

MINUTES OF THE FIFTY-FIRST MEETING OF THE
WASTE AND FACILITIES MANAGEMENT COMMITTEE
HELD ON JUNE 1, 2015

Pursuant to a notice and agenda dated May 22, 2015, the fifty-second (52nd) meeting of the Waste and Facilities Management Committee of the NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY (“Authority”) was convened at 10:30 a.m. on Monday, June 1, 2015, in the Authority’s Albany Office at 17 Columbia Circle, Albany, New York, and in the Authority’s New York City Office at 1359 Broadway, 19th Floor, New York, New York.

The following members of the Committee were present:

Elizabeth W. Thorndike, Committee Chair

Richard Kauffman

Sherburne B. Abbott

Also present were John B. Rhodes, President and CEO; David Margalit, Chief Operating Officer; Janet Joseph, Vice President for Technology and Strategic Planning; Jeff Pitkin, Treasurer; Noah Shaw, General Counsel; Paul Bembia, West Valley Program Director; and Patrick Totaro, Secretary to the Committee.

Dr. Thorndike called the meeting to order, noted the presence of a quorum, and stated that a notice of the meeting was mailed to Committee members and the press on May 22, 2015. A copy of the notice is attached hereto as Exhibit A.

The first item on the agenda concerned approval of the minutes of the fifty-first (51st) meeting, held on January 26, 2015. A copy of the minutes was included in the May 22, 2015 mailing. Upon motion duly made and seconded, and by unanimous voice vote, the minutes of the fifty-first meeting were approved.

Dr. Thorndike then asked Mr. Bembia to provide a status report on West Valley Site Management Program activities. Mr. Bembia reported that the U.S. Department of Energy's ("DOE's") prime contractor at the West Valley site, CH2M HILL B & W West Valley, LLC ("CHBWV"), continued preparations for moving the solidified high-level waste ("HLW") from the Main Plant Process Building to the new storage pad. This work was to have begun in June, but the motor which operated a 130-ton radiation shielded door inside the hot cell in the Main Plant Process Building failed. Work is progressing to replace the failed motor and CHBWV anticipates moving the first canisters to the storage pad in September. CHBWV is continuing other decontamination efforts at the Main Plant Process Building and Vitrification Facility before those structures are demolished.

Recent significant work at the West Valley Site includes planning and design for rerouting a surface water drainage ditch to move the water discharge point away from the embankment of one of the site's water treatment lagoons. The lagoon embankment has become unstable, and DOE plans to take that lagoon out of service by 2018. DOE is currently evaluating whether they have funding available to begin the work this year.

Mr. Bembia then reported that the Authority continues to manage the State-Licensed Disposal Area ("SDA") safely and in full compliance with all regulations. In December, the New York State Department of Environmental Conservation confirmed that the Authority is in compliance with the conditions of its radiation control permit and with state radiation protection regulations.

Mr. Bembia then turned to the leachate elevation in Disposal Trench 14. Mr. Bembia reported that a geotechnical/engineering firm was engaged to investigate the leachate increase and provide NYSERDA with recommendations for mitigation. Their report was due in June. Recent monitoring data shows that the Trench 14 leachate elevation has stabilized, and has shown little change over the last 12 months.

Mr. Bembia stated that the aerial radiation survey of the Western New York Nuclear Service Center and Cattaraugus Creek has been completed and that NYSERDA and DOE staff

have been working with the contractor in regards to the results and report. NYSERDA and DOE staff expect be able to present the results soon.

Mr. Bembia concluded his report by describing the activities NYSERDA and DOE staff have been conducting jointly in preparation for the Phase II decommissioning decision in the 2020 timeframe. The noteworthy activities are 1) the continuing work of three Phase 1 Studies Subject Matter Expert Groups that are working to address technical issues, 2) placing a contract for the development of the Probabilistic Performance Assessment, and 3) the procurement process for the development of the Supplemental Environmental Impact Statement for the Phase 2 Decisions at West Valley.

Mr. Kauffman asked Mr. Bembia to explain why the storage lagoon was a concern. Mr. Bembia explained that the lagoon in question was part of a water treatment system managed by DOE. DOE will reroute the water treatment system so as to avoid the lagoon. The ditch must be rerouted before DOE can reroute water treatment system away from the storage lagoon in question. Mr. Bembia assured Mr. Kauffman and the Committee that NYSERDA staff were monitoring the situation and working closely with DOE to ensure the necessary monitoring was taking place.

Ms. Abbott and Mr. Rhodes asked how the delay in removing the high level waste caskets because of the failed door affected the timeline of the decommissioning. Mr. Bembia responded that all studies and planning were unaffected by the failed door. Aside from removing the high level waste canisters from the main plant processing building, all other Phase I work was continuing.

In response to Mr. Kauffman's question about the timing of the aerial survey report, Mr. Shaw explained they hope to have the report done this summer but that more work still remained in preparing the report.

Dr. Thorndike then turned to the next item on the agenda, the Third Supplemental Agreement to the Cooperative Agreement between NYSERDA and the United States

Department of Energy (“Third Supplemental Agreement”). Mr. Shaw presented the Third Supplemental Agreement.

The Third Supplemental Agreement is the latest agreement to the original Cooperative Agreement that was executed in 1980 and provided the framework for the implementation of the federal West Valley Demonstration Project Act by NYSERDA and DOE. That law requires New York to reimburse the federal government 10% of the costs incurred by DOE in implementing remediation activities

The First Supplemental Agreement in 1980 outlined the preparations and procedures for the first environmental impact statement (“EIS”). The Second Supplemental Agreement provided the framework for the Phase 1 studies, contracting, and other work. That agreement split the costs of the Phase 1 studies evenly to give NYSERDA and DOE equal voice in the process.

