



HDI PNP 2024-040

10 CFR 50.80
10 CFR 50.90
10 CFR 72.50

November 19, 2024

U.S. Nuclear Regulatory Commission
Attn: Document Control Desk
Washington, D.C. 20555-0001

Palisades Nuclear Plant
Docket Nos. 50-255 and 72-007
Renewed Facility Operating License No. DPR-20

Subject: Supplement to Application for Order Consenting to Transfer of Control of License and Approving Conforming License Amendments regarding Corporate, Financial, and Operator Service Agreement Information

- References:
1. Holtec Decommissioning International, LLC letter to U.S. Nuclear Regulatory Commission (HDI PNP 2023-028), "Application for Order Consenting to Transfer of Control of License and Approving Conforming License Amendments" dated December 6, 2023 (ADAMS Accession No. ML23340A161)
 2. Holtec Decommissioning International, LLC letter to U.S. Nuclear Regulatory Commission, "Supplement to Application for Order Consenting to Transfer of Control of License and Approving Conforming License Amendments, Proposed Power Operations Quality Assurance Program Manual, Revision 0," dated May 23, 2024 (ADAMS Accession No. ML24144A106)
 3. Department of Energy, "Record of Decision: Issuance of a Loan Guarantee to Holtec Palisades, LLC for General Restoration and Maintenance Activities of the Palisades Nuclear Plant," 89 Fed. Reg. 63,424 (Aug. 5, 2024)

In Reference 1, Holtec Decommissioning International, LLC ("HDI"), on behalf of itself, Holtec Palisades, LLC ("Holtec Palisades"), and Palisades Energy, LLC ("OPCO") (together, "Applicants"), submitted an application ("Application") pursuant to Section 184 of the Atomic Energy Act of 1954, as amended ("AEA"), 10 CFR 50.80, 10 CFR 50.90, and 10 CFR 72.50 requesting that the U.S. Nuclear Regulatory Commission ("NRC") consent to the transfer of operating authority under Renewed Facility Operating License ("RFOL") No. DPR-20 for the Palisades Nuclear Plant ("PNP") and the general license for the Palisades Independent Spent

Fuel Storage Installation (“ISFSI”) (referred to collectively as the “Facility”) from HDI to OPCO. Applicants also requested NRC approval for conforming administrative amendments to reflect the requested transfer. Applicants requested NRC’s consent to the transfer as part of the regulatory approvals to repower PNP. In the Application, Applicants informed the NRC that transitioning operational authority from HDI to OPCO is conditioned on HDI’s receipt of NRC approvals necessary to resume full-power operations.

In Reference 3, the U.S. Department of Energy (“DOE”) announced its decision to issue a loan guarantee under the Energy Policy Act of 2005, as amended, to Holtec Palisades to support the restart project.

Applicants are submitting updated enclosures to the Application to reflect the latest information following the DOE loan guarantee process. The revised enclosures are attached to this letter and are briefly summarized below.

Updated Senior Leadership Roles and Responsibilities

Enclosure 1, Section 5, “Technical Qualifications,” Paragraph (a), “Senior Leadership,” and Table A-1, “Responsibilities of Palisades Energy, LLC, Senior Management,” described senior manager roles and responsibilities. In connection with the DOE loan guarantee process, the Palisades Energy, LLC officers and directors were updated which necessitated a revision to their roles and responsibilities. The attached Revised Enclosure 1, Section 5, Paragraph (a), and Table A-1 provides the updated roles and responsibilities. These revisions are consistent with the revised Quality Assurance Program Manual (“QAPM”) HDI is filing on the same date as this letter in response to NRC’s requests for additional information on Reference 2. [Revised Enclosure 1 is restated in full for the reader’s convenience; however, no sections other than Section 5(a) of Enclosure 1 have been modified.]

Updated Corporate Information Required by 10 CFR 50.33(d)(3)

Enclosure 1, Attachment C to the Application identified the principal officers and directors for Holtec International, Holtec Power, Inc., Nuclear Asset Management Company, LLC, Holtec Palisades, and OPCO. In connection with the DOE loan guarantee process, certain of these entities amended their organizational documents, including to update officers and directors and to formalize the distinction between Holtec International’s board of directors and advisory board. The attached Revised Enclosure 1, Attachment C provides the updated 50.33(d)(3) information for these entities. As shown therein, all officers and directors are U.S. citizens. The corporate structure and relationship among the Holtec entities remains as stated in the Application.

Updated Pro Forma Financial Projections

Enclosure 3A to the Application included the pro forma financial statement and opening balance sheet of Holtec Palisades pursuant to 10 CFR 50.33(f)(2). The attached Revised Enclosure 3A provides updates to the pro forma information to reflect: (a) updated assumptions regarding the timing of debt service payments based on the final terms of the loan documents; (b) updated operating cost projections based on executed agreements with certain vendors; and (c) general updates to generation and revenue assumptions that were further refined during the DOE loan

guarantee process. Revised Enclosure 3A continues to demonstrate positive net income in every year of the updated pro forma income statements, including under the sensitivity scenarios that assume reduced capacity or revenue. Accordingly, Holtec Palisades remains financially qualified under 10 CFR 50.33(f)(2). The Holtec International Support Agreement described in the original Application is unchanged.

Applicants request that Revised Enclosure 3A be withheld from public disclosure pursuant to 10 CFR 2.390(a)(4), as set forth in the affidavit attached to this letter. Applicants are providing a revised, non-proprietary version of Enclosure 3 that is suitable for public disclosure.

Updated Form of Operator Services Agreement between Holtec Palisades and OPCO

As described in the Application, upon completion of the transfer, Holtec Palisades and OPCO will enter into an Operator Services Agreement, the form of which was included as Enclosure 5 to the original Application. As part of the DOE loan guarantee process, Holtec Palisades and OPCO have revised the form agreement to reflect certain reporting and compliance obligations under the loan documents. Revised Enclosure 5 and the new Enclosure 5A provide the updated terms of the Form of Operator Services Agreement. The updated terms are consistent with other third-party operator agreements that are on file with NRC. The agreement continues to require Holtec Palisades to reimburse OPCO for costs incurred to operate and maintain PNP, and, thus, OPCO remains financially qualified.

Because certain terms of the revised Form of Operator Services Agreement relate to confidential terms of the loan documents, Applicants have prepared a proprietary version of the Form of Operator Services Agreement as Enclosure 5A. Applicants request that Enclosure 5A be withheld from public disclosure pursuant to 10 CFR 2.390(a)(4), as set forth in the affidavit attached hereto. A redacted, non-proprietary version of the Form of Operator Services Agreement is provided as Enclosure 5.

In accordance with 10 CFR 50.91(b)(1), a copy of this submittal has been sent to the State of Michigan.

This letter does not contain any regulatory commitments.

For questions related to this submittal, please contact Michael Schultheis, Director of Regulatory and Site Strategies, at 269-764-2049 or m.schultheis@holtec.com.

Sincerely,



Jean A. Fleming

Vice President, Licensing, Regulatory Affairs, and Probabilistic Safety Analysis

Holtec International

Holtec Decommissioning International, LLC

AFFIRMATION OF KELLY TRICE

I, Kelly Trice, do hereby declare under penalty of perjury under the laws of the United States of America that the following is true and correct: (1) I am the President of Holtec Decommissioning International, LLC, Holtec Palisades, LLC, and Palisades Energy, LLC, (2) I am duly authorized to execute and file this certification on behalf of Holtec Decommissioning International, LLC, Holtec Palisades, LLC, and Palisades Energy, LLC and (3) the statements set forth in the attached Supplement to the Application, including the financial qualifications for Holtec Palisades, LLC, and Palisades Energy, LLC, are true and correct to the best of my information, knowledge and belief.

