

September 28, 2023

Attn: Justin C. Poole  
Project Manager NRR/DOR/LPL I  
U.S. Nuclear Regulatory Commission  
Washington, DC 20555-0001

Palisades Nuclear Plant  
Docket No. 50-255  
Renewed Facility Operating License No. DPR-20

Subject: Pre-Submittal Meeting Presentation - Palisades Nuclear Plant License Transfer  
Application to Support Resumption of Power Operations

Holtec Decommissioning International (HDI) is submitting the presentation material for the October 3, 2023 public meeting between the NRC and Holtec on Palisades Nuclear Plant License Transfer Application to Support Resumption of Power Operations.

Enclosure 1 contains a publicly available non-proprietary presentation. Enclosure 2 contains confidential and proprietary information for the closed session of the meeting. Enclosure 2 information will be submitted separately from this letter. HDI requests that Enclosure 2 be withheld from public disclosure in accordance with 10 CFR 2.390 and an Affidavit is also included with this letter as Enclosure 3.

If you have any questions or require any additional information, please contact Michael Schultheis, Manager of Regulatory Assurance, Palisades Nuclear Plant at (269)764-2049.

Respectfully,

William Noval  
Director of Regulatory Affairs  
Holtec Decommissioning International

Enclosure(s):

1. Pre-Submittal Meeting Presentation - Palisades Nuclear Plant License Transfer Application to Support Resumption of Power Operations – Non-Proprietary Information
2. Pre-Submittal Meeting Presentation (closed session) - Palisades Nuclear Plant License Transfer Application to Support Resumption of Power Operations – ~~Proprietary Information~~
3. Affidavit Pursuant To 10 CFR 2.390

cc:

USNRC Director – Nuclear Material Safety and Safeguards (NMSS)  
USNRC Director – Division of Operating Reactor Licensing  
USNRC Deputy Director – Division of Operating Reactor Licensing  
USNRC Region III – Regional Administrator  
USNRC Project Manager, NMSS – PNP

HDI PNP 2023-026  
Enclosure 1

**ENCLOSURE 1**

**HDI PNP 2023-026**

**Pre-Submittal Meeting Presentation - Palisades Nuclear Plant  
License Transfer Application to Support Resumption of Power  
Operations – Non-Proprietary Information**



# **Pre-Submittal Meeting**

## **Palisades Nuclear Plant**

### **License Transfer Application to Support Resumption of Power Operations**



October 3, 2023

# Meeting Agenda

- Introductions
- Purpose & Outcome
- Background & Facility Status Update
- Description of Proposed Transfer
- Technical Qualifications Overview
- Financial Qualifications Overview
- Schedule
- Questions / Comments

# Introductions



- U.S Nuclear Regulatory Committee (NRC) Staff
- Holtec Decommissioning International, LLC (HDI)
  - Jean Fleming – Holtec International, Vice President of Licensing, Regulatory Affairs & PSA
  - Michael Schultheis – HDI, Manager of Regulatory Assurance for Palisades & Big Rock Point
  - Jim Miksa – HDI, Regulatory Assurance Engineer for Palisades & Big Rock Point
  - Jason Day – HDI, General Counsel
  - Troy Geauthreaux – HDI, Chief Financial Officer

# Purpose & Outcome

## ■ Purpose:

- Present overview of direct transfer of Palisades operational authority to newly-established Holtec-owned operator
- Introduce expected details of the license transfer application, implementation schedule, and coordination with other restart submittals

## ■ Outcome:

- Solicit NRC Staff questions and comments ahead of submittal
- Provide information to support NRC resource allocation

# Background

- Prior owner (Entergy) shut down and defueled Palisades May 20, 2022
- Entergy submitted 50.82(a)(1) certifications June 13, 2022
- Entergy implemented Permanently Defueled Technical Specifications June 15, 2022
- Holtec acquired Palisades June 28, 2022 pursuant to NRC approval of HDI's qualifications to carry out decommissioning under the shutdown licensing basis
- HDI is seeking NRC approval to reinstated the Power Operations License Basis ("POLB") and to resume full-power operations



