

Federal regulators issue citation to company behind the Pilgrim nuclear facility clean-up

Money from a public trust was diverted to a Chamber of Commerce, a Thanksgiving celebration, and a July 4th parade. It may be part of a bigger pattern.

By [Sabrina Shankman](#) Globe Staff, Updated March 4, 2024, 8:37 p.m.



The Pilgrim Nuclear Power Plant as seen from the sea in Plymouth, Mass., October 13, 2015. KEITH BEDFORD/GLOBE

The federal Nuclear Regulatory Commission issued a citation against Holtec International, a manager of decommissioned nuclear power plants, for misusing funds that were intended for cleaning up the Pilgrim nuclear power plant in Plymouth.

Holtec International spent some \$84,000 on sponsorship of the local Chamber of Commerce, a community Thanksgiving celebration and local parades — funds that are supposed to be used for disposing of radioactive materials and making the property safe for other uses, according to an inspection report.

“This is money that needs to be very clearly focused on what it’s intended for, which is to make sure that the site is properly cleaned up, and that it can be used for other purposes at some point,” said Neil Sheehan, a spokesman for the Nuclear Regulatory Commission.

The Pilgrim plant operated from [1972 to 2019](#).

The notice of violation was issued late last week. The citation opens the door for increased scrutiny by the agency, which will be taking a closer look at Holtec’s decisions about using trust funds going forward.

The trust, which is intended to support the clean up of the plant as well as the on-site storage of spent fuel, had a reported \$518 million as of the end of 2022. The money came from ratepayer funds that were a surcharge on electric bills during the plant’s operation. The company has 30 days to respond to the new citation and can choose to appeal.



While the \$84,000 in question is just a small portion of the trust, the finding at Pilgrim may be part of a larger pattern of violations by the company. In addition to the citation at Pilgrim, the Nuclear Regulatory Commission also issued citations for similar misuse of funds at plants in New York and New Jersey. The commission also identified a similar misuse of funds at a Michigan plant, but opted not to issue a citation there because the misuse of funds was “of low safety significance”.

Patrick O’Brien, a spokesman for Holtec International, said the company takes any violations seriously, and has already repaid the trusts with interest. He said Holtec had made the expenditures as part of its regular community outreach and engagement activities.

Sheehan, of the NRC, said they are looking at this on a “plant by plant basis,” for now, but added that “clearly whenever there are trends, the NRC steps back and takes a look at those.”

But advocates who are frustrated with Holtec’s track record at the site say it’s emblematic of bigger concerns. “Somebody who’s willing to take shortcuts on small things can be legitimately suspected of taking shortcuts on the big things,” said Andrew Gottlieb, executive director of the Association to Preserve Cape Cod. “I think that’s what we’re seeing.”

Late last year, Holtec officials announced a [four-year delay](#) in its expected decommissioning timeline for Pilgrim — an announcement that came on the heels of another four-year delay announced earlier in 2023. That pushes the date that the site can be expected to be available for other uses back to 2035. Holtec said the delays were due to questions about the proposed release of radioactive water into Cape Cod Bay, a prospect the Healey administration opposes and one that's riled community activists concerned about contamination.

But the decision to extend the decommissioning process also raised questions about whether the funds in the trust could potentially run out — a concern that seems even more glaring, advocates said, as news circulates of Holtec's misuse of money.

“This whole process is just another fraud disguised as charity,” said Diane Turco, head of the Cape Downwinders, an activist group concerned about the environmental and health impacts of Pilgrim's decommissioning process.

And while the misuse of community funds is “outrageous,” she said, what bothers her more is a use of trust funds on something that is entirely legal: lobbying. Between 2019 and 2023, Holtec spent \$487,000 lobbying in Massachusetts, according to records from the Secretary of State. O'Brien, the Holtec spokesman, said he did not have details on whether those funds came from the trust or not, but noted that such a use is explicitly allowed by the NRC.

That may be, said Sheehan, with the NRC, but “that doesn't mean that we won't continue to look at that expenditure area and others very closely going forward.”

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