HOLTEC DECOMMISSIONING INTERNATIONAL

Krishna P. Singh Technology Campus, 1 Holtec Blvd., Camden, NJ 08104
Telephone (856) 797-0900
Fax (856) 797-0909

March 16, 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: Presentation on Regulatory Path to Reauthorize Power Operations at the Palisades Nuclear Plant

Holtec Decommissioning International, LLC (HDI) is submitting the presentation material for the March 20, 2023 public meeting between the NRC and Holtec on the Regulatory Path to Reauthorize Power Operations at the Palisades Nuclear Plant.

Enclosure 1 contains the proprietary version of the presentation and will be submitted separately with this letter. Enclosure 2 contains the non-proprietary version of the presentation. HDI requests that Enclosure 1 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 me, at 856-797-0900 x3587.

Respectfully,

William Noval Digitally signed by William Noval
Date: 2023.03.16 12:10:31 -04'00'

William Noval
Director of Regulatory Affairs
Holtec Decommissioning International

Enclosure(s):

1. Presentation for Regulatory Path to Reauthorize Power Operations at the Palisades Nuclear Plant – Proprietary Information
2. Presentation for Regulatory Path to Reauthorize Power Operations at the Palisades Nuclear Plant
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

ENCLOSURE 1

HDI PNP 2023-012

Presentation for Regulatory Path to Reauthorize Power Operations at the Palisades Nuclear Plant – Proprietary Information

ENCLOSURE 2

HDI PNP 2023-012

Presentation for Regulatory Path to Reauthorize Power Operations at the Palisades Nuclear Plant

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NRC Meeting:

Regulatory Path to Reauthorize Power Operations at the Palisades Nuclear Plant

March 20, 2023

Meeting Agenda

- Introductions
- Purpose & Outcome
- Overview Palisades Site Status
- Overview of Palisades Regulatory Timeline
- Overview of Current Regulatory Guidance
- Overview of Holtec Regulatory Plan
- Discussion of Regulatory Plan
- Open Forum
- Closed Portion Discussion ~~PROPRIETARY INFORMATION – WITHHOLD UNDER 10 CFR 2.390~~

Introductions

- Nuclear Regulatory Commission (NRC) staff
- Holtec Staff
  - Kelly Trice – Holtec Decommissioning International (HDI), President
  - Jean Fleming – Holtec International, Vice President of Licensing, Regulatory Affairs & PSA
  - William Noval – HDI, Director of Regulatory Affairs
  - Michael Schultheis – HDI, Manager of Regulatory Assurance for Palisades & Big Rock Point

Purpose & Outcome

PURPOSE: To provide an overview of the Palisades Restart Project and discuss the Holtec Regulatory Path to reauthorize power operations at the Palisades Nuclear Plant.

OUTCOME:

1. Obtain feedback from NRC staff on the reasonableness of the Holtec Regulatory Path to reauthorize power operations at the Palisades Nuclear Plant based on current guidance and regulations.
2. Obtain feedback from NRC on subsequent actions to support Holtec Regulatory Path to reauthorize power operations at the Palisades Nuclear Plant.

Overview Palisades Site Status

- The Palisades Nuclear Plant (Palisades) is a nuclear power plant located on Lake Michigan, in Van Buren County's Covert Township, Michigan, on approx. 432-acres site, 5 miles south of South Haven, Michigan, USA
- Palisades is currently in DECON based on Post-Shutdown Decommissioning Activities Report (PSDAR) submitted in December 2020 [ML20358A232]
- Infrastructure Investment and Jobs Act (IIJA) contributed to the Holtec decision to pursue the restart of Palisades
  - Adds 840 megawatts of safe and reliable carbon-free electricity to the Michigan electrical grid
  - Provide a dependable baseload generation vital to Michigan residents and businesses
  - Supports Michigan’s clean energy transition

Overview Palisades Regulatory Timeline

- January 2007 – NRC issued Palisades a renewed operating license until March 2031 [ML070100476]
- December 2021 – License Transfer to Holtec was approved by NRC [ML21292A155]
- May 2022 – Entergy Nuclear Operations Inc. (Entergy) ceased power operations at Palisades
- June 2022 – Entergy provided Certifications of Permanent Cessation of Power Operations and Permanent Removal of Fuel from the Reactor Vessel [ML22164A067]
- June 2022 – Entergy Corporation transferred ownership of Palisades to Holtec Palisades, LLC
  - Holtec Decommissioning International, LLC (HDI) became the licensee responsible for decommissioning Palisades
- February 2023 – Holtec submitted a regulatory pathway to reauthorize power operations at Palisades to the NRC in February 2023 [ML23032A399]

Overview of Current Regulatory Guidance

- Petition for Rulemaking - PRM-50-117, *Criteria To Return Retired Nuclear Power Reactors to Operations* – Denied by NRC Commissioners in May 2021
- PRM-50-117 states:

