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**TO:** Goodhue County Board of Commissioners

**FROM:** Nick Lemmer

**SUBJECT:** Submission of Community Energy Transition (CET) Grant Application

**DATE:** April 1, 2025

### **Background**

On March 4, the Board directed staff to prepare an application for the Department of Employment and Economic Development's Community Energy Transmission Grant. The program, through the Office of Energy Transition, is seeking applications from qualified responders to assist eligible communities to address the economic dislocation and social impact associated with the future potential closing of a local electric generating plant. The current licenses for operation of the Prairie Island nuclear generating plant's two reactors expire in 2033 and 2034. Applications to extend the licenses are in process. Based on these factors and the grant requirements, Goodhue County is eligible to apply for funding.

### **Discussion**

The Employment and Tax Base Diversification Fee Reimbursement Program will use grant funds to lower financial barriers to capital investment, and create a favorable environment to build, expand or improve commercial and residential facilities in Goodhue County.

Similar to a previous fee reimbursement initiative, this program will follow clear and specific guidelines to determine which properties and projects would qualify for reimbursement. The level of reimbursement will be 100% of building permit fees associated with an eligible project and, where utilities are present, 100% of the sewer access connection charges and water access connection charges for eligible projects.

The fees and charges will be initially paid to the City or County by the property owner or developer. A voucher will be provided for eligible expenses which can be processed for reimbursement at the Goodhue County Finance department.

The resulting building activity will diversify and grow the county tax base as it increases the taxable value of individual parcels. New and expanding companies will create jobs, with employers pre-positioned to better retrain and reabsorb within the community workers displaced by a plant closure. Residential building activity will address shortages in affordable housing by potentially making significant increase in the overall supply of housing units of all kinds.

**Find your Good here.**

Transitioning away from reliance on a single taxpayer for a significant share of general fund revenues is a challenge for any community. As such, a multi-layered and sustained effort to grow and diversify the tax potential of all property types is required. The Employment and Tax Base Diversification Fee Reimbursement Program is a simple, yet effective tool to address the economic challenges we may face in the future.

**Direction**

Adopt the resolution directing the county administrator to submit the Community Energy Transition Grant application to the Department of Employment and Economic Development.

**RESOLUTION**

**GOODHUE COUNTY BOARD OF COMMISSIONERS**

**WHEREAS**, Goodhue County is a Community under Minnesota Statute §116J.55;

**NOW THEREFORE BE IT RESOLVED** that Goodhue County act as the legal Sponsor for project(s) contained in the Community Energy Transition Grant Program to be submitted on April 2, 2025 and that the County Administrator is hereby authorized to apply to the Department of Employment and Economic Development for funding of this project on behalf of Goodhue County.

**BE IT FURTHER RESOLVED** that Goodhue County has the legal authority to apply for financial assistance, and the institutional, managerial, and financial capability to ensure adequate project administration.

**BE IT FURTHER RESOLVED** that Goodhue County has not violated any Federal, State, or local laws pertaining to fraud, bribery, graft, kickbacks, collusion, conflict of interest or other unlawful or corrupt practice.

**BE IT FURTHER RESOLVED** that Goodhue County, upon approval of its application by the state, may enter into an agreement with the State of Minnesota for the above referenced project(s), and that Goodhue County certifies that it will comply with all applicable laws and regulation as stated in all grant contract agreements.

**NOW, THEREFORE BE IT FINALLY RESOLVED** that the County Administrator, is hereby authorized to execute such agreements as are necessary to implement the project on behalf of the applicant. Note: Do not include the proper name, only the title of the official(s). **Pursuant to Minnesota Statutes, section 412.201, Statutory Cities must authorize both the Mayor and Clerk to execute all contracts**, whereas Home Rule Charter Cities or other public entities may differ.

**I CERTIFY THAT** the above resolution was adopted by the Board of Commissioners of Goodhue County on April 1, 2025.

**SIGNED:**

\_\_\_\_\_  
CHAIR, GOODHUE COUNTY BOARD OF COMMISSIONERS

\_\_\_\_\_  
DATE

**WITNESSED:**

\_\_\_\_\_  
GOODHUE COUNTY ADMINISTRATOR

\_\_\_\_\_  
DATE

**RESOLUTION NO. 8072**

**RESOLUTION APPROVING APPLYING FOR STATE GRANT FUNDING IN SUPPORT OF EMPLOYMENT GROWTH AND TAX BASE DIVERSIFICATION**

**WHEREAS** the City of Red Wing and Goodhue County have within their jurisdiction the Prairie Island Nuclear Generating facility operated by Northern States Power Co.; and

**WHEREAS** the licenses for two pressurized water reactor units located there expire in 2033 and 2034, respectively; and

**WHEREAS** the Minnesota Department of Employment and Economic Development offers a Community Energy Transition (CET) grant to “to assist eligible communities to address the economic dislocation and social impact associated with the closing of a local electric generating plant,”; and

**WHEREAS** Goodhue County has proposed a program to support employment growth and tax base diversification that uses CET grant funding to reimburse property owners within Goodhue County for the cost of building permit fees and water access and sewer access charges for new construction for all commercial, industrial, and residential buildings.

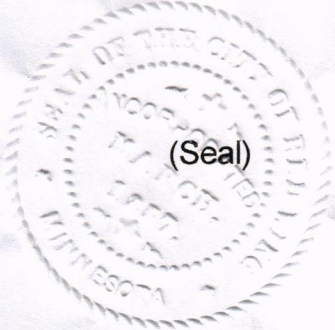
**NOW, THEREFORE, BE IT RESOLVED** BY THE CITY COUNCIL OF THE CITY OF RED WING, MINNESOTA, AS FOLLOWS: The city of Red Wing approves the submitting, by Goodhue County, of a Community Energy Transition grant application to the Minnesota Department of Employment and Economic Development for the Employment and Tax Base Diversification Fee Reimbursement Program.

Adopted by the City Council this 24th day of March, 2025.

  
Janie Farrar, Council President

Attest:

  
Teri L. Swanson, MCMC, City Clerk



(Seal)

Presented to the Mayor at 7:25 p.m. on this 24 day of March, 2025

Approved this 24 day of March, 2025.

A handwritten signature in blue ink, which appears to read "Gary James Iocco", is written over a horizontal line. The signature is stylized and cursive.