By: 
Kelly Trice

Date: 11/19/2024

Attachment:

Affidavit of Jason Day Supporting Holtec Decommissioning International, LLC's Application to Withhold Certain Documents from Public Disclosure

Revised Application Enclosures:

Revised Enclosure 1 Application for Order Consenting to Transfer of Control of License and Approving Conforming License Amendments NRC Renewed Facility Operating License No. DPR-20

Revised Enclosure 1, Attachment C – Corporate Information Required by 10 CFR 50.33(d)(3)

Revised Enclosure 3 – Projected Income Statement and Opening Balance Sheet of Holtec Palisades, LLC (Non-Proprietary)

Revised Enclosure 3A – Projected Income Statement and Opening Balance Sheet of Holtec Palisades, LLC (Proprietary) *[Withhold Under 10 CFR 2.390(a)(4)]*

Revised Enclosure 5 – Form of Operator Services Agreement between Holtec Palisades, LLC and Palisades Energy, LLC (Non-proprietary)

New Enclosure 5A – Form of Operator Services Agreement between Holtec Palisades, LLC and Palisades Energy, LLC (Proprietary) *[Withhold Under 10 CFR 2.390(a)(4)]*

cc (w/enclosures, except Enclosures 3A and 5A):

NRC Region III Regional Administrator
NRC Decommissioning Inspector – Palisades Nuclear Plant
NRC NMSS Project Manager – Palisades Nuclear Plant
Designated Michigan State Official

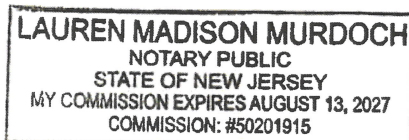
**AFFIDAVIT OF JASON DAY SUPPORTING
HOLTEC DECOMMISSIONING INTERNATIONAL, LLC'S
APPLICATION TO WITHHOLD CERTAIN DOCUMENTS FROM PUBLIC
DISCLOSURE**

I, Jason Day, General Counsel for Holtec Decommissioning International, LLC ("HDI"), declare the following under penalty of perjury:

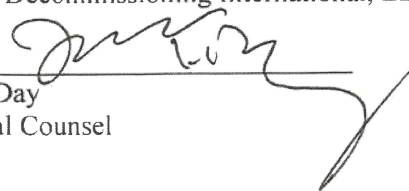
1. I am authorized to execute this declaration on behalf of HDI, for itself and Holtec Palisades, LLC, and Palisades Energy, LLC (collectively, "Holtec").
2. Holtec is providing information to the U.S. Nuclear Regulatory Commission ("NRC") in support of their Application for Order Consenting to Transfer of License. Revised Enclosure 3A of this submittal contains business proprietary and financial information, including pro forma income statements, related to anticipated revenues from sales of electricity and capacity from the Palisades Nuclear Plant, as well as plant operating and maintenance costs. Enclosure 5A contains a form agreement setting forth the terms under which Palisades Energy, LLC will operate Palisades Nuclear Plant ("PNP"), including certain terms that are commercially sensitive and reveal confidential terms of financing arrangements. These documents constitute proprietary commercial and financial information that should be held in confidence by NRC pursuant to the policy reflected in 10 CFR 2.390(a)(4) because:
 - a. They contain information that is held in confidence by Holtec and their affiliates.
 - b. This information is of a type that is customarily held in confidence by Holtec and their affiliates and the information contains sensitive financial competitive information concerning anticipated revenues and operating expenses from the operations of PNP.
 - c. This information is being transmitted to NRC in confidence.
 - d. This information is not available in public sources and could not be gathered readily from publicly available information.
 - e. Public disclosure of this information would create substantial financial harm to the competitive position of Holtec and their affiliates by disclosing internal financial and commercial information to other parties whose commercial interests may be adverse to those of Holtec.
3. Accordingly, Holtec requests that Enclosures 3A and 5A be withheld from public disclosure pursuant to 10 CFR 2.390(a)(4).

I declare that the foregoing is true and correct.

Executed on November 19, 2024.



Holtec Decommissioning International, LLC



Jason Day
General Counsel

10 CFR 2.390 Affidavit of Jason Day

REVISED ENCLOSURE 1

**Application for Order Consenting to Transfer of Control of License and Approving
Conforming License Amendments**

NRC Renewed Facility Operating License No. DPR-20

TABLE OF CONTENTS

1.	Introduction.....	1
2.	Statement of Purpose of the Transfer and Nature of the Transaction Making the Transfer Necessary or Desirable.....	2
	(a) Purpose and Description of the Transfer.....	2
	(b) Nature of the Transaction Making the Transfer Desirable	4
3.	General Corporate Information Required by 10 CFR 50.33.....	4
4.	Foreign Ownership, Control, or Domination	5
5.	Technical Qualifications.....	6
	(a) Senior Leadership.....	9
	(b) Site Organization	12
	(c) Home Office Support.....	14
	(d) Corporate Governance and Oversight.....	14
	(e) Conclusion	14
6.	Financial Qualifications.....	15
	(a) Financial Qualifications for Operations	15
	(b) Decommissioning Funding.....	16
7.	Restricted Data and Classified National Security Information	19
8.	Other Nuclear Regulatory Issues	19
	(a) Price-Anderson Indemnity and Nuclear Insurance.....	19
	(b) Standard Contract for Disposal of Spent Nuclear Fuel	19
	(c) Exclusion Area Control	20
	(d) Quality Assurance Program.....	20
	(e) No Significant Hazards Consideration	20
9.	Environmental Review	20
10.	Effective Date and Other Required Regulatory Approvals	21
11.	Conclusion	21

Attachment A – Renewed Facility Operating License No. DPR-20 (Changes)

Attachment B – Renewed Facility Operating License No. DPR-20 (Revised Pages)

Attachment C – Redacted Corporate Information Required by 10 CFR 50.33(d)(3) (Public)

Attachment D – Palisades Energy, LLC Organization Chart and Resumes of Senior Leadership

Attachment E – Regulatory Commitments

1. Introduction

Pursuant to Section 184 of the Atomic Energy Act of 1954, as amended (“AEA”), 10 CFR 50.80, 10 CFR 50.90, and 10 CFR 72.50, Holtec Palisades, LLC (“Holtec Palisades”), Holtec Decommissioning International, LLC (“HDI”), and Palisades Energy, LLC (“OPCO”) (together, “Applicants”) submit this application (“Application”) requesting that the U.S. Nuclear Regulatory Commission (“NRC”) consent to the transfer of HDI’s operating authority (*i.e.*, authority to conduct licensed activities) under Renewed Facility Operating License (“RFOL”) No. DPR-20 for the Palisades Nuclear Plant (“PNP”) and the general license for the PNP Independent Spent Fuel Storage Installation (“ISFSI”) (referred to collectively as the “Facility”) to OPCO. Applicants also request that NRC approve conforming administrative amendments to the PNP RFOL to reflect the proposed transfer of operational authority from HDI to OPCO. These administrative changes to the PNP RFOL are shown in Attachment A to this enclosure. A clean version of the proposed license amendments is included as Attachment B.

Applicants request this approval to support the recommencement of power operations at PNP. When NRC previously approved the transfer of operational authority from Entergy Nuclear Operations, Inc. (“ENOI”) to HDI, it was based on the understanding that PNP would be permanently shut down and defueled by ENOI and decommissioned by HDI. Prior to the transfer, ENOI submitted certifications of permanent shutdown and defueling under 10 CFR 50.82(a)(1),¹ at which point 10 CFR 50.82(a)(2) and the RFOL no longer authorized operations. In approving the transfer from ENOI to HDI, NRC evaluated HDI’s qualifications to perform licensed activities at a permanently defueled facility through decommissioning and license termination.

In light of the developments since HDI assumed licensee responsibilities in June 2022, including federal and state support for nuclear generation, HDI has engaged with NRC and other government bodies regarding the possibility of restarting PNP. On March 13, 2023, HDI submitted a regulatory path to reinstate power operations at PNP.² Consistent with that path, on September 28, 2023, HDI submitted an exemption request from 10 CFR 50.82(a)(2).³ In furtherance of this restart plan, HDI’s ultimate parent company, Holtec International (“Holtec”), created a new subsidiary, OPCO, to facilitate power operations at PNP. As described herein, OPCO will possess the financial and technical qualifications necessary to conduct licensed activities at a power operations plant, subject to NRC’s approval of the separate licensing actions and exemption requests to reinstate power operations at PNP. In light of the anticipated licensing and restart schedule, Applicants request that NRC approve this Application by December 31, 2024. Subject to receipt of other NRC approvals, Applicants expect the transfer of operational authority from HDI to OPCO to coincide with

¹ ENOI Letter No. PNP 2022-010, Certifications of Permanent Cessation of Power Operations and Permanent Removal of Fuel from the Reactor Vessel, June 13, 2022 (ML22164A067).

² HDI Letter No. PNP 2023-001, Regulatory Path to Reauthorize Power Operations at the Palisades Nuclear Plant, Mar. 13, 2023 (ML23072A404).

³ HDI Letter No. PNP 2023-025, Request for Exemption from Certain Termination of License Requirements of 10 CFR 50.82, Sept. 28, 2023 (ML23271A140).

reinstatement of the facility's power operations technical specifications ("POTS"), which is currently expected to occur in the third quarter of 2025.

Holtec Palisades will remain the licensed owner of the PNP and Big Rock Point facilities, and Holtec Palisades will continue to hold the nuclear decommissioning trust funds for both. HDI will remain the licensed operator of Big Rock Point. The PNP restart efforts and transfer of operational authority from HDI to OPCO at PNP will not affect Big Rock Point activities or Holtec Palisades's decommissioning and spent fuel management funding structure that is currently in place for Big Rock Point.⁴

All activities performed at PNP will be in compliance with the license and NRC regulations, subject to OPCO's direct oversight and control as the licensed operator.

