



UNITED STATES DEPARTMENT OF COMMERCE
Chief Financial Officer
Assistant Secretary for Administration
Washington, D.C. 20230

AUG 09 2019

The Honorable Jerry Moran
Chairman
Subcommittee on Commerce, Justice,
Science, and Related Agencies
Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

Enclosed is the Economic Development Administration's (EDA) report on Nuclear Plant Closures pursuant to Senate Report 115-275, which accompanied the Consolidated Appropriations Act, 2019 (P.L. 116-6). The report describes existing resources and funding opportunities for which affected communities may be eligible. The report also includes what opportunities exist for these affected communities to consider alternative uses for these sites upon completion of the decommissioning process and what Federal programs may assist in these efforts.

If you have any questions or need additional information, please call me at (202) 482-4951. Thank you for your continued support of the Department of Commerce and its programs.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Gilman", written over a horizontal line.

Thomas Gilman
Chief Financial Officer and
Assistant Secretary for Administration

Enclosure

REPORT ON BEST PRACTICES TO ASSIST COMMUNITIES AFFECTED BY LOSS OF TAX REVENUE AND JOB LOSS DUE TO NUCLEAR POWER PLANT CLOSURES

U.S. Department of Commerce
Economic Development Administration

Reference: Page 14, Senate Report 115-275:

Nuclear Plant Closures.—As part of the Explanatory Statement accompanying Public Law 115–141, the Committee directed EDA to report on its work to help identify and develop best practices to assist communities affected by loss of tax revenue and job loss due to nuclear power plant closures in recognition of the reality that communities that have a nuclear power plant that will undergo decommissioning, is currently undergoing decommissioning, or has completed decommissioning have become de facto high-level radioactive waste storage sites. The Committee further directs the Secretary of Commerce, in coordination with the Secretary of Energy, to build on EDA’s efforts by working across the executive branch and report to the Committee, not later than 90 days after the date of enactment of this act, on existing resources and funding opportunities for which affected communities may be eligible. The report shall also include what opportunities exist for these affected communities to consider alternative uses for these sites upon completion of the decommissioning process and what Federal programs may assist in these efforts.”

1. Executive Summary

Several federal agencies provide a range of technical and financial resources that may be useful to communities that suffer socioeconomic impacts from a nuclear power plant (NPP) closure, though none of the programs are specifically targeted at such closures. A majority of these programs require matching funds and a degree of institutional capacity that are generally beyond the capabilities of communities facing power plant closure. As such, it may be, that most of the programs described in this report are beyond the reach of the target communities. Furthermore, these programs are typically intended to support the implementation of back-end economic development projects as opposed to early-stage, front-end strategic planning activities. These early planning resources are what NPP host communities need most.

It should be noted that potential redevelopment options could be restricted by the presence of spent nuclear fuel, which will remain in place until such time that a permanent disposal solution for this waste is developed.

In this context and as described in this report, EDA is responding in part to Committee direction by implementing a cooperative agreement with the non-profit Nuclear Decommissioning Collaborative. Additionally, it is engaging with multiple stakeholders across the NPP spectrum; raising awareness of the economic development consequences of NPP closure, identifying resources available to address the related issues through on-site meetings, webinars and a dedicated website; increasing collaboration between stakeholders; and developing best practices to strengthen host community capacity and improve outcomes.

Given the 90-day duration of this reporting requirement, this document serves primarily as an update to the Committee on the activities taken thus far. It also serves as a primer for further engagement with economic development stakeholders going through the NPP closure and decommissioning process.

2. Introduction and Background

Since the construction of the first nuclear plants in the United States, 25 nuclear plants have closed, or are scheduled to close prior to 2020, in the following 16 states: California, Colorado, Connecticut, Florida, Iowa, Maine, Massachusetts, Michigan, Nebraska, New Jersey, New York, Ohio, Oregon, Pennsylvania, Vermont and Wisconsin. Each of these closures, many of which are located in rural communities, represents the direct loss of approximately 1,000 well-paying jobs and direct and indirect collateral economic impacts that range from hundreds of millions to billions of dollars, according to the Nuclear Energy Institute, the policy organization of the nuclear technologies industry.¹

As the Committee notes, the issue of NPP closure aligns closely with EDA's mission to help communities facing economic distress take control of their own economic future. In particular, and as outlined in this report, EDA is well positioned to work across the executive branch to coordinate the investment of multiple federal resources and to develop best practices to assist those communities facing NPP closure.

