



Palisades and Big Rock Point

NRC License Transfer Application

Pre-Submittal Meeting

08 December 2020

Palisades Status

- Current staffing level: ~610 utility and security employees
- Last refueling completed October 2020
- **Permanently cease operations by May 31, 2022**
- Anticipate permanently defueling reactor within 30 days post-shutdown
- Entergy expects to select approximately 260 Decommissioning Organization employees from incumbent staff and transition prior to transaction closing
- Ongoing commitment to open and transparent communications with:
 - State of Michigan
 - Local stakeholders
 - Employees

Big Rock Point ISFSI Status

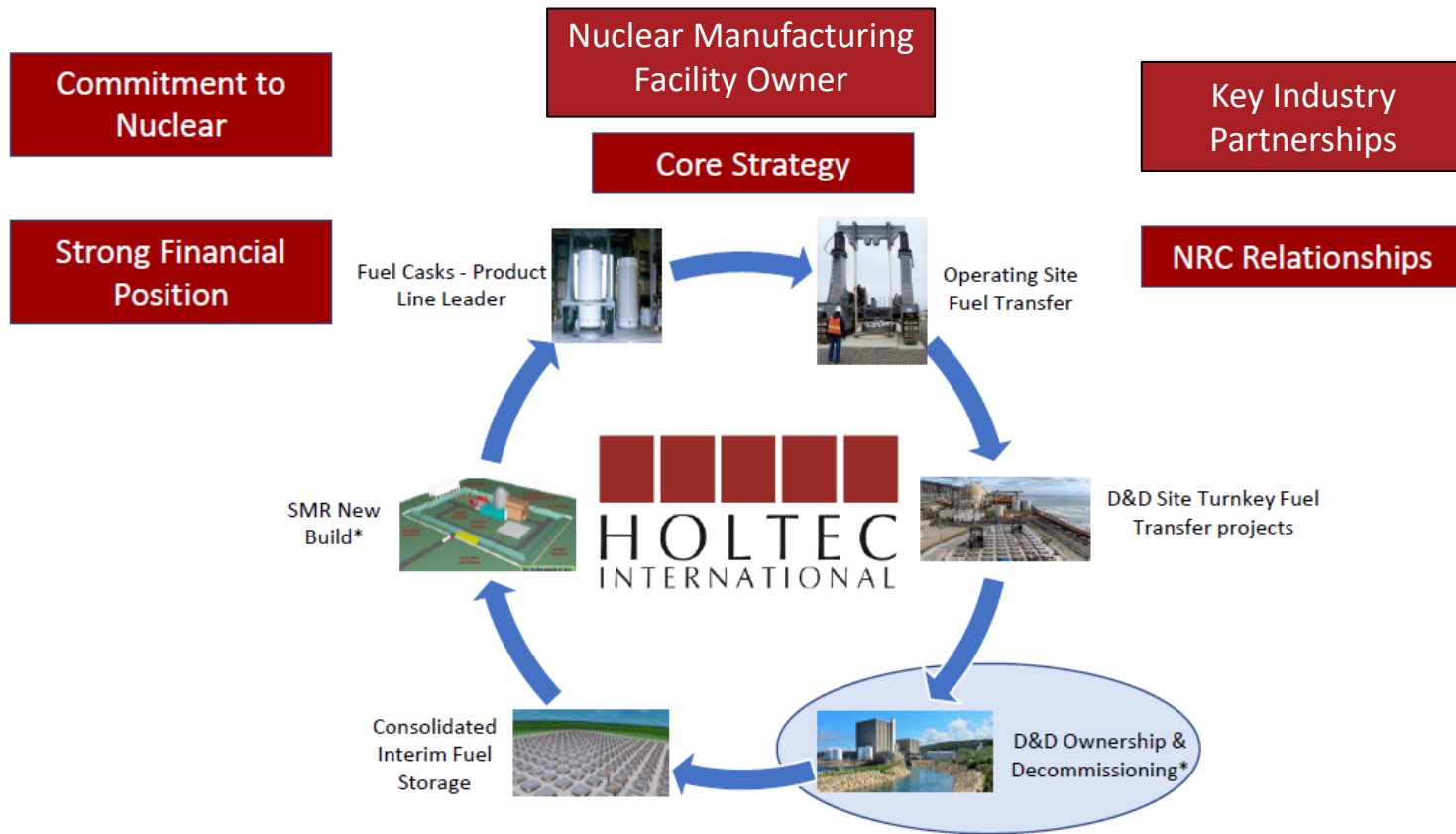
- Permanently shut down in 1997 under previous ownership
- All spent fuel was transferred to Independent Spent Fuel Storage Installation (ISFSI) in 2003 (7 spent fuel and 1 Greater than Class C)
- Licensed portion of site consists of ~30 acres on which ISFSI resides and a ~75 acre non-impacted parcel adjacent to ISFSI
- Current staffing level: ~20 staff members