Certain enclosures accompanying this Application contain personally identifiable information and confidential commercial and financial information that should be withheld from public disclosure pursuant to 10 CFR 2.390.

2. Statement of Purpose of the Transfer and Nature of the Transaction Making the Transfer Necessary or Desirable

(a) Purpose and Description of the Transfer

PNP is a 2,565 MW pressurized water reactor located in Covert, Michigan, on the shore of Lake Michigan, approximately five miles south of South Haven, Michigan. PNP began commercial operations on December 31, 1971. ENOI shut down the facility on May 20, 2022. Pursuant to 10 CFR 50.82(a)(1), ENOI submitted certifications of permanent cessation of power operations and permanent removal of fuel from the reactor vessel on June 13, 2022.⁵ On June 15, 2022, ENOI implemented the Permanently Defueled Technical Specifications. Accordingly, when ENOI transferred operational authority to HDI on June 28, 2022, the permanently defueled licensing basis no longer authorized power operations.

NRC's approval of ENOI's transfer of operational authority to HDI was based on the expectation, at the time, that PNP would permanently shut down. As stated in NRC's safety evaluation report:

⁴ The Big Rock Point nuclear plant was a boiling water reactor rated at 75 MW electric and began commercial operation in March 1963. The facility was permanently shut down on August 29, 1997, and subsequently, all spent nuclear fuel was transferred to an ISFSI. In 2007, decommissioning and dismantlement of all operational facilities occurred. In accordance with an approved license termination plan, all property, other than the approximately 30-acre on-site parcel of land where the ISFSI is located and an additional non-impacted parcel of approximately 75 acres adjacent to the ISFSI was released. The only current activities at Big Rock Point are ongoing ISFSI maintenance pending Department of Energy ("DOE") removal of fuel. Upon DOE's removal of fuel, HDI will decommission the ISFSI and submit a license termination plan in accordance with 10 CFR 50.82(a)(9).

⁵ ENOI Letter No. PNP 2022-010, Certifications of Permanent Cessation of Power Operations and Permanent Removal of Fuel from the Reactor Vessel, June 13, 2022 (ML22164A067).

Pursuant to the purchase and sale agreement, the proposed transfer transaction is subject to Palisades also having permanently ceased operations. Accordingly, HDI (the proposed licensed operator for decommissioning) would not be authorized under the Palisades license to operate or load fuel in the Palisade[s] reactor pursuant to 10 CFR 50.82(a)(2) and, therefore, would not conduct the operations contemplated by the financial qualifications provisions of 10 CFR 50.33(f). Rather, all of HDI's licensed activities would involve the possession of radioactive material in connection with maintaining the safe condition of Palisades and the Big Rock Point and Palisades ISFSIs, radiological decommissioning of Palisades and the Big Rock Point and Palisades ISFSIs, license termination, and operational responsibilities associated with spent fuel management.⁶

As the licensed operator for all of the Holtec-owned nuclear facilities that are in decommissioning, HDI was created and staffed to oversee decommissioning projects. The purpose of this transfer is to ensure that the Holtec organization authorized to oversee power operations is appropriately structured and staffed for reactor operations. As described in Section 5, OPCO will be staffed and resourced as a nuclear plant operator, with deep operational experience and the programmatic competencies necessary for plant operations. PNP's site employees and management are expected to be employed by OPCO, subject to industry-typical staff augmentation and contractor arrangements that OPCO will use to fill certain roles. This Application also provides NRC with the opportunity to review and confirm OPCO's and Holtec Palisades's financial and technical qualifications in connection with the return to full-power operations.

OPCO, like HDI, is a wholly owned subsidiary of Holtec through Holtec Power, Inc. ("Holtec Power"). Holtec Palisades will continue to be the licensed owner and hold the PNP nuclear decommissioning trust fund. As discussed in Section 6, Holtec Palisades is the party to two power purchase agreements under which all of PNP's capacity will be sold, and Holtec Palisades will reimburse OPCO for its costs under an Operator Services Agreement, a form of which may be found in Enclosure 5 following this Application. Holtec will provide supplemental financial support via a Support Agreement with Holtec Palisades, a form of which may be found in Enclosure 6 to this Application.

A simplified organization chart reflecting the current PNP licensees and their owners is provided as Figure 1 to the letter accompanying this Application. The planned organizational structure following the proposed transfer is depicted in Figure 2. The ownership and operational structure OPCO is implementing is based on ENOI's organization structure prior to shutdown, with certain fleet and corporate functions (previously performed by Entergy home office personnel) relocated to the PNP site.

⁶ Safety Evaluation Related to Request for Transfer of Control of Facility Operating License No. DPR-6, Renewed Facility Operating License No. DPR-20, and the General Licenses for the ISFSIs from Entergy Nuclear Operations, Inc. and Entergy Nuclear Palisades, LLC to Holtec International and Holtec Decommissioning International, LLC, at 9, Dec. 13, 2021 (ML21292A148).

(b) Nature of the Transaction Making the Transfer Desirable

In parallel to this Application, HDI is submitting an exemption request and license amendment requests to authorize the return to full power operations. The purpose of the transfer is to facilitate the prompt restart and return to the full-power operation of PNP, which is in furtherance of state and federal climate and electric reliability goals. As stated by the Michigan Governor’s Office, “[k]eeping Palisades open will keep energy costs low, shore up domestic energy production, and increase Michigan’s competitiveness for future economic development.”⁷ On July 31, 2023, Governor Whitmer signed the 2024 Michigan state budget, in which the Michigan Legislature appropriated \$150 million for targeted energy investment, aimed at the PNP restart project.⁸ Likewise, with the passage of federal legislation, including the Bipartisan Infrastructure Law and the Inflation Reduction Act, Congress has provided financial support for the U.S. nuclear fleet as part of federal efforts to maintain carbon-free domestic baseload generation. The transfer is desirable and of considerable benefit to the citizens of Michigan and supports federal and state climate, energy security, and electric reliability policies. As discussed in Section 5 below, the license transfer will place PNP in a well-supported organization with deep expertise in reactor operations.

This Application provides information regarding the financial qualifications of OPCO and the required financial assurance for decommissioning of the site and ISFSI. In addition, it provides information pertaining to the proposed transfer of authority to conduct licensed activities, including the information required under 10 CFR 50.80. As that information demonstrates: (1) OPCO will have the requisite managerial, technical, and financial qualifications to be the licensed operator of PNP; (2) the material terms of the RFOL will not be affected; and (3) the license transfer will not result in any impermissible foreign ownership, control, or domination.

In summary, the proposed transfer will not be inimical to the common defense and security or result in any undue risk to public health and safety, and the transfer will be consistent with the requirements of AEA and NRC regulations.

3. General Corporate Information Required by 10 CFR 50.33

OPCO is a direct, wholly owned subsidiary of Holtec Power. Holtec Power is a direct, wholly owned subsidiary of Holtec. Holtec is a Delaware corporation and the ultimate parent company of all the relevant entities who will own or operate PNP. Figures 1 and 2 illustrate the corporate ownership structure prior to and following the license transfer. Upon completion of the transaction

⁷ Whitmer Announces Plan with Holtec to Reopen Palisades Plant, Sept. 9, 2022, *available at* <https://www.michigan.gov/whitmer/news/press-releases/2022/09/09/whitmer-announces-plan-with-holtec-to-reopen-palisades-plant>.

⁸ 2023 Mich. Pub. Acts 379–380 *available at* <https://www.legislature.mi.gov/documents/2023-2024/publicact/pdf/2023-PA-0119.pdf>; Governor Whitmer Signs ‘Make it in Michigan’ Budget, July 31, 2023, *available at* <https://www.michigan.gov/whitmer/news/press-releases/2023/07/31/whitmer-signs-make-it-in-michigan-budget>.

and license transfer, site-based PNP employees will be employed by OPCO, supplemented by staff augmentation and/or contractors who report to and are subject to OPCO's direction and control.

The general corporate information required by 10 CFR 50.33(d)(3) regarding Holtec, Holtec Power, Nuclear Asset Management Company, LLC, Holtec Palisades, and OPCO, including identification of their principal officers and directors, is provided in Attachment C to this Application. Attachment C contains personally identifiable information, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy. Applicants request that this personally identifiable information be withheld from public disclosure pursuant to 10 CFR 2.390(a)(6). All such information has been redacted from the version of Attachment C attached to this Enclosure 1. An unredacted version of Attachment C is provided in the non-public Enclosure 1A addenda, which Applicants request be withheld under 10 CFR 2.390(a)(6).