# Facility Status Update

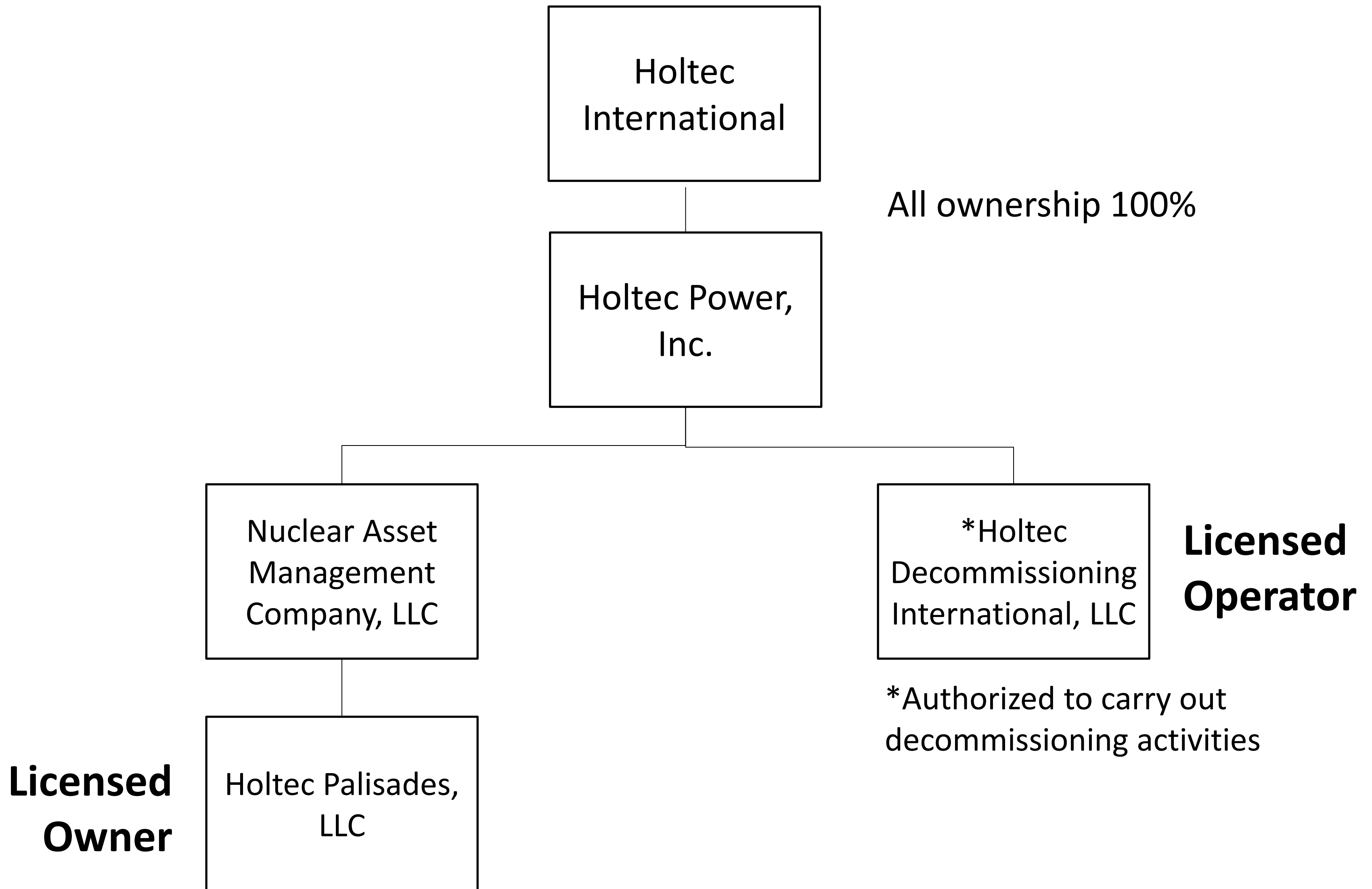
- Restart is a separate project from decommissioning and has not impacted decommissioning work to date
- HDI has completed activities to place the facility in safe layup condition
- HDI has not performed any major dismantlement or component removal to date
- Spent fuel is still located in the spent fuel pool
- HDI maintains safety and Quality Assurance (QA) records