Gary James Iocco, Mayor



Great Northern Building  
180 East Fifth Street, 12th floor St. Paul, Minnesota 55101  
Energy Transition Office, Business & Community Development  
651-802-2238 / 651-259-7037  
Email: CETGP.Deed@state.mn.us

## Community Energy Transition Grant Application

### Cover Page

**Applicant (Community)** \_\_\_\_\_

**Head of Applicant Agency (e.g. Mayor):** \_\_\_\_\_

Applicant Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

If the applicant is a city, please select your city category:  Home Rule Charter  Statutory City

For reference, please give the State Statute number which gives the applicant authority to carry out the activities for which you are requesting grant funds. \_\_\_\_\_

**By completing and submitting this grant application you affirm that you have authority to submit this request on behalf of the applicant agency, and the information submitted is true and correct.**

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
Signature of Head of Applicant Agency Date

## Project Contact for the Community

Name: \_\_\_\_\_

Phone: \_\_\_\_\_ E-mail: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

### Project Manager for this project, in the event of an award

Name: \_\_\_\_\_

Phone: \_\_\_\_\_ E-mail: \_\_\_\_\_

### Application Author:

Phone: \_\_\_\_\_ E-mail: \_\_\_\_\_

## PROJECT AREA INFORMATION

1. Project Area address or boundaries: \_\_\_\_\_

City: \_\_\_\_\_ Zip Code: \_\_\_\_\_

2. Is this within the retail electric service territory of the public utility that is subject to section 116C.779 or to an eligible community in which an electric generating plant owned by that public utility is located?

Yes  No

3. Minnesota Legislative District # \_\_\_\_\_ A \_\_\_\_\_ B

**Note:** The Minnesota Legislature has a tool to look up legislative district numbers. You must have a precise address and know the zip code of the site. Go to: <http://www.gis.leg.mn/OpenLayers/districts/>

## PLANT CLOSURE TIMELINE

4. Name of Plant \_\_\_\_\_

The plant in my community is currently in operation.  Yes  No

If yes, select and complete one or more of the following:

The plant in my community is scheduled to cease operations on \_\_\_\_\_.  
**(Attach schedule documentation)**

A proposal for a cessation of operations via an Integrated Resource Plan has been filed with the Public Utilities Commission under Minnesota Statutes, section 216B.2422 on \_\_\_\_\_.

**(Attach most recent filing)**

The plant's current operating license expires within 15 years of July 1, 2023. **(Attach license documentation)**

If no, select and complete one or more of the following:

The plant in my community ceased operations on \_\_\_\_\_. **(Attach cessation documentation)**

The plant in my community was removed from the local property tax base on \_\_\_\_\_. **(Attach documentation)**

## PROJECT/PROGRAM

5. Name of Project \_\_\_\_\_

Please **attach a detailed narrative of the proposed project/plan**. How much money are you requesting (cannot exceed \$1,000,000). Describe and define the project area, discuss the positive economic and social impact resulting from the project/plan, and how the community will benefit from the project or program.

## PROJECT COSTS

6. What are the total project costs? \$ \_\_\_\_\_

7. How much grant funding are you requesting from DEED (cannot exceed \$1,000,000)? \$ \_\_\_\_\_

8. Fill out the budget table below indicating the sources, uses, and amounts of **all** funds including DEED requests that will be used for costs as defined in this application.

Use of Funds (Activity)	Amount	Source of Funds (DEED, City, County, Private)	Date Funds were/will be Committed

9. How were these costs determined? Bids, consultant, historical reference?

10. Explain why these costs are necessary to implement the project.

11. Is all the project's financing in place (bank account, grants, bonds, lending approval)?

If not, when will it be secured?

## ECONOMIC IMPACT – TAX BASE

12. What were the plant property taxes for the past 10 years? (Fill out the 10-year tax table)

County, City, and School taxes.

If the plant has closed, please leave closed years blank.

Year	Tax Amount City	Tax Amount County	Tax Amount School
2025			
2024			
2023			
2022			
2021			
2020			
2019			
2018			
2017			
2016			

13. Describe the local tax impact due to plant closure. This includes county, school districts, etc.

14. Describe how this project addresses the impact of tax loss on the community?

## ECONOMIC IMPACT – EMPLOYMENT

15. How many people did the plant employ in each of the past 10 years? (Fill out the table with 10 years of employment data)

If the plant has closed, please leave the closed years blank.

Year	Number of Employees
2024	
2023	
2022	
2021	
2020	
2019	
2018	
2017	
2016	
2015	

16. At the height of employment, how many people did the plant employ? \_\_\_\_\_

What year was this? \_\_\_\_\_

17. What is the current unemployment rate in your county? \_\_\_\_\_

If the plant has been closed, how was the unemployment rate affected after the plant closure?

18. Describe the real or projected impact of job loss on the community due to plant closure. This includes job loss from the plant and area businesses.

19. How does this project address the impact of job loss on the community?

## COMMUNITY IMPACT

20. What are additional challenges facing your community due to plant closure?
  
  
  
  
  
  
  
  
  
  
21. Besides the plant closing, what are the 3 biggest challenges your community faces?
  
  
  
  
  
  
  
  
  
  
22. Describe how your plan addresses these challenges.

## PARTNERSHIPS, COLLABORATION AND COMMUNITY ENGAGEMENT

23. Describe any partnerships or collaborations associated with the project. How do these strengthen the project or improve outcomes? Attach letters of support or joint agreements as appropriate.
  
  
  
  
  
  
  
  
  
  
24. Is this project consistent with the community's comprehensive plan?
  
  
  
  
  
  
  
  
  
  
25. Describe your engagement with community stakeholders, landowners, sovereign nations, adjacent communities, marginalized communities, et al. with
  - a. the strategies for the long term (industries, land use, workforce, etc.) **or**
  
  
  
  
  
  
  
  
  
  
  - b. the particular development or project?







Year 2026

Task	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec

27. Please list any factors which would change or delay this schedule.

## PAYMENT INFORMATION

Most grant payments take place through electronic funds transfer (EFT). To ensure proper payment, a Vendor Number assigned by Minnesota Management & Budget is required.

