



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Carlson, Barofsky, McRae, Schlossberg, and Brown
FROM: Deborah Hart, CFO and Trojan Operating Committee Member; Leslie Kidd,
Senior Accounting Analyst
DATE: October 19, 2023
SUBJECT: Resolution No. 2320: Trojan Operating Budgets
OBJECTIVE: Board Action

Issue

EWEB is required to approve a budget for its ownership share of the Trojan Nuclear Project for the upcoming budget year and a revised budget for the current year at least 45 days before the new budget year, which begins on January 1, 2024. Bonneville Power Administration (BPA) pays 100 percent of EWEB's costs for the Trojan Nuclear Project under terms of a Two-Party Net Billing Agreement, dated October 5, 1970.

Background

The Trojan Nuclear Plant (TNP) and Trojan Independent Spent Fuel Storage Installation (ISFSI) are jointly owned by Portland General Electric (PGE), EWEB and Pacific Power & Light Company. PGE is the majority owner with responsibility for the TNP and operating the ISFSI.

EWEB assigned its 30% ownership share of the TNP's output to BPA in 1981. In return, BPA agreed to pay a 30-percent share of costs to operate the Trojan facilities.

Decommissioning of the TNP began in 1993. As of 2005, all TNP radiological decommissioning was complete and the TNP's license was terminated. Operation and maintenance of the ISFSI will continue until the United States Department of Energy (US DOE) can take possession of spent fuel. According to terms of the 1982 Nuclear Waste Policy Act, the US DOE was required to construct and license a federal repository. However, the US DOE has been unable to fulfill that requirement or to provide a schedule for when they can take possession of spent fuel.

Discussion

The budgets presented for your approval include 30% of Trojan's decommissioning and O&M for the ISFSI as estimated by PGE. The budgets are a revised budget for 2023 and a proposed budget for 2024. The revised 2023 budget decreased from the preliminary 2023 budget for removal of duplicate project costs and increased for the allocation of labor and addition of overhead on labor which was not included in the preliminary budget.

BPA is reviewing the budgets prepared by PGE and will pay EWEB's 30-percent share. In addition, PGE recovers operating costs for Trojan's owners with annual claims to the US DOE for reimbursement. In turn, EWEB passes those payments through to BPA.

The US DOE is reimbursing operating costs in accordance with a settlement agreement approved by the Department of Justice in 2013. The settlement obligated the US DOE to cover costs incurred through 2015. Since then, PGE has been requesting extensions of time for the agreement and those requests have been accepted with challenges. Below, is a history of payments from the US DOE as passed through from PGE to EWEB.

Department of Energy Spent Fuel Storage Payments

Received	Years Covered	Amount
9/10/2013	1998-2009	\$ 24,400,000
8/11/2014	2010-2012	2,600,000
12/5/2014	2013	946,000
11/19/2015	2014	966,000
3/16/2017	2015	1,132,648
1/12/2018	2016	1,219,763
2/15/2019	2017	1,243,177
1/17/2020	2018	1,315,797
1/26/2021	2019	1,621,976
2/4/2022	2020	1,464,552
2/2/2023	2021	1,846,080
		<u>\$ 38,755,993</u>

Recommendation and Requested Board Action

Management recommends the Board’s approval of resolution 2320 for the Revised 2023 and Proposed 2024 Operating Budgets.

- Attachment 1 – 2023 Revised budget
- Attachment 2 – 2024 Proposed budget

**EUGENE WATER & ELECTRIC BOARD
TROJAN NUCLEAR PROJECT
2023 OPERATING BUDGET - REVISED
(In Thousands of Dollars)**

	<u>2023 Revised</u>	<u>2023 Approved</u>	<u>Increase/ (Decrease)</u>
Non-decommissioning operations	\$ 131	\$ 57	\$ 74
Decommissioning operations	3,674	6,008	(2,334)
Decommissioning - building and yard loop additions	3,134	2,325	809
TOTAL - EWEB'S SHARE OF ACTIVITY PERFORMED BY PGE	<u>6,939</u>	<u>8,390</u>	<u>(1,451)</u>
 EWEB's direct costs:			
Labor and overhead	4	5	(1)
Legal	-	10	(10)
TOTAL - EWEB'S DIRECT COSTS	<u>4</u>	<u>15</u>	<u>(11)</u>
TOTAL COSTS	<u>6,943</u>	<u>8,405</u>	<u>(1,462)</u>
 LESS:			
Prior year reserve and operating cash	(300)	(300)	-
Earnings on investments	(11)	(3)	(8)
PLUS:			
Year-end reserve and operating cash	300	300	-
TOTAL REQUIREMENT	<u>\$ 6,932</u>	<u>\$ 8,402</u>	<u>\$ (1,470)</u>
 TOTAL TO BE BILLED TO BPA	<u>\$ 6,932</u>	<u>\$ 8,402</u>	<u>\$ (1,470)</u>
 ANNUAL FINANCING			
Beginning reserve and operating cash	\$ 300	\$ 300	\$ -
Direct billings	6,932	8,402	(1,470)
Earnings on investments	11	3	8
TOTAL FUNDS AVAILABLE	<u>7,243</u>	<u>8,705</u>	<u>(1,462)</u>
TOTAL COSTS	<u>6,943</u>	<u>8,405</u>	<u>(1,462)</u>
ENDING RESERVE AND OPERATING CASH	<u>\$ 300</u>	<u>\$ 300</u>	<u>\$ -</u>