Transaction Overview

- Membership Interest Purchase and Sale Agreement executed for the sale of the subsidiary that owns Palisades and Big Rock Point to Holtec subsidiary Nuclear Asset Management Company, LLC
 - Post-sale, the subsidiary will be renamed Holtec Palisades, LLC (Holtec Palisades)
 - Holtec Decommissioning International, LLC (HDI) will become licensed operator
 - HDI will contract with Comprehensive Decommissioning International, LLC (CDI) to serve as the Decommissioning General Contractor
- Holtec Palisades will own:
 - Palisades and Big Rock Point sites, including associated assets (primarily the Palisades Nuclear Decommissioning Trust (NDT)) and liabilities (primarily the decommissioning obligation)
 - Title to spent nuclear fuel and DOE Standard Contract
- Palisades on-site Decommissioning Organization employees at the time of transaction closing will be offered positions with CDI (a few will transition to HDI)
- Big Rock Point on-site employees at the time of transaction closing will be offered positions with CDI or HDI
- Transaction closing dependent upon several conditions, including NRC license transfer approval and docketing of certifications of permanent cessation of operations and permanent removal of fuel from the reactor

Holtec Nuclear Stewardship

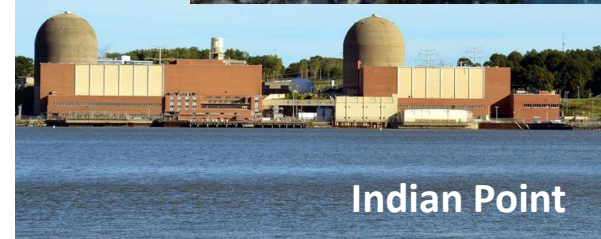


Investing in Nuclear is an integral part of Holtec's long-term strategy

Holtec Decommissioning Fleet

- Implement & advance industry decommissioning
- Focused on safety, quality & compliance
- Fleet-based approach
- Qualified and experienced personnel
- Procedures & processes
- By accelerating movement of spent fuel into dry cask storage and deploying state-of-the-art technologies, Holtec is well-equipped to decommission nuclear plants decades sooner than if utility owned

Note: Indian Point and Palisades expected to close transaction in 2021 and 2022, respectively



Holtec Financial Strength

- Operating profit in *every fiscal year in its decades of operation.*
- No long-term debt; the Company has had *no long-term debt in its entire corporate history* despite making major capital investments such as building a 52-acre Technology Campus for 310+ million dollars in Camden NJ, completed in 2017.
- Continued advancement of applied R&D, which the company expenses every year, is entirely funded from the operating budget and detracts from the EBIDTA.
- Despite the voluntary R&D activities, the balance sheet has remained strong with over half a billion dollars in assets and 9-digit annual EBIDTA.
- Large base of clients - over 100; no client accounts for more than 10% of the company's sales. Clients are mainly multi-billion dollar publicly held enterprises.

Holtec's stability is underpinned by its portfolio of old and new product lines which are aligned to provide a continuous spectrum of growth and rising profitability founded on a solid bedrock of long-term stability.

Holtec Team

- Spent fuel management and nuclear services
- Spent fuel cask/storage vendor

Provide resources and oversight to support the Safe, compliant operation of the acquired sites



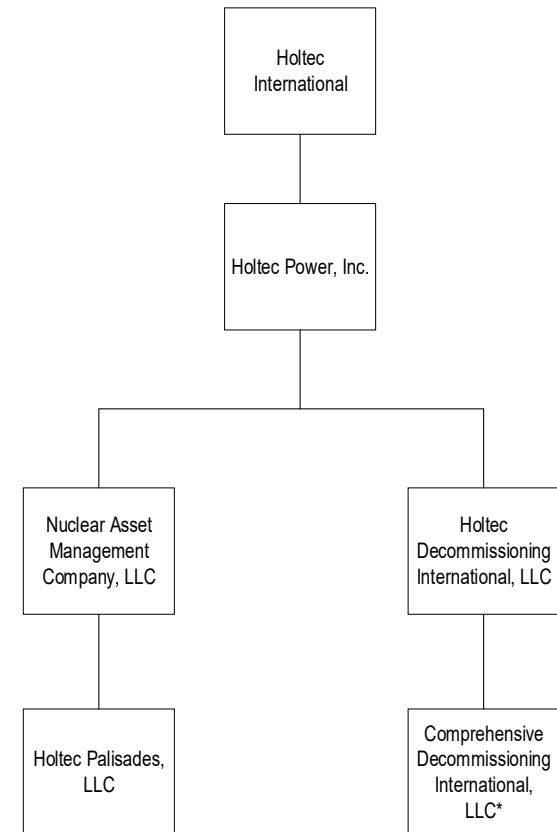
- Licensed operator for all decommissioning sites in the Holtec fleet, including Oyster Creek and Pilgrim

Wholly-owned Holtec subsidiary



- Extensive decommissioning project experience
- Decommissioning General Contractor (DGC) for the Holtec fleet