Financial Contact Person: \_\_\_\_\_

Telephone Number or e-mail: \_\_\_\_\_

State of Minnesota Vendor Number: \_\_\_\_\_

If a Minnesota Vendor Number does not exist, please supply:

Minnesota Identification Number: \_\_\_\_\_

and

Federal Employer Identification Number: \_\_\_\_\_



## **Employment and Tax Base Diversification Fee Reimbursement Program**

### **Program Narrative**

The Employment and Tax Base Diversification Fee Reimbursement Program will use grant funds to lower financial barriers to capital investment, and create a favorable environment to build, expand or improve commercial and residential facilities in unincorporated Goodhue County and the city of Red Wing.

The program will follow clear and specific guidelines to determine which properties and projects would qualify for reimbursement. The level of reimbursement will be 100% of building permit fee associated with an eligible project and, where utilities are present, 100% of the sewer access connection charges and water access connection charges for eligible projects.

The fees and charges will be initially paid to the City or County by the property owner or developer. A voucher will be provided for eligible expenses which can be processed or reimbursement at the Goodhue County Finance department.

The resulting building activity will diversify and grow our tax base as it increases the taxable value of individual parcels. New and expanding companies will create jobs, with employers pre-positioned to better retrain and reabsorb within the community workers displaced by a plant closure. Residential building activity will address shortages in affordable housing by potentially making significant increase in the overall supply of housing units of all kinds.

Transitioning away from reliance on a single taxpayer for a significant share of general fund revenues is a challenge for any community. As such, a multi-layered and sustained effort to grow and diversify the tax potential of all property types is required. The Employment and Tax Base Diversification Fee Reimbursement Program is a simple, yet effective tool to address the economic challenges we may face in the future.

NORTHERN STATES POWER COMPANY

DOCKET NO. 50-282

PRAIRIE ISLAND NUCLEAR GENERATING PLANT, UNIT 1

RENEWED FACILITY OPERATING LICENSE

Renewed Operating License No. DPR-42

1. The Atomic Energy Commission (the Commission) having found that:
  - A. The application to renew Facility Operating License No. DPR-42 by Northern States Power Company (NSPM) complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I and that all required notifications to other agencies or bodies have been duly made;
  - B. Construction of the Prairie Island Nuclear Generating Plant, Unit 1 (the facility), has been substantially completed in conformity with Provisional Construction Permit No. CPPR-45, as amended, the application, as amended, the provisions of the Act, and the rules and regulations of the Commission;
  - C. The facility will operate in conformity with the application, as amended, the provisions of the Act, and the rules and regulations of the Commission;
  - D. There is reasonable assurance: (i) that the activities authorized by this renewed operating license can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the rules and regulations of the Commission;
  - E. NSPM is technically and financially qualified to engage in the activities authorized by this renewed operating license in accordance with the rules and regulations of the Commission;
  - F. NSPM has satisfied the applicable provisions of 10 CFR Part 140, Financial Protection Requirements and Indemnity Agreements", of the Commission's regulations;
  - G. The issuance of this renewed operating license will not be inimical to the common defense and security or to the health and safety of the public;
  - H. After weighing the environmental, economic, technical, and other benefits of the facility against environmental costs and considering available alternatives, the issuance of this Renewed Facility Operating License No. DPR-42 is in accordance with 10 CFR Part 51, of the Commission's regulations and all applicable requirements of said Part 51 have been satisfied;

Renewed Operating License No. DPR-42

- I. The receipt, possession, and use of source, byproduct and special nuclear material as authorized by this renewed operating license will be in accordance with the Commission's regulations in 10 CFR Parts 30 and 70, including 10 CFR Section 30.33, 70.23 and 70.31; and
  - J. Actions have been identified and have been or will be taken with respect to (1) managing the effects of aging during the period of extended operation on the functionality of structures and components that have been identified to require review under 10 CFR 54.21(a)(1); and (2) time-limited aging analyses that have been identified to require review under 10 CFR 54.21(c), such that there is reasonable assurance that the activities authorized by this renewed operating license will continue to be conducted in accordance with the current licensing basis, as defined in 10 CFR 54.3, for the facility, and that any changes made to the facility's current licensing basis in order to comply with 10 CFR 54.29(a) are in accordance with the Act and the Commission's regulations.
2. Accordingly, Facility Operating License DPR-42, issued to Northern States Power Company<sup>1</sup> on August 9, 1973, and amended on December 14, 1973, is superseded by Renewed Facility Operating License No. DPR-42, and is hereby amended in its entirety to read as follows:
- A. This license applies to the Prairie Island Nuclear Generating Plant, Unit 1, a pressurized water nuclear reactor and associated equipment (the facility), owned by the NSPM. The facility is located in Goodhue County, Minnesota, and is described in the "Final Safety Analysis Report" as supplemented and amended (Amendments 1 through 36) and the Environmental Report as supplemented and amended (Supplements 1 and 2).
  - B. Subject to the conditions and requirements incorporated herein, the Commission hereby licenses:
    - (1) Pursuant to Section 104b of the Act and 10 CFR Part 50, "Licensing of Production and Utilization Facilities, NSPM to possess, use, and operate the facility at the designated location in Goodhue County, Minnesota, in accordance with the procedures and limitations set forth in this renewed operating license;
    - (2) Pursuant to the Act and 10 CFR Part 70, NSPM to receive, possess and use at any time special nuclear material as reactor fuel, in accordance with the limitations for storage and amounts required for reactor operation, as described in the Final Safety Analysis Report, as supplemented and amended as of May 11, 1976.

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<sup>1</sup> Northern States Power Company, was incorporated in Minnesota as a wholly owned subsidiary of Xcel Energy, Inc. effective August 18, 2000. This renewed operating license reflects the Commission's consent per 10 CFR Part 50, Section 50.80 to the license transfer approved by Order dated May 12, 2000.