  "While current regulations do not specify a particular mechanism for reauthorizing operation of a nuclear power plant after both certifications are submitted, there is no statute or regulation prohibiting such action. Thus, the NRC may address such requests under the existing regulatory framework."
- Existing regulatory framework (LARs, Exemptions and Oversight) provides adequate flexibility to accommodate reauthorization of power operations to ensure the NRC has reasonable assurance that Palisades would:
  - conform to the power operation licensing basis
  - pose no significant safety hazards

Overview of Holtec Regulatory Plan

- Request exemption from 10 CFR 50.82(a)(2) – withdrawal (2) certifications
  - Certification of permanent cessation of operations and Certification of permanent fuel removal.
- Restore operating licensing basis through the 10 CFR 50.90, *Application for amendment of license, construction permit, or early site permit,* License Amendment Request (LAR) process to resume power operations, to include:
  - Palisades' Renewed Facility Operating License (RFOL);
  - Technical Specifications (TS); and
  - Emergency Plan
- Plant regulatory and TS programs revised and reinstated:
  - Emergency Operating Procedures
  - Inservice Inspection Program
  - Physical Security Plan
  - Quality Assurance Program

Overview of Holtec Regulatory Plan

- Systems, Structures, and Components (SSCs) tested and maintained to support TS operability and operating licensing basis
  - Return-to-service plans for SSCs where configuration control was not maintained due to shutdown
- NRC orders and industry initiatives (not applicable after shutdown) - reviewed for applicability to resumed operations
  - Docketed plans to complete actions
- Defueled Safety Analysis Report (DSAR) restored to the Updated Final Safety Analysis Report (UFSAR)
  - Safety reclassification of SSCs to support operating reactor.
  - Accomplished under 10 CFR 50.59, *Changes, tests, and experiments* process

Discussion of Regulatory Plan

Open Forum

Closed Portion Discussion

~~PROPRIETARY INFORMATION – WITHHOLD UNDER 10 CFR 2.390~~

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  ] 4.a,4.b,4.c
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  ] 4.a,4.b,4.c
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- [ ]

  4.a,4.b,4.c
- [

  ] 4.a,4.b,4.c
- Site Staffing [

  .] 4.a,4.b,4.c

Closed Portion Discussion

~~**PROPRIETARY INFORMATION – WITHHOLD UNDER 10 CFR 2.390**~~

- Preliminary Schedule

[

] 4.a,4.b,4.c

Thank You

HOLTEC INTERNATIONAL

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1 Holtec Boulevard
Camden, NJ 08104

Tel: (856) 797-0900
www.holtec.com

ENCLOSURE 3

HDI PNP 2023-012

Withhold Information Per 10 CFR 2.390 Affidavit

U.S. Nuclear Regulatory Commission
ATTN: Document Control Clerk
Non-Proprietary Attachment to HDI PNP 2023-012

AFFIDAVIT PURSUANT TO 10 CFR 2.390

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

1) I have reviewed the information provided in letter HDI PNP 2023-012, *HDI's Presentation Material for the Regulatory Path to Reauthorize Power Operations at the Palisades Nuclear Plant,* 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 portions of the cover letter and Enclosure 1 in its entirety. This information documents a regulatory strategy to reauthorize power operations for a licensee who has permanently ceased power under 10 CFR 50.82(a)(1)(i). This information included in the documents is proprietary to Holtec Decommissioning International, LLC (HDI).

3) In making this application for withholding of proprietary information of which it is the owner, HDI 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 HDI's competitors without license from HDI constitutes a competitive economic advantage over other companies;

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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 HDI, its affiliates, customers, or its suppliers;

d. Information which reveals aspects of past, present, or future HDI customer-funded development plans and programs of potential commercial value to HDI;

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 HDI, 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 HDI. 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 HDI 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 HDI 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 HDI at a significant cost to HDI. 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 HDI's technical database and the results of evaluations performed by HDI. A substantial effort has been expended by HDI 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 HDI'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 HDI.

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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.

HDI's competitive advantage will be lost if its competitors are able to use the results of the HDI 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 HDI would be lost if the information were disclosed to the public. Making such information available to competitors without there having been required to undertake similar expenditure of resources would unfairly provide competitors with a windfall, and deprive HDI of the opportunity to exercise its competitive advantage to seek an adequate return on its large investment in developing these very valuable tools.

AFFIDAVIT PURSUANT TO 10 CFR 2.390

STATE OF NEW JERSEY)
) ss:
COUNTY OF CAMDEN)

William Noval, being duly sworn, deposes and says:

That he has read the foregoing affidavit and the matters stated therein are true and correct to the best of his knowledge, information, and belief.

Executed at Camden, New Jersey, this 16th day of March 2023.

William Noval
Holtec Decommissioning International
Director of Regulatory Affairs

Subscribed and sworn before me this 16 day of March, 2023

LAUREN MADISON MURDOCH
NOTARY PUBLIC
STATE OF NEW JERSEY
MY COMMISSION EXPIRES AUGUST 13, 2027
COMMISSION: #50201915