# Proposed Transfer of Operational Authority

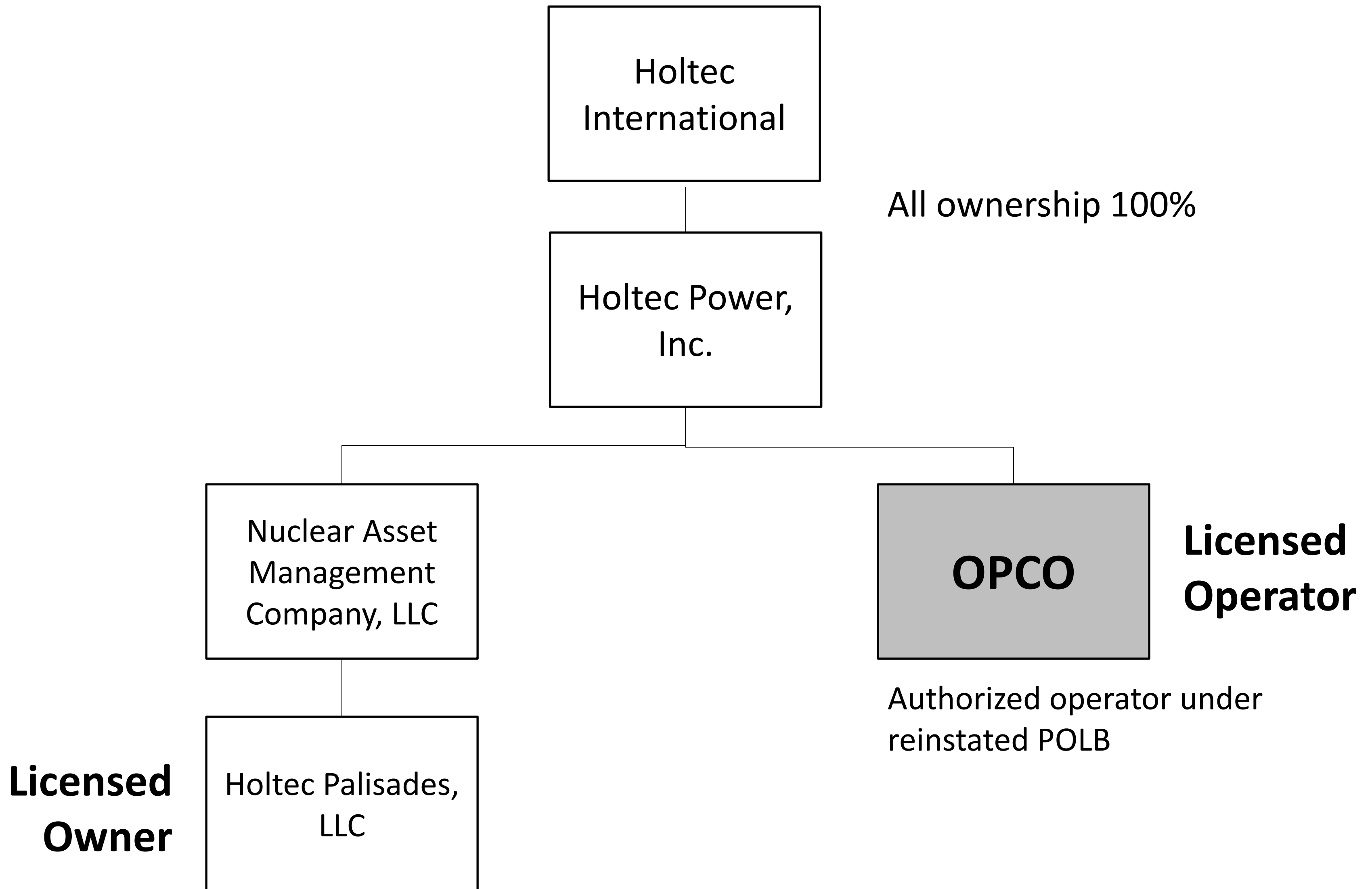


- HDI Palisades's operational authority is limited to decommissioning activities per the license transfer order
- In parallel to reinstatement of the POLB, Holtec intends to transfer operating authority from HDI to a new Holtec-owned operator, tentatively referred to as "**OPCO**"
- NRC approval of the transfer under 10 CFR 50.80 will provide an opportunity to review technical and financial qualifications for full-power operations

# Current Org Structure



# Proposed Org Structure



# What is not changing



- Holtec Palisades remains licensed owner
  - Financially responsible party
  - Holds Decommissioning Trust Fund
  - Party to power purchase agreements
  - Holds NEIL/ANI policies for Palisades (have not been stepped down yet for decommissioning)
  
- No changes expected for Big Rock Point
  
- All companies ultimately owned by Holtec International
  - No Foreign Ownership, Control, or Domination