- (3) Pursuant to the Act and 10 CFR Parts 30, 40 and 70, NSPM to receive, possess, and use at any time any byproduct, source and special nuclear material as sealed neutron sources for reactor startup, sealed sources for reactor instrumentation and radiation monitoring equipment calibration, and as fission detectors in amounts as required;
  - (4) Pursuant to the Act and 10 CFR Parts 30, 40, and 70, NSPM to receive, possess and use in amounts as required any byproduct, source or special nuclear material without restriction to chemical or physical form, for sample analysis or instrument and equipment calibration or associated with radioactive apparatus or components;
  - (5) Pursuant to the Act and 10 CFR Parts 30 and 70, NSPM to possess but not separate, such byproduct and special nuclear materials as may be produced by the operation of the facility;
  - (6) Pursuant to the Act and 10 CFR Parts 30 and 70, NSPM to transfer byproduct materials from other job sites owned by NSPM for the purpose of volume reduction and decontamination.
- C. This renewed operating license shall be deemed to contain and is subject to the conditions specified in the following Commission regulations in 10 CFR Chapter I: Part 20, Section 30.34 of Part 30, Sections 50.54 and 50.59 of Part 50, and Section 70.32 of Part 70; is subject to all applicable provisions of the Act and to the rules, regulations, and orders of the Commission now or hereafter in effect; and is subject to the additional conditions specified or incorporated below:
- (1) Maximum Power Level  
  
NSPM is authorized to operate the facility at steady state reactor core power levels not in excess of 1677 megawatts thermal.
  - (2) Technical Specifications  
  
The Technical Specifications contained in Appendix A, as revised through Amendment No. 245, are hereby incorporated in the renewed operating license. NSPM shall operate the facility in accordance with the Technical Specifications.
  - (3) Physical Protection  
  
NSPM shall fully implement and maintain in effect all provisions of the Commission-approved physical security, guard training and qualification, and safeguards contingency plans including amendments made pursuant to provisions of the Miscellaneous Amendments and Search Requirements revisions to 10 CFR 73.55 (51 FR 27817 and 27822) and to the authority of 10 CFR 50.90 and 10 CFR 50.54(p). The combined set of plans, which contains

Safeguards Information protected under 10 CFR 73.21, is entitled: "Prairie Island Nuclear Generating Plant Security Plan, Training and Qualification Plan, Safeguards Contingency Plan, and Independent Spent Fuel Storage Installation Security Program," submitted by letters dated October 18, 2006, and January 10, 2007, and as supplemented by letters dated March 18 and June 2, 2011, and approved by NRC Safety Evaluation dated August 16, 2011.

NSPM shall fully implement and maintain in effect all provisions of the Commission-approved Northern States Power Company - Minnesota (NSPM) Cyber Security Plan (CSP), including changes made pursuant to the authority of 10 CFR 50.90 and 10 CFR 50.54(p). The NSPM CSP was approved by License Amendment No. 202 and supplemented by License Amendment No. 212.

(4) Fire Protection

NSPM shall implement and maintain in effect all provisions of the approved fire protection program that comply with 10 CFR 50.48(a) and 10 CFR 50.48(c), as specified in the licensee amendment request dated September 28, 2012 (and supplements dated November 8, 2012, December 18, 2012, May 3, 2013, October 17, 2013, April 30, 2014, May 28, 2015, June 19, 2015, October 6, 2015, October 22, 2015, January 20, 2016, May 24, 2016, August 17, 2016, December 14, 2016, and March 6, 2017), and as approved in the safety evaluation dated August 8, 2017. Except where NRC approval for changes or deviations is required by 10 CFR 50.48(c), and provided no other regulation, technical specification, license condition, or requirement would require prior NRC approval, the licensee may make changes to the fire protection program without prior approval of the Commission if those changes satisfy the provisions set forth in 10 CFR 50.48(a) and 10 CFR 50.48(c), the change does not require a change to a technical specification or a license condition, and the criteria listed below are satisfied.

(a) Risk-Informed Changes that May Be Made Without Prior NRC Approval

A risk assessment of the change must demonstrate that the acceptance criteria below are met. The risk assessment approach, methods, and data shall be acceptable to the NRC and shall be appropriate for the nature and scope of the change being evaluated; be based on the as-built, as-operated, and maintained plant; and reflect the operating experience at the plant. Acceptable methods to assess the risk of the change may include methods that have been used in the peer-reviewed fire PRA model, methods that have been approved by NRC through a plant-specific license amendment or NRC approval of generic methods specifically for use in NFPA 805 risk assessments, or methods that have been demonstrated to bound the risk impact.

1. Prior NRC review and approval is not required for changes that clearly result in a decrease in risk. The proposed change must also be consistent with the defense-in-depth philosophy and must maintain sufficient safety margins. The change may be implemented following completion of the plant change evaluation.
2. Prior NRC review and approval is not required for individual changes that result in a risk increase less than  $1 \times 10^{-7}$ /year (yr) for CDF and less than  $1 \times 10^{-8}$ /yr for LERF. The proposed change must also be consistent with the defense-in-depth philosophy and must maintain sufficient safety margins. The change may be implemented following completion of the plant change evaluation.

(b) Other Changes that May be Made Without Prior NRC Approval

1. Changes to NFPA 805, Chapter 3, Fundamental Fire Protection Program

Prior NRC review and approval are not required for changes to the NFPA 805, Chapter 3, fundamental fire protection program elements and design requirements for which an engineering evaluation demonstrates that the alternative to the Chapter 3 element is functionally equivalent or adequate for the hazard. The licensee may use an engineering evaluation to demonstrate that a change to an NFPA 805, Chapter 3, element is functionally equivalent to the corresponding technical requirement. A qualified fire protection engineer shall perform the engineering evaluation and conclude that the change has not affected the functionality of the component, system, procedure, or physical arrangement, using a relevant technical requirement or standard.

The licensee may use an engineering evaluation to demonstrate that changes to certain NFPA 805, Chapter 3, elements are acceptable because the alternative is "adequate for the hazard." Prior NRC review and approval would not be required for alternatives to four specific sections of NFPA 805, Chapter 3, for which an engineering evaluation demonstrates that the alternative to the Chapter 3 element is adequate for the hazard. A qualified fire protection engineer shall perform the engineering evaluation and conclude that the change has not affected the functionality of the component, system, procedure, or physical arrangement, using a relevant technical requirement or standard. The four specific sections of NFPA 805, Chapter 3, are as follows:

- "Fire Alarm and Detection Systems" (Section 3.8);

- “Automatic and Manual Water-Based Fire Suppression Systems” (Section 3.9);
- “Gaseous Fire Suppression Systems” (Section 3.10); and
- “Passive Fire Protection Features” (Section 3.11).

