



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

May 9, 2022

Mr. A. Christopher Bakken, III
President, CEO
Entergy Nuclear Operations, Inc.
1340 Echelon Parkway
Jackson, MS 39213

SUBJECT: PALISADES NUCLEAR PLANT AND BIG ROCK POINT PLANT – NEW
INFORMATION REGARDING ORDER APPROVING TRANSFER OF
LICENSES (EPIDS L-2022-LLM-0002 AND L-2020-LLM-0003)

Dear Mr. Bakken:

By order dated December 13, 2021 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML21292A146), the U.S. Nuclear Regulatory Commission (NRC, the Commission) staff approved (1) the transfer of Renewed Facility Operating License No. DPR-20 for the Palisades Nuclear Plant (Palisades), the general license for the Palisades independent spent fuel storage installation (ISFSI), Facility Operating License No. DPR-6 for the Big Rock Point Plant (Big Rock Point), and the general license for the Big Rock Point ISFSI (referred to collectively as the Sites and the licenses) to a Holtec International (Holtec) subsidiary to be known as Holtec Palisades, LLC (Holtec Palisades) and (2) the transfer of Entergy Nuclear Operations, Inc.'s (ENOI's) operating authority (i.e., its authority to conduct licensed activities at the Sites) to Holtec Decommissioning International, LLC (HDI). This order was supported by an NRC staff safety evaluation (SE) dated December 13, 2021 (ADAMS Accession No. ML21292A148).

Generally, to approve a license transfer application (LTA), the NRC must find that the proposed transferee is qualified to be the holder of the licenses and that transfer of the licenses is otherwise consistent with applicable provisions of law, regulations, and orders issued by the NRC pursuant thereto. Therefore, among other things, the NRC staff evaluates the technical and financial qualifications of the proposed transferee to engage in the proposed activities in accordance with the NRC's regulations. The purpose of the technical qualifications evaluation is to ensure that the proposed transferee's corporate management is involved with, informed of, and dedicated to the safe operation, maintenance, and decommissioning of the facility, and that adequate technical and financial resources will be provided to support these activities. The purpose of the financial qualifications evaluation is to ensure that, for facilities in decommissioning, funds will be available to the proposed transferee to cover estimated costs for radiological decommissioning and spent fuel management activities.

In its LTA dated December 23, 2020 (ADAMS Accession No. ML20358A075), as supplemented by information provided in letters from HDI dated December 23, 2020, December 23, 2020, and October 29, 2021 (ADAMS Accession Nos. ML20358A232, ML20358A239, and ML21302A064, respectively), ENOI, on behalf of itself, Entergy Nuclear Palisades, LLC, Holtec, and HDI (collectively, the Applicants), stated that after the proposed transfer, Comprehensive Decommissioning International, LLC (CDI), a subsidiary of HDI, would become the decommissioning general manager for the Sites with HDI maintaining direct oversight and control over CDI and retaining ultimate decision-making authority and providing direct

governance and oversight of CDI's performance. CDI would perform day-to-day activities at the Sites, including decommissioning activities, pursuant to a general contractor agreement between HDI and CDI.

After the NRC staff's December 13, 2021, approval of the Applicants' LTA, but before the closing of the approved transfer transaction planned for July 1, 2022, by letter dated January 21, 2022 (ADAMS Accession No. ML22021B670), HDI updated the information in the LTA regarding the planned HDI organization structure, allocations of responsibilities and authorities, and personnel qualifications. The updates included restructured post-transfer organizational charts of the corporate-level management and technical support organizations as well as a discussion of the effect of the changes on uninterrupted technical support for the nuclear-oriented parts of the organization. The updates are a result of HDI no longer contracting with CDI to serve as decommissioning general manager. Instead, HDI will directly employ former CDI personnel to perform the scope of work previously planned to be executed by CDI. HDI stated that "the decommissioning subject-matter expertise previously housed in CDI is migrating to HDI, including the senior management positions and corporate staff previously described in the LTA." Additionally, HDI will now select and contract directly with decommissioning subcontractors and other nuclear vendors. Based on the above, the NRC staff determined that HDI continues to be an acceptable licensed operator organization for the licenses with adequate resources to provide technical support for the maintenance and decommissioning of the Sites under both normal and off-normal conditions. Therefore, the staff finds that the January 21, 2022, letter does not impact the staff's conclusions on the LTA provided in its December 13, 2021, SE regarding the technical qualifications of the proposed transferees.

In its December 13, 2021, SE, the NRC staff also determined that the Applicants adequately addressed and evaluated all decommissioning and spent fuel management costs associated with all phases of the decommissioning of Palisades and Big Rock Point. In its January 21, 2022, letter, HDI stated that the transfer of CDI's responsibilities and personnel to HDI does not change the scope of the maintenance and decommissioning of the Sites or the resources available to perform that scope of work. Therefore, the staff finds that the January 21, 2022, letter does not impact the staff's conclusions on the LTA provided in its December 13, 2021, SE regarding the financial qualifications of the proposed transferees.

The NRC published a notice of consideration of approval of the LTA in the *Federal Register* on February 4, 2021 (86 FR 8225). The letter dated January 21, 2022, provided additional information that did not expand the scope of the LTA as originally noticed.

Based on the considerations discussed above, the NRC staff has concluded that the letter dated January 21, 2022, has not impacted the staff's determination, by order dated December 13, 2021, that the proposed transferees are qualified to be the holders of the licenses and that the transfer of the licenses, as described in the LTA, is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission pursuant thereto, subject to the conditions set forth in the order. Therefore, the order dated December 13, 2021, remains unchanged and effective as issued.

C. Bakken

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If you have any questions concerning this action, please contact me at (301) 415-2855 or by e-mail to Scott.Wall@nrc.gov.

Sincerely,

Scott P. Wall, Senior Project Manager
Plant Licensing Branch III
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket Nos. 50-155, 50-255,
72-007, and 72-043

cc: Listserv

SUBJECT: PALISADES NUCLEAR PLANT AND BIG ROCK POINT PLANT – NEW INFORMATION REGARDING ORDER APPROVING TRANSFER OF LICENSES (EPIDS L-2022-LLM-0002 AND L-2020-LLM-0003) DATED MAY 9, 2022

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