Because OPCO is a newly-formed entity, the information contemplated by 10 CFR 50.33(f)(4) is included herein. OPCO is a Delaware limited liability company whose sole member is Holtec Power. As of the date of this Application, OPCO has no liabilities. Pursuant to the terms of its LLC operating agreement and the Operator Services Agreement with Holtec Palisades (Enclosure 5), OPCO will be authorized to undertake all reasonably necessary corporate actions to operate PNP for itself and as agent for Holtec Palisades, including entering into contracts, employing personnel, acquiring equipment and other property, borrowing and remitting funds, and taking other actions as reasonably necessary to carry out its business. As OPCO's sole member, Holtec Power holds 100% of the membership interests in OPCO. OPCO is governed by the management committee made up of the individuals listed in Attachment C, and its officers are ultimately accountable to the Holtec Executive Committee members listed in Attachment C. OPCO is authorized to make distributions, if any, to Holtec Power at times and in amounts determined by the OPCO management committee, subject to applicable project finance restrictions. However, OPCO is a service company that is not expected to generate revenue or make distributions to its parent companies. As described in Section 6 below, revenue from PNP's power generation will flow through Holtec Palisades. Holtec Palisades will reimburse OPCO, at cost, for OPCO's expenses incurred at PNP pursuant to the Operator Services Agreement (Enclosure 5). Holtec will enter into a Support Agreement (Enclosure 6) pursuant to which it will provide Holtec Palisades (and thus, indirectly, OPCO) with funds to support facility operations, if necessary, in accordance with the terms thereof. OPCO's and Holtec Palisades's financial qualifications are discussed in Section 6 below.

Holtec is the ultimate parent company of all the entities described in Attachment C. Holtec is a privately held corporation. It is owned by its shareholders as follows: (1) The Great Banyan Trust, 36.33% ownership interest; and (2) Multi-Decades Trust, 63.67% ownership interest. These trusts are controlled by Dr. Krishna Singh, who is a U.S. citizen.

4. Foreign Ownership, Control, or Domination

As noted immediately above, Holtec is a privately held corporation owned by domestic trust companies that are in turn controlled by a U.S. citizen. Holtec is led by its Chief Executive Officer Dr. Krishna Singh, and management of the company is vested in the Holtec executive leadership team, including the Executive Committee members listed in Attachment C. Holtec's CEO,

principal officers, and Executive Committee are all U.S. citizens. Holtec's Board of Directors serves in an advisory capacity to Holtec's executive leadership team. The Board of Directors is not comprised entirely of U.S. citizens, as indicated in the unredacted version of Attachment C included in Enclosure 1A. No Director represents the interests of a foreign company or governmental authority. Holtec's Board is comprised of individuals who advise Holtec's executive leadership based on their extensive nuclear industry experience and leadership roles in prominent nuclear utilities and nuclear governing bodies, including international utilities and governing bodies. The Board of Directors is an advisory board. It does not have the individual or collective authority to direct or control the conduct of NRC-regulated activities by Holtec or its subsidiaries, including OPCO and Holtec Palisades, nor do they have authority to appoint or remove any of the officers responsible for the conduct of NRC-regulated activities. Dr. Krishna Singh serves as the Chairman of the Board of Directors and has a deciding vote on matters before the Board. Holtec is privately held, and as such the Directors are appointed, and may be replaced, by Holtec's owners, which are trust companies organized in the State of Florida and the State of Nevada, respectively, and controlled by a U.S. citizen. Holtec has been privately owned by a U.S. citizen or corporation since its inception in 1986 without any non-U.S. control or domination.

Through its Executive Committee, Holtec will exercise corporate parent approval and oversight of Holtec Palisades and OPCO, including budgetary approvals, financial performance, hiring decisions for senior management, and approval of major capital expenditures. All of the members of the Holtec Executive Committee are U.S. citizens. All of the managers and principal officers of the intermediate Holtec subsidiaries, Holtec Power and Nuclear Asset Management Company, are U.S. citizens. All of the principal officers of Holtec Palisades and OPCO who will have direct responsibility for NRC-regulated activities are U.S. citizens. As such, OPCO and Holtec Palisades will not be owned, controlled, or dominated by any foreign person.

As the licensed entity with possession of and responsibility for direct oversight and control of the site, OPCO will act for itself and on behalf of Holtec Palisades as its agent. OPCO and Holtec Palisades are not acting as the agent or representative of any other entity in the proposed transfer.

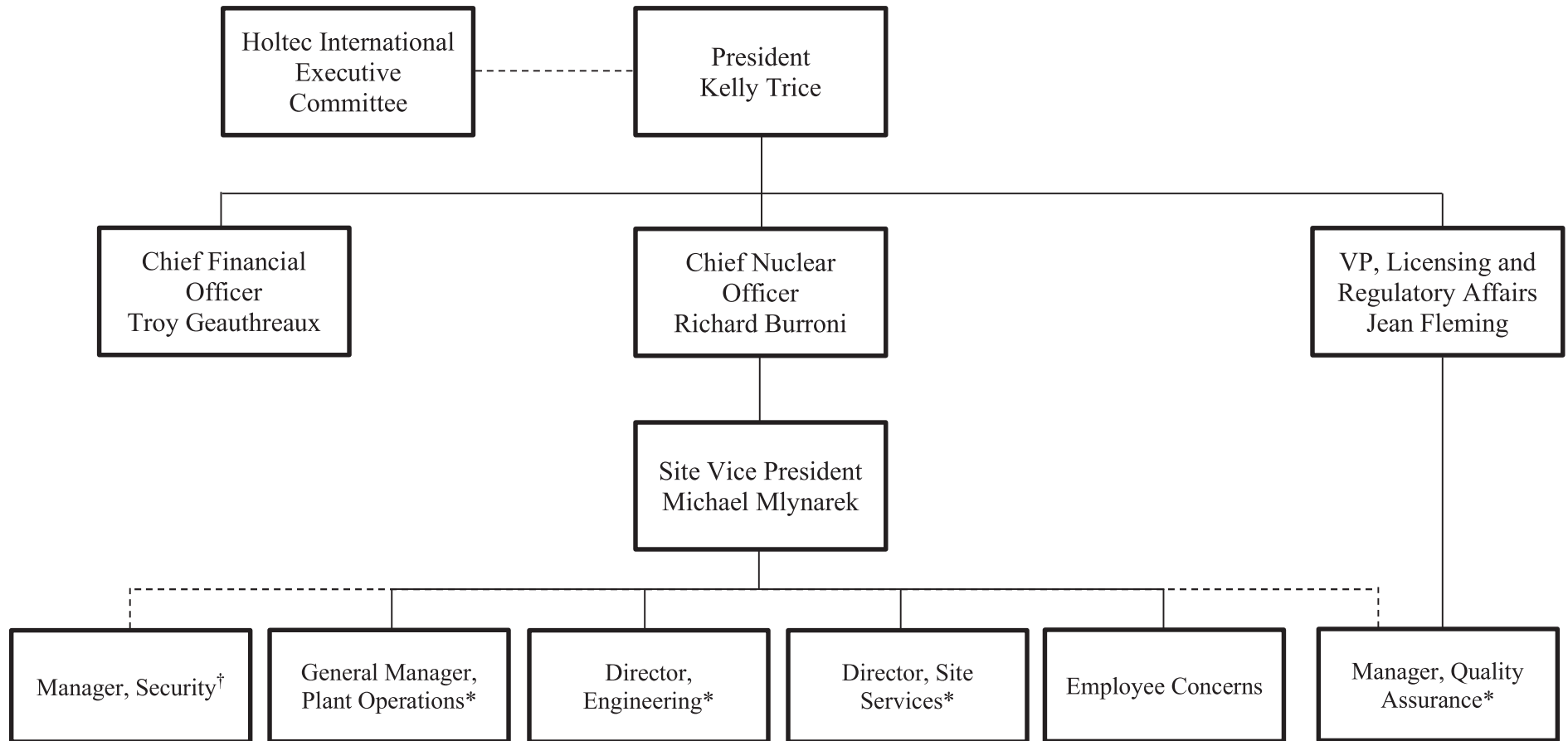
5. Technical Qualifications

OPCO will be fully staffed and resourced as a plant operator with an organizational structure based on ENOI's previous operating organization, with certain functions that were previously fulfilled by ENOI home office personnel relocated to either the plant site or Holtec's corporate headquarters. OPCO will be managed and staffed by personnel who have decades of nuclear plant operating experience at PNP and other U.S. nuclear plants. As an operator with responsibility for a single facility, OPCO's organization will consist primarily of on-site personnel at PNP, a substantial portion of which previously served in ENOI's operating organization prior to shutdown. OPCO's senior leadership will be made up of existing Holtec-affiliated officers and senior leadership, including the incumbent PNP Site Vice President who served in that role during PNP's permanently defueled operations and who will report to a Chief Nuclear Officer with over four decades of nuclear operating experience and senior management roles. While OPCO will be exclusively responsible for the conduct of licensed activities at PNP, OPCO's organization will be augmented by various Holtec corporate and administrative support, and OPCO's leadership will

draw on the decades of experience of Holtec's senior leaders who will oversee and provide business direction to OPCO.