This License Condition does not apply to any demonstration of equivalency under Section 1.7 of NFPA 805.

2. Fire Protection Program Changes that Have No More than Minimal Risk Impact

Prior NRC review and approval are not required for changes to the licensee’s fire protection program that have been demonstrated to have no more than a minimal risk impact. The licensee may use its screening process as approved in the NRC safety evaluation dated August 8, 2017, to determine that certain fire protection program changes meet the minimal criterion. The licensee shall ensure that fire protection defense-in-depth and safety margins are maintained when changes are made to the fire protection program.

(c) Transition License Conditions

1. Before achieving full compliance with 10 CFR 50.48(c), as specified by 2. and 3. below, risk-informed changes to the licensee’s fire protection program may not be made without prior NRC review and approval unless the change has been demonstrated to have no more than a minimal risk impact, as described in 2.C.(4)(b)2.
2. The licensee shall implement the modifications to its facility, as described in Attachment S, Table S-2, “Plant Modifications Committed,” in Northern States Power - Minnesota letter L-PI-16-090, dated December 14, 2016, to complete the transition to full compliance with 10 CFR 50.48(c), before the end of the second full operating cycle for each unit after approval of the LAR. The licensee shall maintain appropriate compensatory measures in place until completion of these modifications.
3. The licensee shall implement the items listed in Attachment S, Table S-3, “Implementation Items,” of Northern States Power – Minnesota letter L-PI-16-090, dated December 14, 2016, within 12 months after NRC approval, with the exception of Implementation Item 20, 66, and 70 which are associated with modifications and will be completed 180 days after modifications are complete.

(5) Additional Conditions

The Additional Conditions contained in Appendix B, as revised through Amendment No. 216, are hereby incorporated into this license. NSPM shall operate the facility in accordance with the Additional Conditions.

(6) Mitigation Strategy License Condition

Develop and maintain strategies for addressing large fires and explosions and that include the following key areas:

- (a) Fire fighting response strategy with the following elements:
  - 1. Pre-defined coordinated fire response strategy and guidance
  - 2. Assessment of mutual aid fire fighting assets
  - 3. Designated staging areas for equipment and materials
  - 4. Command and control
  - 5. Training of response personnel
- (b) Operations to mitigate fuel damage considering the following:
  - 1. Protection and use of personnel assets
  - 2. Communications
  - 3. Minimizing fire spread
  - 4. Procedures for implementing integrated fire response strategy
  - 5. Identification of readily-available pre-staged equipment
  - 6. Training on integrated fire response strategy
  - 7. Spent fuel pool mitigation measures
- (c) Actions to minimize release to include consideration of:
  - 1. Water spray scrubbing
  - 2. Dose to onsite responders

- (7) Upon implementation of Amendment No. 195 adopting TSTF-448, Revision 3, the determination of control room envelope (CRE) unfiltered air in-leakage as required by SR 3.7.10.5, in accordance with TS 5.5.16.c (i), the assessment of CRE habitability as required by TS 5.5.16.c (ii), and assessing the CRE boundary as required by Specification 5.5.16.d, shall be considered met. Following implementation:

- a. The first performance of SR 3.7.10.5, in accordance with Specification 5.5.16.c (i), shall be within the specified frequency of 6 years, plus the 18 month allowance of SR 3.0.2, as measured from December 3, 2004, the date of the most recent successful tracer gas test, as stated in the December 18, 2006 letter in response to Generic Letter 2003-01, or within the next 18 months if the time period since the most recent successful tracer gas test is greater than 6 years.

- b. The first performance of the periodic assessment of CRE habitability, Specification 5.5.16.c (ii), shall be 3 years, plus the 9 month allowance of SR 3.0.2, as measured from December 3, 2004, the date of the most recent successful tracer gas test, as stated in the December 18, 2006 letter in response to Generic Letter 2003-01, or within the next 9 months if the time period since the most recent successful tracer gas test is greater than 3 years.

(8) License Renewal License Conditions

- (a) The licensee may make changes to the programs and activities described in the USAR supplement, submitted pursuant to 10 CFR 54.21(d), as revised during the license renewal application review process, provided the licensee evaluates such changes pursuant to the criteria set forth in 10 CFR 50.59 and otherwise complies with the requirements in that section.
- (b) Appendix A of "Safety Evaluation Report Related to the License Renewal of Prairie Island Nuclear Generating Plant, Units 1 and 2," dated October 16, 2009, and supplemented on April 15, 2011, and the licensee's USAR supplement submitted pursuant to 10 CFR 54.21(d) describe certain future programs and activities to be completed before the period of extended operation. The licensee shall complete these activities no later than August 9, 2013, and shall notify the NRC in writing when implementation of these activities is complete.
- (c) All capsules in the reactor vessel that are removed and tested must meet the test procedures and reporting requirements of American Society for Testing and Materials (ASTM) E 185-82 to the extent practicable for the configuration of the specimens in the capsule. Any changes to the capsule withdrawal schedule, including spare capsules, must be approved by the NRC prior to implementation. All capsules placed in storage must be maintained for future insertion. Any changes to storage requirements must be approved by the NRC.

(9) Adoption of 10 CFR 50.69, "Risk-informed categorization and treatment of structures, systems, and components for nuclear power plants"

NSPM is approved to implement 10 CFR 50.69 using the approaches for categorization of Risk Informed Safety Class (RISC)-1, RISC-2, RISC-3, and RISC-4 structures, systems, and components (SSCs) using: Probabilistic Risk Assessment (PRA) models to evaluate risk associated with internal events, including internal flooding and internal fire, with the shutdown safety assessment process to assess shutdown risk; the Arkansas Nuclear One, Unit 2 (ANO-2) passive categorization method to assess passive component risk for Class 2 and Class 3 SSCs and their associated supports; and the results of non-PRA evaluations that are based on the IPEEE Screening Assessment for External Hazards, i.e., seismic margin analysis (SMA) to evaluate seismic risk, and a screening of other external hazards (e.g., external flooding and high winds) updated using the external hazard screening significance criteria identified in

ASME/ANS PRA Standard RA-Sa-2009, as endorsed in RG 1.200, Revision 2; as specified in PINGP License Amendment No. 230 dated November 12, 2019.