# What is changing

- Site personnel expected to be transferred to OPCO
- Palisades staffing to return to operational levels/qualifications
- Site organization to report to senior management with extensive operational experience
- Holtec Palisades will reimburse OPCO for its costs under operator agreement
- Holtec International will provide additional support consistent with operational needs (financial and corporate/home office)

# OPCO Senior Leadership



- President: Kelly Trice
  - Decades of executive experience in nuclear industry
- CNO: Richard Burroni
  - Former Site VP of Indian Point; 40+ years in nuclear operations
- Licensing and Regulatory VP: Jean Fleming
  - Former Licensed SRO and naval officer; Holtec regulatory VP over NRC compliance for decommissioning, cask certificates, SMR design
- Site VP: Mike Mlynarek
  - Incumbent Entergy Site VP; at Palisades since 1988, former Licensed SRO and SM, Oversight Mgr, INPO Loanee - Operations

# Site Organization



- Key site directors and managers remain from operational period
- Return to full operational staffing levels ~500 FTEs
- Qualifications and training pursuant to reinstated POLB
- RO/SRO training – long lead action, already underway, not expected to need exemptions from Part 55
- Following the transfer, OPCO will implement operational programs in place prior to shutdown



# Corporate Support



- Holtec International Executive Committee will exercise typical oversight and will provide strategic direction
- Holtec International will provide shared financial, IT, and HR services for Palisades (service company support)
- Some limited staff augmentation and contractor support
- OPCO will ultimately be responsible for all licensed activities and day-to-day nuclear safety

# Technical Qualifications

- Current site organization consists of ~220 personnel, primarily incumbent operational staff
- Application will describe training and qualification program and position requirements consistent with reinstated POLB
- Full staffing, training, and requalification will take place in parallel to NRC's review of the transfer application

# Financial Qualifications



- Holtec Palisades has already entered into power purchase agreements for the full facility output
- Tax credits under Inflation Reduction Act bolster operational revenues
- Significant positive net income during 5-year look-ahead period

## Financial Qualifications (cont.)

- Upon license transfer, decommissioning funding will return to normal operational compliance paradigm (10 CFR 50.75)
- No replenishment of trust fund expected given deferral of reimbursement for most decommissioning expenses
- No impact to current Big Rock Point decommissioning or spent fuel management funding

# Tentative Schedule



Submittal

October 2023

Approval Requested

November 2024

Anticipated Transfer Date  
(reinstatement of operational tech specs)

August 2025

# Questions / Comments

- NRC Staff Questions or Comments?

# Thank You



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HDI PNP 2023-026  
Enclosure 2

**ENCLOSURE 2**

**HDI PNP 2023-026**

**Pre-Submittal Meeting Presentation - Palisades Nuclear Plant  
License Transfer Application to Support Resumption of Power  
Operations  
(CLOSED SESSION)  
~~Proprietary Information~~  
~~WITHHOLD FROM PUBLIC DISCLOSURE UNDER 10 CFR 2.390~~**



HDI PNP 2023-026  
Enclosure 3

**ENCLOSURE 3**

**HDI PNP 2023-026**

**Withhold Information Per 10 CFR 2.390 Affidavit**

**AFFIDAVIT PURSUANT TO 10 CFR 2.390**

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I, William Noval, being duly sworn, depose and state as follows:

- 1) I have reviewed the information provided in letter HDI PNP 2023-026, *Pre-Submittal Meeting Presentation - Palisades Nuclear Plant License Transfer Application to Support Resumption of Power Operations*, in which certain information is sought to be withheld, and I am authorized to apply for its withholding.
- 2) The information sought to be withheld is Enclosure 2 in its entirety. This confidential business information documents Holtec International's (Holtec) privileged information, proprietary information and has specific information related to Holtec's business. This information included in the document is proprietary to Holtec International.
- 3) In making this application for withholding of proprietary information of which it is the owner, Holtec relies upon the exemption from disclosure set forth in the Freedom of Information Act ("FOIA"), 5 USC Sec. 552(b)(4) and the Trade Secrets Act, 18 USC Sec. 1905, and NRC regulations 10 CFR Part 9.17(a)(4), 2.390(a)(4), and 2.390(b)(1) for "trade secrets and commercial or financial information obtained from a person and privileged or confidential" (Exemption 4). The material for which exemption from disclosure is here sought is all "confidential commercial information", and some portions also qualify under the narrower definition of "trade secret", within the meanings assigned to those terms for purposes of FOIA Exemption 4 in, respectively, Critical Mass Energy Project v. Nuclear Regulatory Commission, 975F2d871 (DC Cir. 1992), and Public Citizen Health Research Group v. FDA, 704F2d1280 (DC Cir. 1983).
- 4) Some examples of categories of information which fit into the definition of proprietary information are:
  - a. Information that discloses a process, method, or apparatus, including supporting data and analyses, where prevention of its use by Holtec competitors without license from Holtec constitutes a competitive economic advantage over other companies;