Figure A-1 below provides an overview of the operating organization, OPCO's senior management, and the oversight and lines of reporting to Holtec. Attachment D includes organization charts showing the entire site organization of approximately 550 full-time employees and their reporting relationships up to the Site Vice President. As shown in Figure A-1, OPCO's site organization, led by the Site Vice President, will report to OPCO's senior leadership, who in turn will ultimately answer to the Holtec Executive Committee composed of the members shown in Attachment C. While OPCO leadership will be accountable to the Holtec Executive Committee, and, through the Executive Committee, Holtec will exercise the typical approval and oversight rights of a corporate parent (e.g., budgetary approval and financial oversight, hiring decisions for senior management, approval of major capital expenditures, and ensuring a strong nuclear safety culture from the top down), OPCO's officers will be solely responsible for and have control over all licensed activities at PNP. This responsibility and control includes daily operations, compliance with the Facility licensing basis, hiring, training, and supervising site employees, licensing reviews and submittals to NRC, engineering, maintenance, and outage work, and managing operating costs.

Figure A-1 – Palisades Energy, LLC Senior Management Organization Chart



* Expected to be filled by incumbent personnel who worked at PNP in significant management role during operations.

† Security Manager also reports to Holtec Security International’s Director of Fleet Security Operations.

(a) Senior Leadership

The OPCO executive leadership team will oversee safe operation of PNP and will be ultimately responsible for the conduct of licensed activities in accordance with the plant power operations licensing basis (“POLB”). The executive leadership team consists of the President, Chief Nuclear Officer, Chief Financial Officer, Vice President of Licensing, Regulatory Affairs, and Probabilistic Safety Analysis, and Site Vice President.

OPCO’s senior leadership has over a century of collective nuclear operational experience, with most holding Senior Reactor Operator licenses during their careers and bringing in-depth management experience from their prior roles in nuclear operating organizations. The OPCO executives with key nuclear oversight roles are discussed in this section, with all senior leadership roles and responsibilities provided in Table A-1.

OPCO will be led by Kelly Trice, as President. Mr. Trice currently serves as HDI’s President and will continue in that role in addition to his responsibilities for OPCO. Mr. Trice brings over 30 years of executive management experience of complex business enterprises and nuclear industry leadership. Mr. Trice previously served as the president of both the power division and the facilities and plant services division of Chicago Bridge and Iron (CB&I). In this capacity, he managed approximately 70 offices worldwide with operations spanning four continents. At its peak, this enterprise had approximately 200 plants under contract, which included about 40% of the U.S. nuclear operating fleet and another 150 petrochemical plants, 17,000 employees and a backlog of roughly \$10B with annual revenues of \$3.5B. Mr. Trice also served as executive vice president of Bruce Power, a major utility in Canada, which operates eight nuclear reactors and generates approximately 6.4 GW of power. In this capacity, he had the overall responsibility for all of Bruce Power’s capital programs, as well as the refurbishment of six reactors. The planned budget for this capital program was approximately \$14B CAD. Mr. Trice is a graduate of the U.S. Navy’s Nuclear Propulsion Program. He served in the U.S. Navy for six years as an officer on a nuclear submarine and held several top-secret and Department of Energy (“DOE”) Q clearances. Mr. Trice’s resume is included in Attachment D.

All PNP personnel responsible for implementation of licensed activities will report to OPCO’s Chief Nuclear Officer, Richard Burroni. Mr. Burroni has worked in the nuclear industry for over four decades, most recently as HDI’s Site Vice President of Indian Point Energy Center. Mr. Burroni has served in various nuclear industry roles of increasing responsibility since joining the New York Power Authority at Indian Point Unit 3 Nuclear Power Plant in 1980. His positions included Technical Services Engineer, Engineering Supervisor for Performance, Assistant Operations Manager for Support, Supervisor Instrument and Control Engineering, and Superintendent/Manager of the Instrument and Control Department. Following his role in Instrument and Control, Mr. Burroni served in multiple engineering management positions at Indian Point before becoming Chief Engineer for Entergy’s northern reactor fleet. He then returned to Indian Point as Engineering Director and has served as Site Vice President for 3 years under Holtec’s ownership. Prior to the transfer of operational authority to OPCO, Mr. Burroni will

transition out of his role as Indian Point Site Vice President. Mr. Burroni received his Senior Reactor Operator license in 1986. His resume is included in Attachment D.

PNP's Quality Assurance verification functions will report to Ms. Jean Fleming as OPCO's Vice President of Licensing, Regulatory Affairs, and Probabilistic Safety Analysis. Ms. Fleming will report directly to the OPCO President. Ms. Fleming currently oversees the licensing, permitting, and compliance functions of HDI's decommissioning projects, Holtec's dry storage business, and the Holtec SMR-160 small modular reactor design. Ms. Fleming previously served as director of site regulatory compliance and licensing at PSEG Nuclear, LLC, where she oversaw the licensing and compliance organization with responsibilities for the Salem and Hope Creek operations and support for licensing activities at Peach Bottom. Ms. Fleming held a Senior Reactor Operator license for the Salem Nuclear Plant from 2010 to 2017. Prior to joining the private commercial nuclear industry, Ms. Fleming served in the U.S. Navy as Nuclear Surface Warfare Officer onboard the USS Harry S. Truman. Ms. Fleming's resume is included in Attachment D.

PNP's site organization will continue to report to the Site Vice President, Mr. Mike Mlynarek. Mr. Mlynarek has worked at PNP since 1988 and has served as the Site Vice President since June 2022. He has over 37 years of experience in nuclear power in Michigan, beginning at the Big Rock Point Nuclear Power Plant in 1985. Mr. Mlynarek has served in many leadership positions at PNP over the years, including the plant reactor engineer, nuclear operations shift manager, chemistry manager, nuclear independent oversight manager, and decommissioning manager. As a former evaluator at the Institute of Nuclear Power Operations ("INPO"), Mr. Mlynarek served nuclear industry leadership on evaluation and assistance teams at 14 stations throughout the U.S. and at 6 stations throughout Japan, Finland, France, Bulgaria, the United Arab Emirates, and England. Mlynarek has held a Senior Reactor Operator License for 17 years. His resume is included in Attachment D.

Table A-1 below summarizes the roles and responsibilities of OPCO's senior management.

Table A-1
Responsibilities of Palisades Energy, LLC, Senior Management

President	The highest level nuclear executive officer ultimately responsible for the safe and reliable operations of PNP; responsible for overall corporate policy and provides executive direction and guidance for PNP as well as promulgates corporate policy through the senior management staff; establishes effective management controls to maintain nuclear safety and organizational effectiveness; provides strategic direction and guidance for the company; establishes expectations for high levels of quality, safety, and efficiency throughout the company; routinely reports to Holtec International Executive Committee; assures sufficient resources and support functions to achieve nuclear safety objectives.
Chief Nuclear Officer (“CNO”)	Reports directly to the President; responsible for providing top-level direction for the safe and reliable operation of PNP; responsible for execution of the Quality Assurance Program; ensures engineering services and operational support are provided to maintain nuclear safety; exercises oversight and governance of corporate or home office functions that support plant operations, including procurement, information technology, and human resources; holds no ancillary responsibilities that may distract from the officer’s responsibility for nuclear safety.
Chief Financial Officer (“CFO”)	Reports directly to the President; responsible for development and management of all financial matters, including financial statement reporting, budgeting, analysis, accounting, billing, and maintaining adequate internal financial controls; and reporting to ensure regulatory compliance.
Vice President of Licensing, Regulatory Affairs, and Probabilistic Safety Analysis	Reports directly to the President; responsible for verifying effective execution of the Quality Assurance Program, including maintaining independence through the audit function and verifying the adequacy of the Quality Assurance Program, including activities related to vendor quality; responsible for ensuring that programmatic elements are in place to support plant personnel in complying with and carrying out Quality Assurance Program requirements.