Jointly-owned by Holtec/SNC-Lavalin

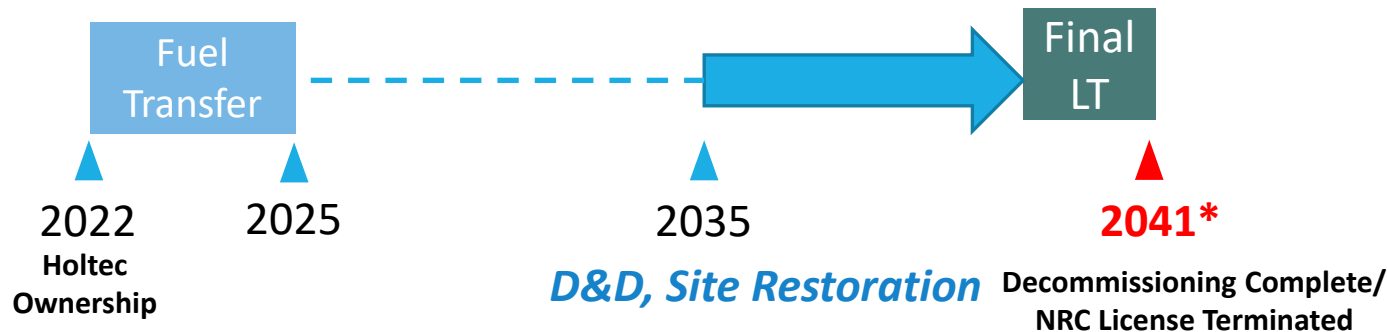


Holtec's Planned DECON vs. Potential SAFSTOR

Potential SAFSTOR Timeline



Holtec's Planned DECON Timeline



Accelerates License Termination, Enabling Site Re-Purposing from 2082 to 2041

** Assumes DOE Fuel Pick-Up Complete in 2040*

Financial Qualifications

- Palisades nuclear decommissioning trust (NDT) satisfies 10 CFR 50.75(e)(1)(i) as a prepayment method of providing decommissioning financial assurance for Palisades
 - NDT will be owned by Holtec Palisades, LLC
 - NDT balance was approximately \$552 million total as of December 2, 2020
- Projected NDT values at transaction closing will be sufficient to fund the costs of radiological decommissioning, spent fuel management, and site restoration under the Holtec plan
- Application will include financial data supporting the adequacy of the NDT funds including the following:
 - Decommissioning, spent fuel management and site restoration costs by category
 - Annualized decommissioning cost estimate with reasonable contingency assumptions
 - Cash flow analysis
- Big Rock Point spent fuel management to be funded by Holtec and ISFSI decommissioning costs to be funded by an NRC-approved financial protection mechanism

Technical Qualifications

- HDI will integrate existing Palisades knowledge and incumbent staff to support HDI site organization
 - HDI Management Model supports safe, compliant and efficient decommissioning operations
 - Existing Palisades site organization at the time of license transfer will be integrated into the site organization including:
 - Plant Operations
 - Emergency Planning
 - Security
- HDI will have full control and oversight over CDI, including the site organization
- HDI/CDI team will jointly conduct transition readiness assessments with Entergy prior to license transfer

Technical Qualifications

- HDI/CDI team possesses extensive experience in nuclear operating, decommissioning, and spent fuel management
- Ability to draw from Holtec's technical resources (R&D, engineering, manufacturing facilities) and experienced personnel to support decommissioning
 - ✓ Oyster Creek and Pilgrim experience
 - ✓ HDI managed by senior Holtec personnel
 - ✓ Draw from existing corporate nuclear programs (e.g., QA, project management)
- Holtec Decommissioning Model
 - ✓ Unified Corporate QA, security and IT
 - ✓ Fleet-based programs, processes and procedures
 - ✓ Innovations developed through Oyster Creek and Pilgrim projects
 - ✓ Staggered fleet execution plans

Other License Transfer Requirements

- **Spent Fuel Management**

- Holtec Palisades, under Holtec ownership, will own Palisades and Big Rock Point spent fuel rights and obligations pursuant to the DOE standard contract
- Holtec will be responsible for ISFSI decommissioning (Palisades and Big Rock Point)

- **No foreign ownership, control, and domination**

- Holtec Board of Directors are all U.S. Citizens
- Holtec and the licensee entities are not owned, controlled or dominated by any foreign person

- **Nuclear Insurance**

- Holtec will obtain onsite property damage insurance coverage and offsite nuclear liability coverage as required
- Proof of the coverage will be provided to the NRC prior to license transfer

Next Steps: Regulatory Plan

Activity	Target Date
License Transfer Application (joint submittal with Entergy)	December 2020
DECON PSDAR including site-specific DCE	December 2020
Exemption request to use NDT funds for SFM and Site Restoration	December 2020
Request License Transfer Application approval	December 2021