With respect to the requirements of this report and its development with input from the Department of Energy, specific EDA efforts included:

- i. Hosted an all-day federal executive branch roundtable on April 10, 2019, to discuss federal government resources that can potentially be used to support communities experiencing the loss of both jobs and property tax revenue due to NPP closures; and to better inform the discussion of the role of the federal government in the response to these plant closures. Attendees included representatives from: Department of Agriculture, Department of Commerce, Department of Energy, Department of Housing and Urban Development, Nuclear Regulatory Commission and the Environmental Protection Agency (EPA).
- ii. Collaborated with EPA to identify a range of programs that address the issue of redeveloping contaminated lands using EPA's 2017 Brownfields Federal Programs Guide.²
- iii. With respect to Committee's direction regarding exploration of, "*...alternative uses for these sites upon completion of the decommissioning process,*" this matter is influenced by the presence of spent nuclear fuel at these sites (left over from plant operations) and the complexities associated with liability considerations. EDA will continue to explore possibilities as part of the ongoing work through the cooperative agreement with the Nuclear Decommissioning Collaborative and on-going discussions with the other federal partners (particularly the Department of Energy).
- iv. As described in Section 13 of this report, the Nuclear Decommissioning Collaborative³ is a part of EDA's work assisting communities facing NPP closures. EDA will also leverage this partnership to evaluate additional opportunities to improve local NPP community outcomes, as described in more detail in Section 14 of this report.

¹ For additional information on the economic impacts of plant closure, see <https://nei.org/resources/reports-briefs>.

²https://www.epa.gov/sites/production/files/2017-06/documents/final_2017_bf_fed_guide_5-8-17.pdf

³<https://decommissioningcollaborative.org/>

Federal Programs – Existing Resources and Funding Opportunities

3. Economic Development Administration

Economic Development Integration – EDA’s Economic Development Integration (EDI) team collaborates with federal peers to identify opportunities to facilitate the coordinated and effective investment of multiple federal economic development resources in support of high-impact projects and activities by implementing policies and methods that:

- **Increase Access:** Ensuring that local and regional applicants can easily identify and apply for the federal economic development resources that can best support their local priorities and objectives.
- **Enhance Collaboration:** Facilitating coordination among multiple partners and stakeholders (federal and non-federal, public and private) to promote multiple, strategic investments in support of local priorities that can contribute to sustainable economic growth, especially for distressed communities.
- **Reduce Administrative Burdens:** Working with federal interagency partners on guidance tools to help applicants navigate, and possibly consolidate different administrative requirements that are triggered by each individual award of federal assistance (e.g., strategic planning, reporting).

In addition to three EDI staff at EDA Headquarters, Regional Integrators work in each of EDA’s 6 regional offices (Atlanta, GA, Austin, TX, Chicago, IL, Denver, CO, Philadelphia, PA, and Seattle, WA) to further enhance EDA’s capacity to support local and regional economic development projects. Additional information about Economic Development Integration is available online: www.eda.gov/edi. The tools developed by and connections made through EDI are particularly important to NPP communities as they often face a host of cross-cutting issues where multiple federal agencies may be able to assist.

Economic Adjustment Assistance Program – EDA’s Economic Adjustment Assistance (EAA) funding can be awarded to support the design and implementation of strategies (e.g., strategy development, infrastructure construction, Revolving Loan Fund capitalization/recapitalization) to assist communities or regions that have experienced or are under serious threat of experiencing damage to their underlying economic base. EAA investments provide resources that help communities experiencing or anticipating economic dislocations plan and implement specific solutions that leverage their existing regional economic advantages to support economic development and job creation. Grants generally require a 50% local cost share. This is EDA’s primary tool for assisting NPP closure communities.

Planning Program – The Planning Program grants help regional organizations (Economic Development Districts, Indian tribes, and other eligible recipients) fund short- and long-term planning activities to guide the eventual creation and retention of high-quality jobs, particularly for the unemployed and underemployed in economically distressed regions. As part of the program, EDA provides Partnership Planning grants to facilitate the development, implementation, revision, or replacement of Comprehensive Economic Development Strategies (CEDs). A CEDs is a strategy-driven plan for regional economic development, a result of a “regionally-owned” planning process designed to guide the economic prosperity and resiliency

of an area or region. An EDA-approved CEDS is a prerequisite for requesting an EDA-funded Public Works or EAA investment. Grants generally require a 50% local cost share. Including NPP closure response and recovery actions in a local CEDS is an important component of sustained and effective economic recovery.

Local Technical Assistance Program – The Local Technical Assistance program strengthens the capacity of local, regional or state organizations and institutions to undertake and promote effective economic development programs through projects such as feasibility studies, impact analyses, disaster resiliency plans, and project planning. Grants generally require a 50% local cost share. Total Technical Assistance can provide important foundational information for NPP closure communities so they can identify assets and develop plans to smoothly transition the local economy away from dependence on the NPP.