Site Vice President	Reports directly to the CNO; responsible for managing day-to-day nuclear operations and operations support; directly responsible for management of the site line organization; responsible for implementing Quality Assurance Program in all site activities; responsible for establishing policies, goals, and objectives necessary to maintain nuclear safety; responsible for overall safe plant operation and exercising oversight and control over on-site activities necessary for the safe operation and maintenance of the plant.
---------------------	---

(b) Site Organization

Following shutdown in May 2022 and transfer from ENOI to Holtec in June 2022, HDI has maintained a meaningful number of incumbent site management that were employed at PNP during operations. As of the Application date, the current site organization consists of approximately 220 personnel, primarily made up of incumbent ENOI personnel, many of whom held management and senior operator positions during operations. As a result, HDI has retained key talent and institutional knowledge from the prior operations period. HDI will staff PNP to the qualifications and levels required by the reinstated POTS and Updated Final Safety Analysis Report (“UFSAR”)⁹ to ensure compliance with the reinstated POLB and NRC regulations applicable to an operating reactor, prior to transfer of operational authority to OPCO. Attachment D includes organizational charts showing the planned 550-person PNP organization that will report up to OPCO’s senior leadership following the transfer. Attachment D includes all on-site and off-site positions for activities affecting plant safety. The organization charts are based on the previous operating organization in place prior to shutdown and define the lines of authority, responsibility, and communication from senior management levels through intermediate levels to and including all operating organization positions. As part of its staffing plan, HDI is developing functional descriptions of departmental responsibilities and relationships, and job descriptions for key positions. The reinstated power operations UFSAR will also document the requirements for the job titles referred to in the reinstated POTS. Prior to consummating the transfer, HDI and OPCO will provide NRC with evidence demonstrating that the PNP operating organization has returned

⁹ As discussed during public meetings regarding the restart, HDI intends to submit two license amendment requests to reinstate (1) the POTS and RFOL license conditions and (2) the previous Administrative Controls sections of Technical Specifications. See NRC, Issuance of Amendment Regarding Administrative Controls for Permanently Defueled Condition, June 4, 2018 (ML18114A410); NRC, Issuance of Amendment No. 272 Re: Permanently Defueled Technical Specifications, May 13, 2022 (ML22039A198). Coincident with implementation of the two Technical Specifications license amendments, HDI expects to reinstate, via the 10 CFR 50.59 process, the power operations UFSAR based on UFSAR Rev. 35 (the version in effect immediately prior to shutdown) with appropriate conforming amendments. See Palisades Nuclear Plant, Revision 35 to UFSAR, Chapter 12, Conduct of Operations, Apr. 14, 2021 (ML21125A337). HDI expects that any changes to UFSAR Revision 35, Chapter 12 will reflect the fact that OPCO will have a more site-centric organization due to the fact that ENOI had a large corporate/home office organization to provide fleet-wide services to all Entergy-owned plants, whereas OPCO will locate all principal safety functions at the Palisades plant site with a more limited set of typical corporate support services provided by the Holtec home office (e.g., procurement, human resources, tax and accounting).

to operational levels and qualifications and meets the applicable requirements of the reinstated POLB.

HDI is currently implementing a hiring, training, and recertification plan to ensure that all positions in the operational organization are filled prior to transfer to OPCO with individuals qualified to meet the POLB requirements. As of the Application date, HDI is in the process of reinstating a 10 CFR Part 55 training program for licensed reactor operators to support operational staffing needs and training lead times. The operational organization will meet the requirements of the POTS, Chapter 12 of the reinstated UFSAR, and the power operations Quality Assurance Program Manual (“QAPM”).¹⁰ HDI will reinstate training programs consistent with Chapter 12 of the power operations UFSAR that are either accredited by the National Nuclear Accrediting Board or meet the standards set forth in Section 5 of ANSI/ANS 3.1-1978 to ensure that the technical support organization has the combined education, experience, and skills sufficient to ensure safe and efficient operation of the plant.

In addition to direct employees, OPCO will leverage standard nuclear industry staff augmentation arrangements and contracted labor for certain specialty scope. Holtec Security International, LLC (“HSI”), a wholly owned subsidiary of Holtec Power, will continue to provide site security services and employ site security personnel via a contractual arrangement with OPCO. HSI currently provides security services and employs security personnel under a contract with, and subject to the supervision and control of, HDI. All security personnel will be directly responsible to and subject to the direction and control of OPCO and the Site Vice President.

As part of the reinstatement of the POLB, HDI will revise PNP policies, programs, and procedures to support the return to operations in accordance with the reinstated POTS, UFSAR, and NRC regulatory requirements applicable to operating reactors.¹¹ HDI has maintained the access and fitness-for-duty programs during decommissioning in a manner that ensures current site personnel will be able to transition back to equivalent roles in OPCO’s operational organization. Upon transfer of operational authority, OPCO will work in accordance with the revised power operations program documents. The PNP programs and procedures at the time of the license transfer, including, as applicable, the reinstated emergency plan, operational security plans, fire protection program, radiological protection, and Quality Assurance Program, will be implemented post-license transfer by OPCO. Any subsequent changes to these procedures will be determined by OPCO and made in accordance with the applicable change requirements set forth in NRC regulations.

¹⁰ Palisades is currently governed by HDI’s fleet-wide Decommissioning Quality Assurance Program. *See* HDI Letter, Update Report for Holtec Decommissioning International (HDI) Fleet Decommissioning Quality Assurance Program (DQAP) Rev. 2, Aug. 3, 2022 (ML22215A147). HDI expects to reinstate a power operations Quality Assurance Program via 10 CFR 50.54(a) coincident with implementation of the POTS.

¹¹ HDI intends to separately submit license amendment requests to reinstate a power operations Emergency Plan and Emergency Action Levels. The remainder of site program documents will return to an appropriate power operations basis in accordance with the requirements in 10 CFR 50.59 and 10 CFR 50.54.

(c) Home Office Support

OPCO will have dedicated home office support for certain service functions located in Holtec's corporate headquarters in Camden, New Jersey. Among other things, OPCO will leverage efficiencies of consolidated accounting, finance, procurement, tax, human resources, and information technology. OPCO will remain ultimately responsible for all licensed activities, including nuclear safety matters.

Wholly owned Holtec affiliate HSI currently provides site security services and employs security personnel pursuant to a contract between HSI and HDI, subject to HDI's ultimate direction and control. Post-transfer, HSI will continue providing security services to PNP pursuant to a contract with OPCO, subject to OPCO's ultimate direction and control.

(d) Corporate Governance and Oversight

Holtec Palisades and OPCO are wholly owned subsidiaries of Holtec. Holtec Palisades's senior leadership will report to the Holtec Executive Committee made up of the individuals listed in Attachment C. While Holtec will exercise general corporate oversight and decision-making authority over financial, personnel, and other business matters of OPCO, OPCO's senior leadership will ultimately be responsible for the conduct of licensed activities and day-to-day operations.

Holtec is an integrated technologies enterprise providing innovative solutions, equipment, and services to the global nuclear, solar, geothermal, and fossil power generation sectors of the energy industry. Holtec has extensive experience in providing safety-related services to operating commercial power plants, as well as in designing, manufacturing, and installing safety-related equipment, and possesses in-house capabilities to design, engineer, analyze, construct, and deploy the technologies to manage used nuclear fuel discharged from nuclear reactors. Holtec has decades of experience implementing a quality assurance program and NRC licensing organization for its dry storage systems. Holtec, which is led by Dr. Krishna Singh, is an industry leader in nuclear fuel management systems. In this undertaking, Holtec brings a diverse corporate resume of prior accomplishments in nuclear projects in the U.S. and abroad, a substantial list of ongoing and satisfactorily completed nuclear projects (including many turnkey projects), and a long safety and quality record that demonstrates its commitment to nuclear safety and excellence.

(e) Conclusion

The proposed license transfer will provide PNP with a management team and site organization that is experienced and qualified to oversee and implement PNP's operations in accordance with the reinstated POLB and all applicable NRC requirements. The necessary management processes and controls will be applied, with clear lines of authority and communication. For these reasons, OPCO will have the necessary technical qualifications to safely perform the authorized activities under the RFOL in accordance with AEA and NRC regulations.

6. Financial Qualifications

Pursuant to 10 CFR 50.33(f)(2) and NRC's guidance in the Standard Review Plan on Power Reactor Licensee Financial Qualifications and Decommissioning Funding Assurance (NUREG-1577, Rev. 1), a non-electric utility must demonstrate that it has reasonable assurance of obtaining the funds necessary to cover the plant's estimated operating costs. Holtec Palisades and OPCO will be financially qualified to own and operate PNP as demonstrated by the projected income statements enclosed with this Application. Holtec Palisades has entered into a Power Purchase Agreement ("PPA") with Wolverine Power Supply Cooperative, Inc. ("Wolverine"), and Hoosier Energy Rural Electric Cooperative, Inc. ("Hoosier"), to collectively sell all of the Facility's energy and capacity under a long-term, fixed price arrangement that will remain in effect for the full term of the Facility license, including any license renewal terms. While not required by NRC regulations, further assurance will be provided via a Support Agreement provided by Holtec and the expected requirements of the DOE project financing agreements described in Enclosure 3A. OPCO will be financially qualified pursuant to the Operator Services Agreement under which Holtec Palisades will reimburse OPCO for all of its operating costs.

