



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

January 14, 2021

LICENSEE: Entergy Nuclear Operations, Inc.

FACILITY: Palisades Nuclear Plant

SUBJECT: SUMMARY OF DECEMBER 8, 2020, PUBLIC TELECONFERENCE WITH ENTERGY NUCLEAR OPERATIONS INC. REGARDING PRE-SUBMITTAL OF A LICENSE TRANSFER APPLICATION TO HOLTEC INTERNATIONAL FOR PALISADES NUCLEAR PLANT (EPID L-2020-LRM-0111)

On December 8, 2020, a Category 1 public teleconference was held between the U.S. Nuclear Regulatory Commission (NRC) staff and representatives of Entergy Nuclear Operations, Inc. (Entergy, the licensee) and Holtec International (Holtec) via a teleconference. The purpose of the meeting was for Entergy and Holtec to discuss with the NRC staff the planned license transfer application associated with the sale of Palisades Nuclear Plant (Palisades) to Holtec. The meeting notice and agenda dated November 24, 2020, are available in the Agencywide Documents Access and Management System (ADAMS) at Accession No. ML20342A088. Entergy's slide presentation associated with the meeting is available at ADAMS Accession No. ML20342A002. A list of attendees is enclosed.

Entergy provided an update on the current status of Palisades and the schedule for permanent shutdown, stating that approximately 610 nuclear professionals are currently employed at the site. Entergy plans to permanently cease power operations at Palisades by May 31, 2022. The licensee also anticipates to permanently defuel the reactor within 30 days following the unit's shutdown. Entergy expects to select approximately 260 of its current employees to remain at the site with the decommissioning organization prior to the closing of the license transaction.

Entergy discussed the Big Rock Point independent spent fuel storage installation (ISFSI), which contains seven spent fuel casks and one cask with reactor related Class C material. Entergy mentioned that the current staffing level of the Big Rock Point ISFSI is approximately 20 staff members.

Entergy stated that it expects to submit its license transfer application (jointly with Holtec) and that Holtec plans to submit a post-shutdown decommissioning activities report (PSDAR) with decommissioning cost estimate and related submittals by December 31, 2020. Entergy expressed its commitment to maintaining open and transparent communications of the license transfer process with the NRC, the State of Michigan, local stakeholders, and its employees.

Transaction Overview

In its presentation, Entergy described the high-level structure of the planned license transfer as follows:

Through the terms of a membership interest purchase and sale agreement, the transaction will involve the transfer of ownership of Palisades and Big Rock Point to a wholly owned subsidiary of Holtec, Nuclear Asset Management Company, LLC. Should the sale be approved, the

subsidiary named as a new entity, Holtec Palisades, will hold the owner licenses for Palisades and Big Rock Point. The licensed operator will be Holtec Decommissioning International, LLC (HDI) for Palisades and Big Rock Point. HDI, an indirect wholly owned subsidiary of Holtec, will contract with Comprehensive Decommissioning International, LLC (CDI), and CDI will serve as the decommissioning general contractor.

After the successful license transfer, Holtec Palisades will own the Palisades site, including the associated assets (primarily the Palisades Nuclear Decommissioning Trust (NDT)) and the liabilities (primarily the decommissioning obligation). Holtec Palisades will also own the title to spent nuclear fuel and the Department of Energy standard contract (same contract for Palisades and Big Rock Point). The transaction closing will be dependent upon NRC approval of the license transfer application. Additionally, the transfer will not occur until after Entergy docketed its certification of permanent cessation of operations and permanent removal of fuel from the Palisades reactor vessel. Because the transfers will not occur until after the docketing of Entergy's certifications of permanent cessation of operations and permanent removal of fuel from the Palisades reactor vessel, and because there is only an ISFSI at Big Rock Point (and no longer a reactor), the Part 50 licenses will no longer authorize operation of the reactors or emplacement or retention of fuel in the reactor vessels.

Holtec Decommissioning Fleet

Holtec provided the following overview of its company's strategy, experience in nuclear, and organizational structure:

- Holtec expressed its commitment to the nuclear industry and stated it has been in the nuclear business since 1986. Holtec indicated that it is a highly competent company, relying on constant innovation and advancement of technology. It has a large base of clients -- over 100 worldwide that use its nuclear fuel storage technology and products. Holtec indicated that investing in nuclear is an integral part of its long-term strategy. Holtec is committed to site cleanup, as well as the next generation of nuclear (i.e., development of the small modular reactor).
- Holtec explained its fleet-based approach of decommissioning, which will optimize procedures and processes, allow for cross-site reviews and lessons learned, efficiencies, and drive technological innovation. Holtec also indicated that it has qualified and experienced personnel.
- Holtec stated that its core business is in the handling of nuclear fuel. Holtec discussed the overall structure of Holtec and subsidiaries, including the joint venture by Holtec and SNC-Lavalin, known as CDI. CDI is a decommissioning general contractor for the fleet. Holtec stated that its organizational structure will be identical to how it is structured for the Oyster Creek Nuclear Generating Station (Oyster Creek), Pilgrim Nuclear Power Station (Pilgrim) and Indian Point Generating (Indian Point) decommissioning.
- Holtec discussed its financial strength. It stated that it earned an operating profit in every fiscal year in decades of operation. It has no long-term debt and its portfolio includes both old and new product lines, and it continues to apply R&D to fuel growth and innovation as well as make capital investments. Holtec also stated that the decommissioning activities of Oyster Creek and Pilgrim are on or under budget.
- Holtec described its planned accelerated decontamination and dismantlement timeline against the Entergy SAFSTOR timeline. Holtec stated that its plan to accelerate the