4. Department of Agriculture (USDA)

USDA programs that could benefit an eligible community experiencing a NPP closure, include:

Business and Industry Guaranteed Loan Program – The Business and Industry Guaranteed Loan Program bolsters the existing private credit structure through the guarantee of a lender’s loans to rural businesses. The program is administered at the local level through the Business Programs staff at USDA state offices.

Intermediary Relending Program – The purpose of the Intermediary Relending Program (IRP) is to alleviate poverty and increase economic activity and employment in rural communities through loans made to intermediaries that establish revolving loan programs. The IRP capitalizes locally managed revolving loan funds for small businesses unable to secure adequate bank financing on their own.

The Rural Business Development Grant Program – The Rural Business Development Grants (RBDG) program is a competitive grant program that supports targeted technical assistance and training for the development or expansion of small and emerging private businesses in rural areas.

The Rural Economic Development Loan and Grant Program – The Rural Economic Development Loan and Grant (REDLG) program provides funding to rural projects through local utility organizations. The grant program provides grant funds to local utilities to establish revolving loan funds for use in making loans for the creation and retention of viable jobs in rural areas.

Rural Economic Development Innovation (REDI) – REDI aims to strengthen the capacity of rural communities (50,000 people or less in the United States plus Tribes and territories) in implementing strategic community and economic development plans.

Strategic Economic and Community Development (SECD) – SECD is a Farm Bill provision that allows USDA to give priority through existing underlying programs for projects that support the implementation of regional economic development plans.

Additional information regarding other USDA’s programs, including housing, community facilities and infrastructure program, may be found at: <https://www.rd.usda.gov/programs-services>.

5. Department of Defense (DOD)

While the DOD does not provide support to communities facing NPP closure, DOD's Office of Economic Adjustment, as it relates to the Department's Base Realignment and Closure Program, provides useful planning guidance and reference information. For further information please see: <http://www.oea.gov/>.

6. Department of Energy (DOE)

As the primary means of promoting local economic development, DOE is developing technical and policy solutions that can help industry avoid NPP closures. For those communities that are, or will be, experiencing closure of a NPP, DOE has general technical assistance abilities that could potentially be applied to this matter if communities requested assistance.⁴

The report language required that the Secretary of Energy and the Secretary of Commerce (via EDA) coordinate on this report. EDA and the Office of Nuclear Energy at DOE have developed a strong partnership and plan to work together to help address these issues jointly.

7. Department of Housing and Urban Development (HUD)

Community Development Block Grant Program – The Community Development Block Grant (CDBG) program provides communities with resources and broad discretion in selecting activities to address a wide range of unique community development needs and may be of use to communities experiencing a NPP closure. Each activity funded through the program must meet one of the following statutory national objectives: benefit low- and moderate-income persons, prevent or eliminate slums or blight, or address community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community for which other funding is not available. For further information please see:

https://www.hud.gov/program_offices/comm_planning/communitydevelopment/programs.

8. Department of Labor (DOL)

Job Training – DOL's Employment Training and Administration (ETA) administers programs that provided training and employment assistance to over thirteen million adult workers and youth in Program Year 2015 through American Job Centers. Many of these centers provide job seekers with job vacancies and labor market information, job search and placement assistance, assessment and career counseling, and access to training. DOL supports apprenticeship programs for employers and employees that explains what apprenticeship programs are, how employers can establish apprenticeship programs, and how individuals can apply to become apprentices. This may be especially relevant as it pertains to training the decommissioning project workforce. For further information please see: <https://www.doleta.gov/>.

9. Department of Transportation (DOT)

Transportation Planning – The Federal Transit Administration (FTA) and Federal Highway Administration (FHWA) jointly administer programs related to transportation planning for local, rural, metropolitan, state, tribal, federal, and citizen partners. These programs may apply to NPP facility reuse planning. For further information please see:

⁴ State, Local and Tribal officials can request technical assistance on a variety of programs and topics via: <https://www.energy.gov/ta/state-local-and-tribal-technical-assistance-gateway>

<https://www.transit.dot.gov/regulations-and-guidance/transportation-planning/training-technical-assistance>.

10. Environmental Protection Agency (EPA)

The following EPA programs and funding mechanisms assist with the assessment and potential redevelopment of brownfield sites. They do not relate specifically to NPP closure and redevelopment; however, the programs and means for financial assistance may help communities catalyze strategic planning and economic development in conjunction with parallel efforts surrounding reuse and redevelopment of former NPP sites.

