

From: [Justin Poole \(He/Him\)](#)
To: [James Miksa](#)
Cc: [Michael Schultheis](#); [Ngola Otto](#)
Subject: Request for Additional Information RE: Quality Assurance Program to Support License Transfer Request
Date: Monday, October 21, 2024 1:04:00 PM
Attachments: RAI-10281-R1-Final.pdf

Jim,

By letter dated December 6, 2023, (Agencywide Document Access and Management System (ADAMS) Accession No. ML23340A161), Holtec Decommissioning International, LLC (HDI), on behalf of Holtec Palisades, LLC, Palisades Energy, LLC, and itself, submitted an application for an order approving the transfer of the license and conforming amendment regarding Palisades Nuclear Plant and its associated independent spent fuel storage facility to the U.S. Nuclear Regulatory Commission (NRC). By letter dated May 23, 2024, (ML24144A106), HDI supplemented the application with the Palisades Energy, LLC Quality Assurance Program Manual (QAPM), Revision 0, (hereafter referred to as Palisades QAPM).

On August 23, 2024, the NRC staff sent the licensee DRAFT RAIs to ensure that the questions are understandable, the regulatory basis is clear, there is no proprietary information contained in the RAIs, and to determine if the information was previously docketed. On Sept 12, 2024, the NRC and the licensee held a clarification call to discuss the DRAFT RAIs. During the call, the licensee requested a response date of 30 days from the date of this email. The NRC staff informed the licensee that this timeframe is acceptable. Following the call, during a review by the Office of General Council, an additional subpart to the question was add (subpart "h"). On October 10, 2024, a draft of subpart "h" was shared with the licensee. On October 21, 2024, the licensee stated that no clarification call was needed to discuss subpart "h." Other than the addition of subpart "h," no other changes were made to the DRAFT version sent on August 23, 2024. The attached is the final version of the RAIs. These RAIs will be put in ADAMS as a publicly available document.

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**REQUEST FOR ADDITIONAL INFORMATION
BY THE OFFICE OF NUCLEAR REACTOR REGULATION
PALISADES NUCLEAR PLANT
LICENSE TRANSFER AS PART OF RESTART EFFORT
HOLTEC DECOMMISSIONING INTERNATIONAL, LLC
DOCKET NO. 50-255**

Question 1

By letter dated December 6, 2023, (Agencywide Document Access and Management System (ADAMS) Accession No. ML23340A161), Holtec Decommissioning International, LLC (HDI), on behalf of Holtec Palisades, LLC, Palisades Energy, LLC, and itself, submitted an application for an order approving the transfer of the license and conforming amendment regarding Palisades Nuclear Plant and its associated independent spent fuel storage facility to the U.S. Nuclear Regulatory Commission (NRC). By letter dated May 23, 2024, (ML24144A106), HDI supplemented the application with the Palisades Energy, LLC Quality Assurance Program Manual (QAPM), Revision 0, (hereafter referred to as Palisades QAPM).

The NRC staff reviewed the information presented in the Palisades QAPM against the quality assurance (QA) requirements in Appendix B "Quality Assurance Criteria for Nuclear Power Plants and Fuel Reprocessing Plants," to Title 10 of the *Code of Federal Regulations* (10 CFR) Part 50, "Domestic Licensing of Production and Utilization Facilities," in accordance with the review guidance in NUREG-0800, "Standard Review Plan (SRP) for the Review of Safety Analysis Reports for Nuclear Power Plants: LWR Edition," Section 17.3, "Quality Assurance Program Description," Revision 0. Based on this review, the NRC staff requests additional information, as documented below, to complete its review.

Criterion I, "Organization," of Appendix B to 10 CFR Part 50 requires, in part, that "the applicant shall be responsible for the establishment and execution of the Quality Assurance Program (QAP)...The authority and duties of person and organizations performing activities affecting the safety-related functions of SSCs shall be clearly established and delineated in writing. The persons and organizations performing QA functions shall have sufficient authority and organizational freedom to identify quality problems; to initiate, recommend, or provide solutions; and to verify implementation of solutions. These persons and organizations performing quality assurance functions shall report to a management level so that the required authority and organizational freedom, including sufficient independence from cost and schedule when opposed to safety considerations, are provided."

SRP Section 17.3, Subsection II, "SRP Acceptance Criteria," Item A.2 specifies acceptance criteria to meet the requirements of Criterion I of Appendix B to 10 CFR Part 50. Item A.2 of this SRP section includes the following acceptance criteria:

- Item a. states, in part, that "The QAPD is to contain an organizational description that addresses the organizational structure, functional responsibilities, levels of authority, and interfaces. The organizational description is to include the onsite and offsite organizational elements that function under the cognizance of the QA program."
- Item b. states, in part, that, "There is to be independence between persons and organizations executing performance activities and those executing verification and self-assessment activities."

- Item c. states, that “The person filling the most senior-level management position is responsible for implementing the QA policy and program.”
- Item d. states, in part, that “A management position, in which the responsibility for carrying out the self-assessment function, including independent review-group activities, audits, and other independent assessments resides, is to be established. The person filling this position is to: (1) have sufficient authority and organizational freedom to implement assigned responsibilities, [and] (2) “report at a management level sufficiently high to ensure that cost and schedule considerations do not unduly influence decision making.”