While not part of the 10 CFR 50.33(f)(2) financial assurance demonstration, Holtec Palisades is in the process of securing a DOE loan guarantee under Title XVII of the Energy Policy Act of 2005 and a grant from the State of Michigan to support the capital expenditure necessary to return PNP to full-power operations. Funds received under the DOE loan program and Michigan grant are not intended to fund Facility operating costs after the return to service. Expected DOE debt servicing costs are addressed in the pro forma income statements in Enclosure 3A.

The transfer of operational authority from HDI to OPCO will not affect the form of Holtec Palisades's decommissioning funding, which will continue to be satisfied by prepaid funds held in the PNP decommissioning trust fund. Following the return to operations, Holtec Palisades will be subject to the decommissioning funding requirements applicable to an operating facility, as described below.

(a) Financial Qualifications for Operations

As the facility owner, Holtec Palisades has the right to all output from PNP. Holtec Palisades has entered into a life-of-plant PPA with Wolverine and Hoosier for all Facility energy and capacity during the license term and any subsequent renewal terms. The pricing terms of the PPA are reflected in the proprietary Enclosure 3A. Wolverine and Hoosier are electric cooperatives that serve as their own rate-setting authority. They will recover amounts paid to Holtec Palisades under the PPA through tariff rates charged to their members, which members in turn collect all such costs from their retail ratepayers; *i.e.*, even though Holtec Palisades is not an electric utility under NRC regulations, the two Facility offtakers are. The proprietary pro forma income statement provided in Enclosure 3A demonstrates that PNP will have sufficient operational revenue to fund operation and maintenance costs for PNP. Enclosure 3A includes sensitivity analyses demonstrating the impact of a reduction in Facility capacity or generation revenue—in both cases, demonstrating that PNP will continue to generate positive net income.

In addition to power generation revenue, Holtec International will enter into a Support Agreement under which Holtec International will provide up to \$75 million to Holtec Palisades—an amount sufficient to cover fixed operating and maintenance costs during an extended outage, as contemplated by NUREG-1577. While not required by NRC regulations, the Support Agreement bolsters Holtec Palisades’s financial wherewithal by providing additional financial assurance in the form of a formalized parent company commitment. A form of this agreement is provided in Enclosure 6. The Support Agreement is substantially similar to the support agreement Holtec currently has in connection with the Big Rock Point spent fuel management operating fund,¹² with appropriate modifications to reflect the differences in the underlying regulatory costs and obligations between Big Rock Point and PNP. Information regarding Holtec’s financial capability to satisfy this support commitment is included in proprietary Enclosure 4A.

OPCO will be financially qualified pursuant to the Operator Services Agreement it will enter into with Holtec Palisades. The Operator Services Agreement requires Holtec Palisades to reimburse OPCO, at cost, for all operating expenses incurred to operate and maintain PNP. A form of this agreement is provided in Enclosure 5. The form agreement is substantially similar to the current Decommissioning Operator Agreement between HDI and Holtec Palisades,¹³ with appropriate modifications to reflect OPCO’s role at an operating reactor.

HDI requests that Enclosures 3A and 4A be withheld from public disclosure pursuant to 10 CFR 2.390(a)(4), as set forth in the affidavit provided in Enclosure 2. A non-proprietary version of the pro forma financial information is provided as Enclosure 3.

(b) Decommissioning Funding

Holtec Palisades will continue to meet decommissioning funding requirements via prepaid funds deposited in the PNP Nuclear Decommissioning Trust (“NDT”). Holtec Palisades will manage the NDT between now and the transition date in a manner that ensures Holtec Palisades will comply with the operational decommissioning funding requirements (*i.e.*, 10 CFR 50.75) that will apply to PNP once it returns to power operations. On the transition date, PNP will exit the decommissioning oversight process and enter the reactor oversight process coincident with the effectiveness of the POTS.

As of the date of this Application, PNP is still in decommissioning status, and HDI is still adhering to the PNP Post Shutdown Decommissioning Activities Report (“PSDAR”). Upon a final decision by Holtec to suspend decommissioning and pursue restart in earnest, HDI expects to docket a notice under 10 CFR 50.82(a)(7) (“Restart Notice”) indicating its intent to depart from the current PSDAR schedule to focus on restart efforts until such time as PNP either successfully resumes

¹² HDI, Holtec Decommissioning International, LLC (HDI) satisfactory documentary evidence required before the planned closing date of the purchase and sale transaction of Palisades Nuclear Plant and Big Rock Point Plant, Encl. 4, June 24, 2022 (ML22178A077).

¹³ HDI, Holtec Decommissioning International, LLC (HDI) satisfactory documentary evidence required before the planned closing date of the purchase and sale transaction of Palisades Nuclear Plant and Big Rock Point Plant, Encl. 3, June 24, 2022 (ML22178A077).

operations (and thus exits decommissioning) or abandons the restart project. HDI anticipates filing this formal Restart Notice the first quarter of 2024. Certain decommissioning activities will continue following the Restart Notice, and PNP will remain in decommissioning status and governed by its permanently defueled licensing basis until such time as the POLB is reinstated. However, following the Restart Notice, Holtec Palisades will manage withdrawals from the NDT with the objective of maintaining NDT funds at a level sufficient to satisfy Holtec Palisades's decommissioning funding obligations upon a return to power operations. Prior to or in parallel with reinstatement of the POLB, HDI will submit another 10 CFR 50.82(a)(7) notice formally rescinding the PSDAR.

The transfer of operating authority from HDI to OPCO is conditioned on NRC approval of supportive license amendment requests and granting of the 10 CFR 50.82(a)(2) exemption to allow PNP to return to power operations. Accordingly, when the transfer occurs, Holtec Palisades and OPCO will no longer be subject to the decommissioning funding requirements applicable to shutdown plants (*i.e.*, 10 CFR 50.82) and will revert back to the decommissioning funding requirements applicable to operating plants (10 CFR 50.75). Likewise, HDI's current exemption from 10 CFR 50.82(a)(8)(i)(A) authorizing use of NDT funds for spent fuel management and site restoration activities will cease to apply upon the return to operations.¹⁴ Consistent with longstanding NRC policy, Holtec Palisades will fund spent fuel management costs incurred after the restart out of the plant's operational revenues. The costs of maintaining the PNP ISFSI and spent fuel pool are included in the plant operating costs set forth in the pro forma income statements. As demonstrated in Enclosure 3A, revenue from the plant will be sufficient to cover plant operations, including spent fuel management.

Consistent with the 10 CFR 50.75 operating plant paradigm, following withdrawal of the PSDAR and transfer of authority to OPCO, OPCO and Holtec Palisades will provide decommissioning funding assurance based on the requirements of 10 CFR 50.75(c). As provided in HDI's most-recent 10 CFR 50.82(a)(8)(v) report, the formula amount for PNP is \$539,595,280 in 2022 dollars.¹⁵ This 10 CFR 50.75(c) formula amount is conservative for PNP because it exceeds the estimated costs of radiological decommissioning from the previously-submitted HDI Site-Specific Decommissioning Cost Estimate.¹⁶

The value of the PNP NDT fund assets as of November 24, 2023, is approximately \$560 million. As noted in HDI's most recent decommissioning funding status report, Holtec Palisades has

¹⁴ The exemption authorizes HDI to use "a portion of the funds from the [Palisades NDT] for spent fuel management and site restoration activities at [Palisades] in accordance with HDI's PSDAR and [site specific cost estimate], dated December 23, 2020." NRC, Exemption from 10 CFR 50.82(a)(8)(i)(A) and 10 CFR 50.75(h)(1)(iv) for Holtec Decommissioning International, LLC, Dec. 31, 2021 (ML21286A506). In the second 10 CFR 50.82(a)(7) notice HDI files alongside the reinstatement of the POLB, HDI intends to acknowledge via docketed correspondence that the exemption has been rescinded and is no longer applicable upon withdrawal of the PSDAR.

¹⁵ HDI, Report on Status of Decommissioning Funding for Reactors and ISFSIs, Encl. 6, Mar. 31, 2023 (ML23090A140).