Prior NRC approval, under 10 CFR 50.90, is required for a change to the categorization approach specified above (e.g., change from a seismic margins approach to a seismic probabilistic risk assessment approach).

NSPM will complete the implementation items listed in Attachment 1 of NSPM's letter to the NRC dated August 5, 2019, prior to implementation of 10 CFR 50.69.

NSPM shall ensure that the fire PRA model used for the 10 CFR 50.69 SSC categorization reflects the as-built, as-operated plant using the same fire PRA model used to support NFPA 805 implementation for both PINGP units prior to implementation of 10 CFR 50.69.

- D. This renewed operating license is effective as of the date of issuance and shall expire at midnight August 9, 2033.

FOR THE NUCLEAR REGULATORY COMMISSION

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Eric J. Leeds, Director  
Office of Nuclear Reactor Regulation

Attachments:

1. Appendix A - Technical Specifications
2. Appendix B - Additional Conditions

Date of Issuance: June 27, 2011

NORTHERN STATES POWER COMPANY

DOCKET NO. 50-306

PRAIRIE ISLAND NUCLEAR GENERATING PLANT, UNIT 2

RENEWED FACILITY OPERATING LICENSE

Renewed Operating License No. DPR-60

1. The Atomic Energy Commission (the Commission) having found that:
  - A. The application to renew Facility Operating License No. DPR-60 by Northern States Power Company (NSPM) complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I and that all required notifications to other agencies or bodies have been duly made;
  - B. Construction of the Prairie Island Nuclear Generating Plant, Unit 2 (the facility), has been substantially completed in conformity with Provisional Construction Permit No. CPPR-46, as amended, the application, as amended, the provisions of the Act, and the rules and regulations of the Commission;
  - C. The facility will operate in conformity with the application, as amended, the provisions of the Act, and the rules and regulations of the Commission;
  - D. There is reasonable assurance: (i) that the activities authorized by this renewed operating license can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the rules and regulations of the Commission;
  - E. NSPM is technically and financially qualified to engage in the activities authorized by this renewed operating license in accordance with the rules and regulations of the Commission;
  - F. NSPM has satisfied the applicable provisions of 10 CFR Part 140, Financial Protection Requirements and Indemnity Agreements", of the Commission's regulations;
  - G. The issuance of this renewed operating license will not be inimical to the common defense and security or to the health and safety of the public;
  - H. After weighing the environmental, economic, technical, and other benefits of the facility against environmental costs and considering available alternatives, the issuance of Renewed Facility Operating License No. DPR-60 is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements of said 10 CFR Part 51 have been satisfied;

Renewed Operating License No. DPR-60

- I. The receipt, possession, and use of source, byproduct and special nuclear material as authorized by this renewed operating license will be in accordance with the Commission's regulations in 10 CFR Parts 30, 40 and 70, including 10 CFR Sections 30.33, 40.32, 70.23 and 70.31; and
  - J. Actions have been identified and have been or will be taken with respect to (1) managing the effects of aging during the period of extended operation on the functionality of structures and components that have been identified to require review under 10 CFR 54.21(a)(1); and (2) time-limited aging analyses that have been identified to require review under 10 CFR 54.21(c), such that there is reasonable assurance that the activities authorized by this renewed operating license will continue to be conducted in accordance with the current licensing basis, as defined in 10 CFR 54.3, for the facility, and that any changes made to the facility's current licensing basis in order to comply with 10 CFR 54.29(a) are in accordance with the Act and the Commission's regulations.
2. Renewed Facility Operating License No. DPR-60 is hereby issued to read as follows:
    - A. This license applies to the Prairie Island Nuclear Generating Plant, Unit 2, a pressurized water nuclear reactor and associated equipment (the facility), owned by the Northern States Power Company<sup>1</sup> (NSPM). The facility is located in Goodhue County, Minnesota, and is described in the "Final Safety Analysis Report" as supplemented and amended (Amendments 1 through 38) and the Environmental Report as supplemented and amended (Supplements 1 and 2).
    - B. Subject to the conditions and requirements incorporated herein, the Commission hereby licenses:
      - (1) Pursuant to Section 104b of the Act and 10 CFR Part 50, "Licensing of Production and Utilization Facilities," NSPM to possess, use, and operate the facility at the designated location in Goodhue County, Minnesota, in accordance with the procedures and limitations set forth in this renewed operating license;
      - (2) Pursuant to the Act and 10 CFR Part 70, NSPM to receive, possess and use at any time special nuclear material as reactor fuel, in accordance with the limitations for storage and amounts required for reactor operation, as described in the Final Safety Analysis Report, as supplemented and amended as of May 11, 1976.

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<sup>1</sup> Northern States Power Company, was incorporated in Minnesota as a wholly owned subsidiary of Xcel Energy, Inc. effective August 18, 2000. This renewed operating license reflects the Commission's consent per 10 CFR Part 50, Section 50.80 to the license transfer approved by Order dated May 12, 2000.

- (3) Pursuant to the Act and 10 CFR Parts 30, 40 and 70, NSPM to receive, possess, and use at any time any byproduct, source and special nuclear material as sealed neutron sources for reactor startup, sealed sources for reactor instrumentation and radiation monitoring equipment calibration, and as fission detectors in amounts as required;
  - (4) Pursuant to the Act and 10 CFR Parts 30, 40, and 70, NSPM to receive, possess and use in amounts as required any byproduct, source or special nuclear material without restriction to chemical or physical form, for sample analysis or instrument and equipment calibration or associated with radioactive apparatus or components;
  - (5) Pursuant to the Act and 10 CFR Parts 30 and 70, NSPM to possess but not separate, such byproduct and special nuclear materials as may be produced by the operation of the facility;
  - (6) Pursuant to the Act and 10 CFR Parts 30 and 70, NSPM to transfer byproduct materials from other job sites owned by NSPM for the purposes of volume reduction and decontamination.
- C. This renewed operating license shall be deemed to contain and is subject to the conditions specified in the following Commission regulations in 10 CFR Chapter I: Part 20, Section 30.34 of Part 30, Sections 50.54 and 50.59 of Part 50, and Section 70.32 of Part 70; is subject to all applicable provisions of the Act and to the rules, regulations, and orders of the Commission now or hereafter in effect; and is subject to the additional conditions specified or incorporated below:
- (1) Maximum Power Level  
  