Section A.2.a, paragraph (1) of the Palisades QAPM states, “The Holtec President is responsible for overall corporate policy and provides executive direction and guidance for the corporation as well as promulgates corporate policy through the Company’s senior management staff.” This section also states that “responsibility for developing, implementing, and verifying execution of the Quality Assurance Program is delegated to the chief nuclear officer, the highest-level nuclear executive, and authority for developing and verifying execution of the program to the executive responsible for nuclear oversight.”

Section A.2.a, paragraph (2) of the Palisades QAPM states, “The President of Nuclear Generation and Decommissioning is responsible for providing top-level direction for the safe and reliable operation and maintenance of the Palisades site. The President of Nuclear Generation and Decommissioning provides guidance with regards to company QA policy. This position is responsible for providing engineering services, nuclear safety, and operations support.”

Section A.2.a, paragraph (3) of the Palisades QAPM states, in part, that “The following executives report to the President of Nuclear Generation and Decommissioning and provide governance and oversight in regards to implementing company Quality Assurance policy.

- A Chief Nuclear Officer (CNO), the highest level nuclear executive officer, is responsible for safe and reliable nuclear operations and operations support. Additionally, this position is responsible for implementing Quality Assurance policies, goals, and objectives and the implementation of all activities associated with the safe and reliable operation of the Palisades site. The following reports to this chief nuclear officer:
 - Palisades Energy, LLC Vice President
 - Nuclear Safety Review Board (NSRB)
- The executive responsible for Licensing/Regulatory Assurance is responsible for Quality Assurance and establishes the policies, goals, and objectives of the Quality Assurance policy; provides guidance and interpretation for implementing the company Quality Assurance Policy; and is responsible for governance and implementation of the Quality Assurance program in accordance with regulatory requirements. The following Palisades Energy, LLC Quality Assurance position reports to this executive:
 - Palisades Energy, LLC Quality Assurance Manager is responsible for QA activities and is independent of production. This position provides overall direction for the implementation of the QA program and is responsible for QA governance. This position has authority and responsibility for establishing, controlling, and verifying implementation and adequacy of the QA program as described in this QAPM, including activities related to vendor quality.

This position has the authority to Stop Work and responsibility to escalate matters directly to the highest level nuclear executive officer when needed.”

Section A.2.b of the Palisades QAPM states, “The following integrated Palisades Energy, LLC management positions describe the typical site QAPM functional responsibilities, which may be delegated to others as established in this document.” This section identifies the Palisades Energy, LLC Site Vice President as the position that is responsible for overall plant nuclear safety at Palisades and is responsible for establishing the policies, goals, and objectives and the implementation of the QPAM at Palisades. This section also states a management position on site for Quality Assurance who has overall authority and responsibility for establishing, controlling, and verifying the implementation, and adequacy of the QA program as described in the QAPM reports directly to the corporate management position responsible for licensing/regulatory assurance (offsite).

The NRC staff requests the applicant to clarify how the acceptance criteria in SRP Section 17.3, Subsection II, “SRP Acceptance Criteria,” Item A.2.a, b, c, and d are addressed by the Palisades QAPM. Specifically:

- a. Given that the CNO reports to the President of Nuclear Generation and Decommissioning and the President of Nuclear Generation and Decommissioning is responsible for providing (1) top-level direction for the safe and reliable operation of the Palisades site, and (2) guidance with regards to company QA policy, clarify how the CNO is the highest level nuclear executive officer responsible for safe and reliable nuclear operations.
- b. Given that both CNO and the executive responsible for Licensing/Regulatory Assurance have the responsibility for implementing the Palisades QA policy and QA program, which of these position within the HDI or Palisades Energy, LLC organization has the highest authority and responsibility for implementing the QA policy and program?
- c. The Palisades Energy LLC Site Vice President, who reports to the CNO, is responsible for establishing the policies, goals, and objectives and the implementation of the QAPM at Palisades. However, a separate management position responsible for QA, who reports to the executive responsible for Licensing/Regulatory Assurance, is responsible for establishing and verifying the implementation and adequacy of the QA program and has the authority to stop work at Palisades. Since both the Palisades Energy LLC Site Vice President and the management position responsible for QA are responsible for implementing the QA program on site, clarify the differences between the functions performed by these two positions.
- d. Clarify whether the Palisades Energy, LLC Site Vice President has the authority to stop work given that this position is responsible for the implementation of the QAPM at Palisades.
- e. Given that the on-site management position responsible for QA has the ability to escalate matters directly to the highest level nuclear executive officer (i.e., CNO) when needed, clarify why this position report to the executive responsible for Licensing/Regulatory Assurance.

- f. Clarify what does typical site QAPM functional responsibilities mean in Section A.2.b of the Palisades QAPM.
- g. Clarify use of the term “the Company” in the QAPM. Does “the Company” refer to HDI, Palisades Energy, LLC or Holtec Palisades, LLC?
- h. Please clarify the QAPM to state which positions in the QAPM, if any, are not within the Palisades Energy, LLC, organization. Also, if there are any such positions, please explain how this remains consistent with the transfer request's proposal that Palisades Energy, LLC, be the sole license holder with licensed operational authority for Palisades Nuclear Plant.