EUGENE WATER & ELECTRIC BOARD
TROJAN NUCLEAR PROJECT
2024 OPERATING BUDGET - PROPOSED
(In Thousands of Dollars)

	<u>2024 Proposed</u>	<u>2023 Revised</u>	<u>Increase/ (Decrease)</u>
Non-decommissioning operations	\$ 132	\$ 131	\$ 1
Decommissioning operations	3,904	3,674	230
Decommissioning - building and yard loop additions	-	3,134	(3,134)
TOTAL - EWEB'S SHARE OF ACTIVITY PERFORMED BY PGE	<u>4,036</u>	<u>6,939</u>	<u>(2,903)</u>
 EWEB's direct costs:			
Labor and overhead	4	4	-
Legal	-	-	-
TOTAL - EWEB'S DIRECT COSTS	<u>4</u>	<u>4</u>	<u>-</u>
TOTAL COSTS	<u>4,040</u>	<u>6,943</u>	<u>(2,903)</u>
 LESS:			
Prior year reserve and operating cash	(300)	(300)	-
Earnings on investments	(11)	(11)	-
PLUS:			
Year-end reserve and operating cash	300	300	-
TOTAL REQUIREMENT	<u>\$ 4,029</u>	<u>\$ 6,932</u>	<u>\$ (2,903)</u>
 TOTAL TO BE BILLED TO BPA	<u>\$ 4,029</u>	<u>\$ 6,932</u>	<u>\$ (2,903)</u>
 ANNUAL FINANCING			
Beginning reserve and operating cash	\$ 300	\$ 300	\$ -
Net billings	4,029	6,932	(2,903)
Earnings on investments	11	11	-
TOTAL FUNDS AVAILABLE	<u>4,340</u>	<u>7,243</u>	<u>(2,903)</u>
TOTAL COSTS	<u>4,040</u>	<u>6,943</u>	<u>(2,903)</u>
ENDING RESERVE AND OPERATING CASH	<u>\$ 300</u>	<u>\$ 300</u>	<u>\$ -</u>

**RESOLUTION NO. 2320
NOVEMBER 2023**

**EUGENE WATER & ELECTRIC BOARD
2023 REVISED AND 2024 TROJAN BUDGETS**

WHEREAS, the Eugene Water & Electric Board (EWEB) is the body designated by the Eugene City Charter and City Code to administer the Electric and Water utilities of the City of Eugene;

WHEREAS, the Trojan Nuclear Project was constructed in the early 1970s by Portland General Electric, EWEB and Pacific Power & Light Company with EWEB owning a 30-percent share;

WHEREAS, the owners agreed to shut down and decommission the facility after operating it from 1976 – 1993;

WHEREAS, EWEB and Bonneville Power Administration entered into an agreement whereby EWEB assigned its rights to power from the project to Bonneville Power Administration, in return for Bonneville Power Administration paying all EWEB costs related to project operation, maintenance and decommissioning as well as EWEB internal costs related to oversight;

WHEREAS, the owners review and approve the Trojan operating budget annually as prepared and proposed by Portland General Electric;

THEREFORE, BE IT RESOLVED by the Eugene Water & Electric Board that the Board hereby has reviewed and approves the 2023 revised and 2024 proposed Trojan budgets for EWEB's 30-percent share of the Trojan Nuclear Project.

DATED this 7th day of November 2023.

THE CITY OF EUGENE, OREGON
Acting by and through the
Eugene Water & Electric Board

President

I, ANNE M. KAH, the duly appointed, qualified, and acting Assistant Secretary of the Eugene Water & Electric Board do hereby certify that the above is a true and exact copy of the Resolution adopted by the Board at its November 7, 2023, Regular Board Meeting.

Assistant Secretary