The Third Supplemental Agreement will govern contract management and cost allocation with respect to developing a probabilistic performance assessment, a Supplemental Environmental Impact Statement and decommissioning plans and analyses for facilities at West Valley as we begin decision-making for Phase 2. The Third Supplemental Agreement will formalize the agreements reached in discussions between NYSERDA and DOE and presented to the Committee in its April 2014 meeting.

The agreed upon framework has NYSERDA and DOE agree to: 1) use a consistent analytical approach for all facilities at West Valley, including the Center and the State-licensed disposal area, 2) apply that consistent analytical approach to help make decisions for all facilities that will remain at the Center after the Phase 1 decommissioning work, including the SDA, 3) engage specialized performance assessment experts to conduct sensitivity analyses on the 2010 EIS long-term site assessment in order to identify the processes and parameters that drove the uncertainty in the outcome and then use that information to build a new long-term site analysis using a probabilistic framework, and 4) jointly prepare a Supplemental Environmental Impact Statement (Supplemental EIS) and work together to prepare decommissioning plans and analyses.

Mr. Shaw noted that the agreement took a significant amount of work and time to bring to fruition and that Mr. Bembia and Hal Brodie, the former general counsel of NYSERDA, deserve most of the credit.

Dr. Thorndike noted that getting DOE to agree to a probabilistic assessment and other Phase 2 processes was a major step. She asked for an explanation of deterministic studies and probabilistic studies and the difference between the two. Mr. Bembia explained that a deterministic analysis does not convey the uncertainty involved in an analysis of processes many thousands of years in length. The probabilistic approach will show the probability of results. Mr. Bembia stressed that evaluating uncertainty was very important.

Mr. Kauffman asked what measures were taken to ensure that DOE is unable to use NYSERDA splitting the funding of the planning for Phase 2 to justify making NYSERDA pay half of the implementation costs later on. Mr. Shaw explained that the Third Supplemental Agreement lays out the cost share of the planning and studies required for Phase 2 and the implementation work to be performed later. The 90-10 cost share for the Phase 2 implementation is expressly reiterated in this agreement.

Based on Mr. Shaw's report, upon motion duly made and seconded, and by unanimous voice vote, the Committee recommended that the Board adopt the resolution authorizing the President and Chief Executive Officer or his designee to enter into a Third Supplemental Agreement with the United States Department of Energy, in accordance with the terms and conditions presented to and discussed with and by the Members, with such non-substantive, editorial changes and supplementary schedules as the President and Chief Executive Officer, in his discretion, may deem necessary or appropriate. A copy of this Resolution is attached hereto as Exhibit B.

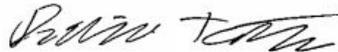
The last item on the agenda concerned other business. Dr. Thorndike asked for an update on the re-licensing of the Indian Point nuclear power plant. Mr. Shaw explained that aside from NYSERDA's policy interest in knowing the fate of Indian Point, NYSERDA does own a water outfall facility which it leases to Entergy. The relicensing process is underway and the New York

Attorney General is representing the state in the proceedings. NRC will hold a final meeting in either late November or early December. Mr. Shaw notes that it is well known the State opposes relicensing.

Finally, Dr. Thorndike noted that Hal Brodie may have retired, but that he will be available on a consulting basis to NYSERDA. Mr. Shaw agreed that having Mr. Brodie's knowledge and expertise available after his retirement was important.

There being no additional other business, upon motion duly made and seconded and upon unanimous voice vote, the meeting was adjourned.

Respectfully submitted,



Patrick Totaro
Secretary to the Committee



ANDREW M. CUOMO
Governor

NYSERDA

RICHARD L. KAUFFMAN
Chair

JOHN B. RHODES
President and CEO

NOTICE OF MEETING AND AGENDA

May 22, 2015

TO THE MEMBERS OF THE WASTE AND FACILITIES MANAGEMENT COMMITTEE:

PLEASE TAKE NOTICE that the fifty-second (52nd) meeting of the WASTE AND FACILITIES MANAGEMENT COMMITTEE of the NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY will be held in the Authority's Albany Office at 17 Columbia Circle, Albany, New York, and in the Authority's New York City Office at 1359 Broadway, 19th Floor, New York, New York, on Monday, June 1, 2015, commencing at 10:30 a.m., for the following purposes:

1. To consider the Minutes of the fifty-first (51st) meeting of the Committee held on January 26, 2015.
2. To receive a status report on West Valley Site Management Program activities.
3. To consider and act upon a resolution approving a "Third Supplemental Agreement to the Cooperative Agreement between the United States Department of Energy and the New York State Energy Research and Development Authority to Support Phase 2 Decisionmaking for the Decommissioning and/or Long-Term Stewardship at the West Valley Demonstration Project and Western New York Nuclear Service Center."
4. To transact such other business as may properly come before the Committee.

Members of the public may attend the meeting at any of the above locations. Video conferencing will be used at all locations and the Authority will be posting a video of the meeting to the web within two business days of the meeting. The video will be posted at <http://www.nyserdera.ny.gov/About/Board-Governance/Board-and-Committee-Meetings>.

Benjamin M. Levitan
Secretary to the Waste and Facilities
Management Committee

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Exhibit B

Resolution No. _____

RESOLVED, that the President and Chief Executive Officer or his designee is hereby authorized to enter into a Third Supplemental Agreement with the United States Department of Energy, in accordance with the terms and conditions presented to and discussed with and by the Members, with such non-substantive, editorial changes and supplementary schedules as the President and Chief Executive Officer, in his discretion, may deem necessary or appropriate.