Fund Agreement will need Board approval
 - Via a Board Resolution drafted by Norton Rose Fulbright (Bond Counsel)

Decommissioning Investment Policy

Applies to both the External and Internal Trusts

NEBRASKA PUBLIC POWER DISTRICT

Investment Policy for the Nebraska Public Power District Cooper Nuclear Station Decommissioning Funds

- Decommissioning Investment Policy provides:
 - Permitted investment (in alignment with Nebraska Statutes)
 - Asset allocations and permitted percentage ranges
 - Roles and Responsibilities of all with oversight responsibility of funds (internal and external)
 - Performance benchmarks and reporting requirements
 - Funding policy for timing of deposits
- Will seek Board approval for updates to Investment Policy to incorporate Internal Trust Fund

Next Steps:

- Finalize documents related to Internal Decommissioning Trust Fund Agreement
 - Bond Counsel has completed review
 - NPPD Legal review still required
- In February, seek Board approval of:
 - Board Resolution to establish the Internal Decommissioning Trust Fund Agreement
 - Revisions to the “Investment Policy for the Nebraska Public Power District Cooper Nuclear Station Decommissioning Funds” to incorporate the Internal Trust
- Determine annual NDT collection requirements for 2025 Rate Outlook using updated Decommissioning Study and most recent NDT fund balance



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Questions

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