### **AFFIDAVIT PURSUANT TO 10 CFR 2.390**

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- b. Information which, if used by a competitor, would reduce its expenditure of resources or improve its competitive position in the design, manufacture, shipment, installation, assurance of quality, or licensing of a similar product.
- c. Information which reveals cost or price information, production, capacities, budget levels, or commercial strategies of Holtec, its affiliates, customers, or its suppliers;
- d. Information which reveals aspects of past, present, or future Holtec customer-funded development plans and programs of potential commercial value to Holtec;
- e. Information which discloses patentable subject matter for which it may be desirable to obtain patent protection.

The information sought to be withheld is considered to be proprietary for the reasons set forth in paragraphs 4.a, 4.b and 4.c. above.

- 5) The information sought to be withheld is being submitted to the NRC in confidence. The information (including that compiled from many sources) is of a sort customarily held in confidence by Holtec, and is in fact so held. The information sought to be withheld has, to the best of my knowledge and belief, consistently been held in confidence by Holtec. No public disclosure has been made, and it is not available in public sources. All disclosures to third parties, including any required transmittals to the NRC, have been made, or must be made, pursuant to regulatory provisions or proprietary agreements which provide for maintenance of the information in confidence. Its initial designation as proprietary information, and the subsequent steps taken to prevent its unauthorized disclosure, are as set forth in paragraphs (6) and (7) following.
- 6) Initial approval of proprietary treatment of a document is made by the manager of the originating component, the person most likely to be acquainted with the value and sensitivity of the information in relation to industry knowledge. Access to such documents within Holtec is limited on a "need to know" basis.

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- 7) The procedure for approval of external release of such a document typically requires review by the staff manager, project manager, principal scientist or other equivalent authority, by the manager of the cognizant marketing function (or his designee), and by the Legal Operation, for technical content, competitive effect, and determination of the accuracy of the proprietary designation. Disclosures outside Holtec are limited to regulatory bodies, customers, and potential customers, and their agents, suppliers, and licensees, and others with a legitimate need for the information, and then only in accordance with appropriate regulatory provisions or proprietary agreements.
- 8) The information classified as proprietary was developed and compiled by Holtec at a significant cost to Holtec. This information is classified as proprietary because it contains detailed descriptions of analytical approaches and methodologies not available elsewhere. This information would provide other parties, including competitors, with information from Holtec's technical database and the results of evaluations performed by Holtec. A substantial effort has been expended by Holtec to develop this information. Release of this information would improve a competitor's position because it would enable Holtec's competitor to copy our technology and offer it for sale in competition with our company, causing us financial injury.
- 9) Public disclosure of the information sought to be withheld is likely to cause substantial harm to Holtec's competitive position and foreclose or reduce the availability of profit-making opportunities. The information and its commercial value extends beyond the original development cost. The value of the technology base goes beyond the extensive physical database and analytical methodology, and includes development of the expertise to determine and apply the appropriate evaluation process.

The research and development comprise a substantial investment of time and money by Holtec.

**AFFIDAVIT PURSUANT TO 10 CFR 2.390**

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The precise value of the expertise to devise an evaluation process and apply the correct analytical methodology is difficult to quantify, but it clearly is substantial.

Holtec's competitive advantage will be lost if its competitors are able to use the results of the Holtec experience to normalize or verify their own process or if they are able to claim an equivalent understanding by demonstrating that they can arrive at the same or similar conclusions.

The value of this information to Holtec would be lost if the information were disclosed to the public. Making such information available to competitors without their having been required to undertake similar expenditure of resources would unfairly provide competitors with a windfall, and deprive Holtec of the opportunity to exercise its competitive advantage to seek an adequate return on its large investment in developing these very valuable tools.