NSPM is authorized to operate the facility at steady state reactor core power levels not in excess of 1677 megawatts thermal.
  - (2) Technical Specifications  
  
The Technical Specifications contained in Appendix A, as revised through Amendment No. 233, are hereby incorporated in the renewed operating license. NSPM shall operate the facility in accordance with the Technical Specifications.
  - (3) Physical Protection  
  
NSPM shall fully implement and maintain in effect all provisions of the Commission-approved physical security, guard training and qualification, and safeguards contingency plans including amendments made pursuant to provisions of the Miscellaneous Amendments and Search Requirements revisions to 10 CFR 73.55 (51 FR 27817 and 27822) and to the authority of 10 CFR 50.90 and 10 CFR 50.54(p). The combined set of plans, which contains

Safeguards Information protected under 10 CFR 73.21, is entitled: "Prairie Island Nuclear Generating Plant Security Plan, Training and Qualification Plan, Safeguards Contingency Plan, and Independent Spent Fuel Storage Installation Security Program," submitted by letters dated October 18, 2006 and January 10, 2007, and as supplemented by letters dated March 18 and June 2, 2011, and approved by NRC Safety Evaluation dated August 16, 2011.

NSPM shall fully implement and maintain in effect all provisions of the Commission-approved Northern States Power Company - Minnesota (NSPM) Cyber Security Plan (CSP), including changes made pursuant to the authority of 10 CFR 50.90 and 10 CFR 50.54(p). The NSPM CSP was approved by License Amendment No. 189 and supplemented by License Amendment No. 200.

(4) Fire Protection

NSPM shall implement and maintain in effect all provisions of the approved fire protection program that comply with 10 CFR 50.48(a) and 10 CFR 50.48(c), as specified in the licensee amendment request dated September 28, 2012 (and supplements dated November 8, 2012, December 18, 2012, May 3, 2013, October 17, 2013, April 30, 2014, May 28, 2015, June 19, 2015, October 6, 2015, October 22, 2015, January 20, 2016, May 24, 2016, August 17, 2016, December 14, 2016, and March 6, 2017), and as approved in the safety evaluation dated August 8, 2017. Except where NRC approval for changes or deviations is required by 10 CFR 50.48(c), and provided no other regulation, technical specification, license condition, or requirement would require prior NRC approval, the licensee may make changes to the fire protection program without prior approval of the Commission if those changes satisfy the provisions set forth in 10 CFR 50.48(a) and 10 CFR 50.48(c), the change does not require a change to a technical specification or a license condition, and the criteria listed below are satisfied.

(a) Risk-Informed Changes that May Be Made Without Prior NRC Approval

A risk assessment of the change must demonstrate that the acceptance criteria below are met. The risk assessment approach, methods, and data shall be acceptable to the NRC and shall be appropriate for the nature and scope of the change being evaluated; be based on the as-built, as-operated, and maintained plant; and reflect the operating experience at the plant. Acceptable methods to assess the risk of the change may include methods that have been used in the peer-reviewed fire PRA model, methods that have been approved by NRC through a plant-specific license amendment or NRC approval of generic methods specifically for use in NFPA 805 risk assessments, or methods that have been demonstrated to bound the risk impact.

1. Prior NRC review and approval is not required for changes that clearly result in a decrease in risk. The proposed change must also be consistent with the defense-in-depth philosophy and must

maintain sufficient safety margins. The change may be implemented following completion of the plant change evaluation.

2. Prior NRC review and approval is not required for individual changes that result in a risk increase less than  $1 \times 10^{-7}$ /year (yr) for CDF and less than  $1 \times 10^{-8}$ /yr for LERF. The proposed change must also be consistent with the defense-in-depth philosophy and must maintain sufficient safety margins. The change may be implemented following completion of the plant change evaluation.

(b) Other Changes that May be Made Without Prior NRC Approval

1. Changes to NFPA 805, Chapter 3, Fundamental Fire Protection Program

Prior NRC review and approval are not required for changes to the NFPA 805, Chapter 3, fundamental fire protection program elements and design requirements for which an engineering evaluation demonstrates that the alternative to the Chapter 3 element is functionally equivalent or adequate for the hazard. The licensee may use an engineering evaluation to demonstrate that a change to an NFPA 805, Chapter 3, element is functionally equivalent to the corresponding technical requirement. A qualified fire protection engineer shall perform the engineering evaluation and conclude that the change has not affected the functionality of the component, system, procedure, or physical arrangement, using a relevant technical requirement or standard.

The licensee may use an engineering evaluation to demonstrate that changes to certain NFPA 805, Chapter 3, elements are acceptable because the alternative is "adequate for the hazard." Prior NRC review and approval would not be required for alternatives to four specific sections of NFPA 805, Chapter 3, for which an engineering evaluation demonstrates that the alternative to the Chapter 3 element is adequate for the hazard. A qualified fire protection engineer shall perform the engineering evaluation and conclude that the change has not affected the functionality of the component, system, procedure, or physical arrangement, using a relevant technical requirement or standard. The four specific sections of NFPA 805, Chapter 3, are as follows:

- "Fire Alarm and Detection Systems" (Section 3.8);
- "Automatic and Manual Water-Based Fire Suppression Systems" (Section 3.9);
- "Gaseous Fire Suppression Systems" (Section 3.10); and
- "Passive Fire Protection Features" (Section 3.11).

This License Condition does not apply to any demonstration of equivalency under Section 1.7 of NFPA 805.

2. Fire Protection Program Changes that Have No More than Minimal Risk Impact

Prior NRC review and approval are not required for changes to the licensee's fire protection program that have been demonstrated to have no more than a minimal risk impact. The licensee may use its screening process as approved in the NRC safety evaluation dated August 8, 2017, to determine that certain fire protection program changes meet the minimal criterion. The licensee shall ensure that fire protection defense-in-depth and safety margins are maintained when changes are made to the fire protection program.