decommissioning schedule using the decontamination and dismantlement decommissioning strategy provides the potential for site redevelopment and repurposing, and license termination, which would be projected for 2041 (instead of year 2082 for a SAFSTOR decommissioning schedule). Holtec plans to begin the decommissioning process promptly upon taking ownership in 2022, and, as part of its plan, expects to complete the transfer of all spent nuclear fuel into the dry casks within approximately 3 years following planned shutdown in 2022. Holtec also indicated that according to the planned timeline, they will let the nuclear decommissioning fund grow and then start the decommissioning activities in 2035, and this is different from what has been done at other sites.

Holtec provided an overview of the NRC requirements the license transfer application will satisfy:

- In terms of financial qualification, Holtec indicated that it will demonstrate that the amount in the decommissioning trust fund is sufficient to meet its decommissioning plan. Cash flows will be presented for review in the application in a similar way that was presented in the previous three applications (i.e., for Oyster Creek, Pilgrim, and Indian Point).
- The projected NDT values at transaction closing will be sufficient to fund the cost of radiological decommissioning, spent fuel management, and site restoration under the Holtec plan.
- Big Rock Point spent fuel management is expected to be funded by Holtec with an NRC-approved financial protection mechanism.
- Holtec will integrate existing Palisades knowledge and incumbent staff to support HDI site organization. Further, Holtec stated that HDI/CDI team has extensive experience in nuclear operating, decommissioning, and spent fuel management.
- In terms of technical qualifications, Holtec stated that it is technically qualified to ensure compliance with NRC regulations. Holtec indicated that it has a strong team and believes it will be stronger because of the experience and knowledge shared from both the Oyster Creek and Pilgrim experiences.
- Holtec stated that there is no foreign ownership, control, or domination, and all members of its Board of Directors are U.S. citizens.

Entergy stated that it intends to submit its license transfer application, and that Holtec plans to submit a PSDAR and decommissioning cost estimate in December 2020 with a requested NRC approval of the license transfer application by December 2021.

The NRC staff asked a clarifying question on Holtec's statement regarding its mechanism to fund Big Rock Point decommissioning, and if Holtec expects to make a decision before it submits the license transfer application. Holtec replied that it will try to get the decision finalized before it submits the license transfer application, and if that is not possible, then it will include an explanation in its application with documentation.

Public Comments

During the public question and answer session of the meeting, the NRC staff received questions and comments from the members of the public. A summary of the public comments is provided below.

- Greg Gothard (Michigan, Environment, Great Lakes, and Energy) queried whether Holtec was planning to transport the spent fuel from Big Rock Point and Palisades, or

will it be relying on U.S. Department of Energy (DOE) to do so, during decommissioning. Holtec answered that currently its plan is for DOE to move the spent fuel, and also added that Holtec is working on the licensing of an interim storage repository in New Mexico, and ultimately would like the fuel to be moved there.

- Mark Muhich (Sierra Club), requested clarification on why the Pilgrim and Palisades decommissioning trust funds are different, and asked if Holtec would agree to establish a bond for the differential amount. The NRC staff acknowledged the question and responded that it would consider his comments when the staff receives the license transfer application and reviews the financial qualifications.
- Jan Boudart (Nuclear Energy Information Service) requested clarification on how Holtec had no foreign obligations, when it is in partnership with SNC-Lavalin, and she understands that SNC-Lavalin was a foreign corporation. Holtec answered that CDI, the decommissioning contractor, is jointly owned by Holtec and SNC-Lavalin, however SNC-Lavalin has no ownership of Holtec.
- Diane D'Arrigo (Nuclear Information and Resource Service) requested to understand the requirements for moving fuel from one Holtec site to another site, if that was possible, and what public participation would be allowed. Holtec responded that DOE is responsible for the transport at this point. If DOE is not able to transport the spent fuel, then the public and community will be engaged appropriately to figure out the transportation. Holtec clarified that a separate licensing action will be needed to store spent fuel at another site.

On another question, raised by Diane D'Arrigo, related to the planning for the decommissioning, Holtec responded that it will be submitting the plan and cost estimates with the license transfer application. This information exchange also included Holtec's clarification on the appropriate handling of radioactive waste per regulations during the decommissioning process.