Assessment Grants – Assessment Grants provide funding for a grant recipient to inventory, characterize, assess, conduct a range of planning activities, develop site-specific cleanup plans, and conduct community involvement related to brownfield sites.

Cleanup Grants – Cleanup Grants provide funding for a grant recipient to carry out cleanup activities at brownfield sites. An applicant must own the site for which it is requesting funding and a 20% cost-share is required, although Tribes, nonprofit organizations, and government entities may request EPA to waive the 20% cost-share due to hardship.

Environmental Workforce Development and Job Training (EWDJT) Grants: EWDJT Grants provide funding for a grant recipient to recruit, train, and place unemployed and under-employed residents of areas affected by the presence of brownfields.

Technical Assistance to Brownfields Communities Program – Under the Technical Assistance to Brownfields Communities program, EPA awards grants to organizations that provide geographically based technical assistance and training on brownfields issues to communities and other stakeholders. The goal is to increase community understanding and involvement in brownfields cleanup and redevelopment.

Brownfields Research, Training and Technical Assistance Grants – EPA awards grants that support research and technical assistance on specific issues that challenge brownfield communities. The following organizations are actively providing technical assistance to brownfields communities across the country: Council of Development Finance Agencies; Groundwork USA; Hazardous Materials Training and Research Institute; the University of Louisville; and Kansas State University.

Additional information regarding EPA’s programs may be found at:
<https://www.epa.gov/brownfields/types-brownfields-grant-funding>.

11. Nuclear Regulatory Commission (NRC)

As an independent safety regulator, the NRC’s focus is on ensuring safe decommissioning of the commercial NPP and terminating the NRC license to allow other beneficial uses of the property after it meets NRC safety radiological criteria. The NRC does not provide resources or funding opportunities to assist host communities in planning for beneficial reuse.

12. Small Business Administration (SBA)

Basic 7(a) Loan Program -- The 7(a) loan program is SBA’s primary program to help startup and existing small businesses obtain financing, with financing guaranteed for a variety of general business purposes. SBA does not make loans itself, but rather guarantees loans made by participating lending institutions. The 7(a) loans are the most basic and most used types of SBA

loans. For further information please see: <https://www.sba.gov/partners/lenders/7a-loan-program/types-7a-loans>.

13. Actions that EDA is Taking or Plans to Take in Response to this Issue

Building on the information in this report, EDA is continuing its efforts to assist NPP host communities through a cooperative agreement with the Nuclear Decommissioning Collaborative (<https://decommissioningcollaborative.org/>): a non-profit specializing in improving NPP decommissioning outcomes for host communities. Completion of this work scope will advance the following objectives:

- Increase cohesiveness between and among NPP stakeholders;
- Enhance interagency understanding of NPP stakeholder issues; and
- Improve coordination and effectiveness of DOE, NRC, EDA and other federal programs to address the needs of NPP stakeholders.

Key elements of the scope of work under this cooperative agreement include:

- i. Federal Government Roundtable & Working Group
 - Objective: Assist EDA in working across the executive branch to identify areas of common purpose leading to the development of coordinated strategies and mutually reinforcing objectives to assist affected communities.
- ii. Intake and Outreach with Affected NPP Stakeholders
 - Objective: Build awareness and develop preliminary insights from key stakeholders across the country who are or have been engaged in NPP decommissioning processes.
- iii. National NPP Stakeholder Webinar
 - Objective: Disseminate the findings and recommendations included in this report to the NPP stakeholder community.
- iv. Feedback from NPP Stakeholders
 - Objective: After the national webinar, allow for stakeholders to provide voluntary feedback surrounding the socioeconomic dynamics of NPP closure.
- v. Regional Economic Diversity Summit(s)
 - Objective: Building on the model of EDA's Regional Economic Diversification Summits, host summits in up to three EDA Regions specific to NPP closure.
- vi. Prepare and Deliver Final Report
 - Objective: Prepare and submit final report with recommendations to EDA.
- vii. Project Time-Line
 - The project scope of work will be completed by 4/30/2020.

14. Other Matters for Potential Consideration.

Looking ahead, there are several additional issues that, if and when addressed, will serve to further strengthen host community capacity and improve closure and decommissioning outcomes. These include:

- implementation of a functioning disposal solution for commercial spent nuclear fuel;
- increased access to grant programs and other resources to allow communities to undertake pre-closure planning/visioning activities;
- possible development of a standard, accepted environmental impact statement to facilitate inter-agency resource delivery; and
- exploration of models to manage liability associated with NPP closures and promote site redevelopment.