(c) Transition License Conditions

1. Before achieving full compliance with 10 CFR 50.48(c), as specified by 2. and 3. below, risk-informed changes to the licensee's fire protection program may not be made without prior NRC review and approval unless the change has been demonstrated to have no more than a minimal risk impact, as described in 2.C.(4)(b)2.
2. The licensee shall implement the modifications to its facility, as described in Attachment S, Table S-2, "Plant Modifications Committed," in Northern States Power - Minnesota letter L-PI-16-090, dated December 14, 2016, to complete the transition to full compliance with 10 CFR 50.48(c), before the end of the second full operating cycle for each unit after approval of the LAR. The licensee shall maintain appropriate compensatory measures in place until completion of these modifications.
3. The licensee shall implement the items listed in Attachment S, Table S-3, "Implementation Items," of Northern States Power - Minnesota letter L-PI-16-090, dated December 14, 2016, within 12 months after NRC approval, with the exception of Implementation Item 20, 66, and 70 which are associated with modifications and will be completed 180 days after modifications are complete.

(5) Additional Conditions

The Additional Conditions contained in Appendix B, as revised through Amendment No. 204, are hereby incorporated into this license. NSPM shall operate the facility in accordance with the Additional Conditions.

(6) Mitigation Strategy License Condition

Develop and maintain strategies for addressing large fires and explosions and that include the following key areas:

- (a) Fire fighting response strategy with the following elements:
    - 1. Pre-defined coordinated fire response strategy and guidance
    - 2. Assessment of mutual aid fire fighting assets
    - 3. Designated staging areas for equipment and materials
    - 4. Command and control
    - 5. Training of response personnel
  
  - (b) Operations to mitigate fuel damage considering the following:
    - 1. Protection and use of personnel assets
    - 2. Communications
    - 3. Minimizing fire spread
    - 4. Procedures for implementing integrated fire response strategy
    - 5. Identification of readily-available pre-staged equipment
    - 6. Training on integrated fire response strategy
    - 7. Spent fuel pool mitigation measures
  
  - (c) Actions to minimize release to include consideration of:
    - 1. Water spray scrubbing
    - 2. Dose to onsite responders
- (7) Upon implementation of Amendment No. 184 adopting TSTF-448, Revision 3, the determination of control room envelope (CRE) unfiltered air in-leakage as required by SR 3.7.10.5, in accordance with TS 5.5.16.c (i), the assessment of CRE habitability as required by TS 5.5.16.c (ii), and assessing the CRE boundary as required by Specification 5.5.16.d, shall be considered met. Following implementation:
- (a) The first performance of SR 3.7.10.5, in accordance with Specification 5.5.16.c (i), shall be within the specified frequency of 6 years, plus the 18 month allowance of SR 3.0.2, as measured from December 3, 2004, the date of the most recent successful tracer gas test, as stated in the December 18, 2006 letter in response to Generic Letter 2003-01, or within the next 18 months if the time period since the most recent successful tracer gas test is greater than 6 years.
  
  - (b) The first performance of the periodic assessment of CRE habitability, Specification 5.5.16.c (ii), shall be 3 years, plus the 9 month allowance of SR 3.0.2, as measured from December 3, 2004, the date of the most recent successful tracer gas test, as stated in the December 18, 2006 letter in response to Generic Letter 2003-01, or within the next 9 months if the time period since the most recent successful tracer gas test is greater than 3 years.

(8) License Renewal License Conditions

- (a) The licensee may make changes to the programs and activities described in the USAR supplement, submitted pursuant to 10 CFR 54.21(d), as revised during the license renewal application review process, provided the licensee evaluates such changes pursuant to the criteria set forth in 10 CFR 50.59 and otherwise complies with the requirements in that section.
- (b) Appendix A of "Safety Evaluation Report Related to the License Renewal of Prairie Island Nuclear Generating Plant, Units 1 and 2," dated October 16, 2009, and supplemented on April 15, 2011, and the licensee's USAR supplement submitted pursuant to 10 CFR 54.21(d) describe certain future programs and activities to be completed before the period of extended operation. The licensee shall complete these activities no later than October 29, 2014, and shall notify the NRC in writing when implementation of these activities is complete.
- (c) All capsules in the reactor vessel that are removed and tested must meet the test procedures and reporting requirements of American Society for Testing and Materials (ASTM) E 185-82 to the extent practicable for the configuration of the specimens in the capsule. Any changes to the capsule withdrawal schedule, including spare capsules, must be approved by the NRC prior to implementation. All capsules placed in storage must be maintained for future insertion. Any changes to storage requirements must be approved by the NRC.

(9) Adoption of 10 CFR 50.69, "Risk-informed categorization and treatment of structures, systems, and components for nuclear power plants"

NSPM is approved to implement 10 CFR 50.69 using the approaches for categorization of Risk Informed Safety Class (RISC)-1, RISC-2, RISC-3, and RISC-4 structures, systems, and components (SSCs) using: Probabilistic Risk Assessment (PRA) models to evaluate risk associated with internal events, including internal flooding and internal fire, with the shutdown safety assessment process to assess shutdown risk; the Arkansas Nuclear One, Unit 2 (ANO-2) passive categorization method to assess passive component risk for Class 2 and Class 3 SSCs and their associated supports; and the results of non-PRA evaluations that are based on the IPEEE Screening Assessment for External Hazards, i.e., seismic margin analysis (SMA) to evaluate seismic risk, and a screening of other external hazards (e.g., external flooding and high winds) updated using the external hazard screening significance criteria identified in ASME/ANS PRA Standard RA-Sa-2009, as endorsed in RG 1.200, Revision 2; as specified in PINGP License Amendment No. 218 dated November 12, 2019.

Prior NRC approval, under 10 CFR 50.90, is required for a change to the categorization approach specified above (e.g., change from a seismic margins approach to a seismic probabilistic risk assessment approach).

NSPM will complete the implementation items listed in Attachment 1 of NSPM's letter to the NRC dated August 5, 2019, prior to implementation of 10 CFR 50.69.

NSPM shall ensure that the fire PRA model used for the 10 CFR 50.69 SSC categorization reflects the as-built, as-operated plant using the same fire PRA model used to support NFPA 805 implementation for both PINGP units prior to implementation of 10 CFR 50.69.

- D. This renewed operating license is effective as of the date of issuance and shall expire at midnight October 29, 2034.

FOR THE NUCLEAR REGULATORY COMMISSION

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Eric J. Leeds, Director  
Office of Nuclear Reactor Regulation

Attachments:

1. Appendix A - Technical Specifications
2. Appendix B - Additional Conditions

Date of Issuance: June 27, 2011