- Kraig Schulz (Michigan Safe Energy Future) requested clarification on why Holtec plans to pause and let the decommissioning trust fund grow from 2022 to 2025, and what mechanism is expected to provide the growth. Holtec responded that it will assume 2% growth on the money, in accordance with NRC regulations, and added that if it does not use a lot of contingency funding, it expects to be in better shape on the funds. Holtec stated that it intends to demonstrate responsibility by starting the decommissioning activities, knowing it will have the ability to finish them.
- Kevin Kamps (Beyond Nuclear) stated a number of concerns on a variety of topics which included the legal aspects of fuel transportation, decommissioning trust fund growth, clean-up activities by Holtec, radioactive waste management, the Indian Point license transfer, and Holtec's ethical and physical performance as a decommissioning entity. The NRC staff requested him to submit his questions and comments on an email to the NRC project manager, so that NRC staff could get the details accurately, and respond appropriately.
- Connie Kline (Ohio Sierra Club) commented that her questions on the Holtec status and financial qualifications were answered during the discussion.
- Michael Keegan (Don't Waste Michigan) stated that he was concerned about the cost of clean-up following a potential radiological accident involving spent fuel, during

decommissioning, and called for proper protections to be in place in the event the Holtec's financial model is not successful. He requested information about the opportunity for public hearings on this action and how he could participate. He also expressed concerns over the proposed exemption request related to the decommissioning trust fund. The NRC staff acknowledged his questions and responded that the NRC currently is not processing an exemption request for Palisades, and expects to review and evaluate the request, if the licensee submits it. The NRC staff also stated that there will be an opportunity for the members of the public to request a hearing on the future license transfer application.

At this meeting, the NRC staff made no regulatory decisions regarding the merits of the proposed license transfer presented by Entergy and Holtec. The meeting was recorded but not transcribed.

The meeting was adjourned at 3:41 p.m. No Public Meeting Feedback forms were received.

Please direct any inquiries to Booma Venkataraman at (301) 415-2934 or Booma.Venkataraman@nrc.gov.

/RA/

Docket No. 50-331

Enclosure:
List of Attendees

cc: Listserv

LIST OF ATTENDEES
DECEMBER 8, 2020, PUBLIC TELECONFERENCE TO DISCUSS
PRE-SUBMITTAL OF A LICENSE TRANSFER APPLICATION TO HOLTEC INTERNATIONAL
ENTERGY NUCLEAR OPERATIONS INC.
PALISADES NUCLEAR PLANT
DOCKET NO. 50-255

Name	Organization
U. S. Nuclear Regulatory Commission (NRC) Participants	
Nancy Salgado	NRC
Bruce Watson	NRC
Booma Venkataraman	NRC
Shawn Harwell	NRC
Brian Green	NRC
Justin Vasquez	NRC
Scot Burnell	NRC
Paul Laflamme	NRC
Mary Woods	NRC
Anita Ghosh	NRC
Harral Logaras	NRC
Zahira Cruz	NRC
Prema Chandrathil	NRC
Victoria Mitlyng	NRC
Carolyn Wolf	NRC
Nancy Martinez	NRC
Tison Campbell	NRC
Jennifer Scro	NRC
Licensee Participants	
Mandy Halter	Entergy
Steven Scheurich	Entergy
Ron Gaston	Entergy
Otto Gustafson	Entergy
Phil Couture	Entergy
Jeff Hardy	Entergy
Susan Raimo	Entergy
Dave Lewis	Entergy
Jim Miksa	Entergy
Jerry Napi	Entergy
Pam Cowan	Holtec
Katherine Perkins	Holtec
Andrea Steris	Holtec
Alan Lovett	Holtec
Members of Public	
David Asselin	Michigan, Environment, Great Lakes, and Energy (EGLE)
Greg Gothard	EGLE

Robert Kirk	Van Buren County Emergency Management Division
Kyle Doone	Pokagon Band of Potawatomi
John Flesher	The Associated Press
Brad Devereaux	Kalamazoo Gazette
Kraig Schulz	MI Safe Energy Future
Jan Boudart	Nuclear Energy Information Service
Kraig Schulz	MI Safe Energy Future
Kevin Kamps	Beyond Nuclear/ Don't Waste Michigan
Micheal Keegan	Don't Waste Michigan
Mark Muhich	Sierra Club
Carolyn Ferry	Palisades Park Homeowners
Carolyn Greene	UXC
Christina Volls	Member of the Public
Brooke Oosterman	Southwest MI First
Brian Roach	Member of the Public
Connie Kline	Ohio Sierra Club
Diane D'Arrigo	Nuclear Information and Resource Service
Dillion Reeb	Palisades Park Community
James Middaugh	Community Affairs Palisades
Jesse Deerinwater	Citizens Resistance at Fermi Two (CRAFT)
Jody Flein	Palisades Park Community
John Pfabe	Westinghouse
Kate Hosier	City of South Haven
Robert Albern	Hudson Slope Clear Water
Yemi Akinwale	City of Hartford Michigan

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PALISADES NUCLEAR PLANT (EPID L-2020-LRM-0111) DATED
JANUARY 14, 2021

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ADAMS Accession No.: ML21012A038

*by e-mail

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