



Update from CNSC Staff

Mise à jour du personnel de la CCSN

New Brunswick Power Corporation

Société d'énergie du Nouveau-Brunswick

Update on New Brunswick Power Corporation – CNSC Financial Security and Access Agreement

Mise à jour au sujet de la Société d'énergie du Nouveau-Brunswick – Accord de sécurité financière et d'accès de la CCSN

Commission Meeting

Réunion de la Commission

May 22, 2024

Le 22 mai 2024

INFORMATION NOTE TO THE COMMISSION

New Brunswick Power Corporation – CNSC Financial Security and Access Agreement

OBJECTIVE

Further to the licence renewal of New Brunswick (NB) Power Corporation's Point Lepreau Nuclear Generation Station (PLNGS) (PROL 17.00/2032) [1] and acceptance of the amended and restated *CNSC Financial Security and Access Agreement* [2], CNSC staff is providing, for information, the revised financial instruments per the memorandum to the Commission Registry [3].

BACKGROUND

Since the licence renewal of PLNGS [1], amendments were made to the three financial instruments which form the Decommissioning Financial Guarantee Funds. The financial instruments were processed through the New Brunswick Minister of Finance and Treasury Board, prior to finalization and submission to CNSC staff. NB Power Corporation's periodic updates to CNSC staff revealed that these levels of reviews and approvals were required prior to their submission.

DISCUSSION

On June 20, 2022, CNSC staff submitted a memorandum to the Commission Registry [3], containing an amended and restated *CNSC Financial Security and Access Agreement* prepared by NB Power Corporation for the Commission's signature. The amendments were largely administrative in nature and did not pose a risk for the CNSC to access the Financial Guarantee Funds. NB Power Corporation was also requested by CNSC staff to verify the financial instruments which comprise the Financial Guarantee Funds, to ensure alignment with the amended agreement [4]. In response, NB Power developed a corrective action plan to verify the financial instruments, which includes:

- NB Power Decommissioning Fund;
- NB Power Used Fuel Management Fund; and
- NB Power Nuclear Fuel Waste Act Trust

The CNSC is not a signatory party to the above three funding agreements.

Since the issuance of [3], the Commission (through President Velshi) has signed the amended and restated *CNSC Financial Security and Access Agreement* as part of the Record of Decision for the 2022 PLNGS licence renewal on October 5, 2022. NB Power Corporation provided their signatures on the document and submitted a fully signed copy of the amended agreement to CNSC staff on December 2, 2022 [2].

As noted in [3] and [4], NB Power Corporation originally committed to verify their financial instruments within early 2023. CNSC staff actively tracked the progress of this commitment through a RIB action.

On February 27, 2023, NB Power Corporation sent a letter [5] which provided an update on the status of the three fund agreements. This update identified that, due to the levels of external reviews and approvals required, NB Power Corporation was targeting to submit updated financial instruments by May 31, 2023.

On July 04, 2023, CNSC staff met with NB Power Corporation, where it was identified that the three financial instruments were targeted to be updated and submitted to CNSC staff by August 2023. CNSC staff did not receive the fund agreements in August 2023, and sent a letter to NB Power Corporation on September 15, 2023 [6], requesting a status update by October 13, 2023.

NB Power Corporation provided the updated Nuclear Fuel Waste Trust Agreement under correspondence dated October 13, 2023 [7]. At this time, it was indicated by NB Power Corporation that the remaining funding agreements were undergoing final review and approval by the New Brunswick Minister of Finance and Treasury Board.

On January 31, 2024, NB Power Corporation submitted a formal correspondence to CNSC staff, containing the three updated financial instruments [8]. NB Power Corporation noted that the revised instruments were aligned with the amended agreement signed by the Commission on October 5, 2022. This was verified through reviews completed by CNSC staff [9]. Overall, CNSC staff consider NB Power's update to the Decommissioning Financial Guarantee as complete.

CONCLUSION

With the Commission's acceptance of the amended and restated *CNSC Financial Security and Access Agreement*, and the submission of the financial instruments, NB Power has completed their corrective action plan referenced in [3]. This communication thus closes out the commitment made by CNSC staff in the June 20, 2022 memorandum.

Prepared by: Won Chung, Regulatory Program Officer, PLRPD-DPRR

Reviewed by: Heather Davis, Acting Director, PLRPD

Approved by: Alexandre Viktorov, Director General, DPRR

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References:

1. Commission Member Document, Record of Decision – NB Power – Application to Renew the Power Reactor Operating Licence of the Point Lepreau Nuclear Generating Station, October 5, 2022, e-Doc 6880531
2. Letter and attachments from B. Plummer to A. Bulkan, Submission of Accepted Amended and Restated CNSC Financial Security and Access Agreement, December 2, 2022, e-Doc 6936971
3. CNSC Staff Internal Communication from A. Viktorov to Commission Registry, Commission Registry – NB Power CNSC Financial Security and Access Agreement, June 20, 2022, e-Doc 6821292
4. Email correspondence between N. Reicker and A. Bulkan, EXT - Financial Guarantee Review Comments, May 31, 2022, e-Doc 6822863.
5. Letter from B. Plummer to L. Casterton, NB Power's Review of Financial Agreements Associated with the Decommissioning Financial Guarantees – Action Item 221210-21789, February 27, 2023, e-Doc 6984245.
6. Letter from L. Casterton to B. Plummer, Point Lepreau Power Reactor Operating Licence, PROL 17.00/2032, Licence Condition G.5 – Decommissioning Financial Guarantee - Action Item 221210-21789, September 15, 2023, e-Doc 7120995
7. Letter from S. Bagshaw to L. Casterton, Point Lepreau Power Reactor Operating Licence, PROL 17.00/2032, Licence Condition G.5 – Decommissioning Financial Guarantee – Action Item 2212100-21789, October 13, 2023, e-Doc 7145515
8. Letter and attachments from S. Bagshaw to S. Karivelil, Point Lepreau Power Reactor Operating Licence, PROL 17.00/2032 Licence Condition G.5 Decommissioning Financial Guarantee Action Item 221210-21789, January 31, 2024, e-Doc 7214711
9. CNSC Staff Internal Memorandum from G. Steedman to W. Chung, WDD Review of Finalized NB Power Pt. Lepreau NPGS Financial Guarantee Documents, April 25, 2024, e-Doc 7265665