¹⁶ HDI, Post Shutdown Decommissioning Activities Report including Site-Specific Decommissioning Cost Estimate for Palisades Nuclear Plant, Dec. 23, 2020 (ML20358A232).

voluntarily deferred reimbursement of certain decommissioning costs that are otherwise reimbursable from the NDT.¹⁷ As of the date of this Application, Holtec Palisades is still carrying an accrual of decommissioning costs that have been incurred but not reimbursed from the NDT. Holtec Palisades intends to manage NDT withdrawals in a manner that safeguards Holtec Palisades's ability to meet the requirements of 10 CFR 50.75 upon returning to operational status. Prior to the transfer, HDI will continue to submit annual decommissioning funding reports that will provide updated NDT balances and updated 10 CFR 50.75(c) formula calculations for PNP.

Pursuant to 10 CFR 72.30(b)(3), Applicants must also identify a method for funding ISFSI decommissioning. HDI updated the most recent PNP ISFSI decommissioning cost estimate in March 2023.¹⁸ The escalated ISFSI decommissioning amount was \$10.1 million (2022 dollars). Given the amount of prepaid funds available in the PNP NDT relative to the 10 CFR 50.75(c) formula amount and HDI's ability to manage withdrawals from the NDT, HDI expects that there will be sufficient funds in the NDT to address the radiological decommissioning costs of the ISFSI, accounting for the 2% real rate of return allowed by NRC regulations and the anticipated ISFSI decommissioning date (following DOE's removal of spent fuel from the PNP site). As noted above, this funding demonstration is conservative because HDI's previously-submitted Site-Specific Decommissioning Cost Estimate projected the total cost of Facility radiological decommissioning, including the ISFSI, at an amount that is less than the 10 CFR 50.75(c) formula amount.

The current value of funds held in the NDT is sufficient to satisfy the decommissioning funding obligations for an operational plant under 10 CFR 50.75(c) and 10 CFR 72.30. Prior to implementing the license transfer, HDI will provide evidence demonstrating that Holtec Palisades possesses sufficient financial assurance to satisfy the operating reactor requirements in 10 CFR 50.75 and the ISFSI decommissioning funding requirements in 10 CFR 72.30.

Consistent with the 10 CFR 50.75(f)(3) and 10 CFR 50.54(bb), OPCO will submit a preliminary decommissioning cost estimate and spent fuel management funding plan five years before expiration of the current license term; *i.e.*, on or before March 24, 2026. The preliminary decommissioning cost estimate is expected to be based on the same cost-estimation methodologies used in the December 2020 Site-Specific Decommissioning Cost Estimate HDI previously submitted for PNP. Accordingly, Applicants expect that those submittals will not change Applicants' ability to provide reasonable assurance that funds will be available for the decommissioning process. OPCO also intends to submit a subsequent license renewal application at that same time to satisfy the timely renewal requirements of 10 CFR 2.109(b). If granted, a subsequent renewal term would afford more time for prepaid funds in the NDT to accrue interest before the plant eventually re-enters decommissioning.

¹⁷ HDI, Report on Status of Decommissioning Funding for Reactors and ISFSIs, Encl. 4, Table 1, n.1, Mar. 31, 2023 (ML23090A140).

¹⁸ HDI, Report on Status of Decommissioning Funding for Reactors and ISFSIs, Encl. 4 (Mar. 31, 2023) (ML23090A140).

For the foregoing reasons, Applicants have provided reasonable assurance of obtaining the funds necessary to cover estimated operating and decommissioning costs and are thus financially qualified.

7. Restricted Data and Classified National Security Information

The proposed transfer of ownership and operating authority does not involve any Restricted Data or possession of other Classified National Security Information, and it is not expected that possession of any such information will become involved in the licensed activities of OPCO. However, in the event that such information does become involved, and in accordance with 10 CFR 50.37, “Agreement Limiting Access to Classified Information,” OPCO agrees that it will appropriately safeguard such information and will not permit any individual to have access under 10 CFR Part 25, “Access Authorization” and/or 10 CFR Part 95, “Facility Security Clearance and Safeguarding of National Security Information and Restrict Data.”

8. Other Nuclear Regulatory Issues

(a) Price-Anderson Indemnity and Nuclear Insurance

OPCO requests that NRC amend the Price-Anderson indemnity agreement for PNP to add OPCO as a licensee for the facility and name OPCO as an indemnified entity upon the consummation of the proposed transfer of licensee authority.

OPCO will maintain on-site property damage insurance coverage and off-site nuclear liability coverage as required by NRC, and prior to the license transfer, OPCO will provide proof that this coverage will be in place on the effective date of the transfer. HDI has submitted the normal insurance exemptions for plants in decommissioning, requesting to step down on-site and off-site coverages required by 10 CFR 50.54(w)(1) and 10 CFR 140.11(a)(4) once fuel in the spent fuel pool has cooled sufficiently to reasonably eliminate the risk of the zirconium cladding catching fire in a loss of coolant accident scenario.¹⁹ As of the date of this Application, NRC has not issued these exemptions. Subject to HDI’s docketing of its formal notice of suspension of decommissioning activities, HDI intends to maintain operational on-site and off-site insurance coverages even if NRC approves the requested exemptions.

(b) Standard Contract for Disposal of Spent Nuclear Fuel

Holtec Palisades will continue to hold title to the spent nuclear fuel at PNP and will maintain the DOE Standard Contract, including all rights and obligations under that contract. Standard Contract, No. DE-CR01-83NE44373, dated as of June 3, 1983, was entered into by the previous owners and the United States of America, represented by the DOE, to govern the disposal of the spent nuclear fuel generated at PNP. Holtec Palisades expects to recover from DOE through litigation or

¹⁹ HDI Letter PNP 2022-024, Request for Exemption from 10 CFR 140.11(a)(4) Concerning Primary and Secondary Liability Insurance, Oct. 26, 2022 (ML22299A059); HDI Letter PNP 2022-026, Request for Exemption from 10 CFR 50.54(w)(1) Concerning Onsite Property Damage Insurance, Oct. 26, 2022 (ML22299A062).

settlement of its claims for the spent fuel management costs it will incur as a result of the DOE's breach of its obligations to dispose of the spent nuclear fuel.

(c) Exclusion Area Control

Upon approval of the transfer, OPCO will have control over the PNP exclusion area and will have authority to determine all activities within the exclusion area to the extent required by 10 CFR Part 100.

(d) Quality Assurance Program

PNP is currently operating under its Fleet Decommissioning Quality Assurance Program.²⁰ Coincident with the transfer of operational authority, HDI will reinstate a power operations QAPM pursuant to 10 CFR 50.54(a). Upon transfer, OPCO will retain authority and responsibility for the functions necessary to fulfill the quality assurance requirements required by the POTS and as specified in the power operations QAPM.

HDI has maintained IT infrastructure and records required to comply with NRC recordkeeping requirements that will apply upon reinstatement of the POLB. OPCO will have full access to all such assets and records following transfer of operational authority.

(e) No Significant Hazards Consideration

The changes proposed for the RFOL are shown in Attachment A to this Application. The changes conform the RFOL to reflect the proposed transfer of authority and responsibility for licensed activities under the RFOL to OPCO. Consistent with the generic determination in 10 CFR 2.1315(a), the proposed conforming license amendments involve no significant hazards consideration, because they do no more than conform the RFOL to reflect the proposed transfer.

The proposed license amendments do not involve any change in the design or licensing basis, plant configuration, status of PNP, or the requirements of the RFOL. Therefore, the proposed action does not: (1) involve an increase in the probability or consequences of an accident previously analyzed; (2) create the possibility of a new or different kind of accident from the accidents previously analyzed; or (3) involve a significant reduction in a margin of safety.

9. Environmental Review

The requested consent to transfer of licensed operator authority for PNP is exempt from environmental review because it falls within the categorical exclusion contained in 10 CFR 51.22(c)(21) for which neither an Environmental Assessment nor an Environmental Impact Statement is required. The proposed transfer does not involve an increase in the amounts, nor a change in the types, of non-radiological effluents that may be released off-site. Further, there is no increase in the individual or cumulative occupational radiation exposure, and the proposed transfer

²⁰ HDI Letter, Update Report For Holtec Decommissioning International (HDI) Fleet Decommissioning Quality Assurance Program (DQAP) Rev. 2, Aug. 3, 2022 (ML22215A147).

has no environmental impact. Therefore, pursuant to 10 CFR 51.22(b), no environmental impact statement or environmental assessment need be prepared in connection with the proposed change.

10. Effective Date and Other Required Regulatory Approvals

Applicants are targeting a transfer of operational authority to occur at the same time as reinstatement of the POLB. Subject to NRC approval of the supporting regulatory actions, HDI is proposing to submit a notification of transition to power operations letter to NRC that will docket HDI's and OPCO's satisfaction of the implementation conditions for the license transfer, as well as the other NRC approvals necessary for reinstatement of the POLB. Upon docketing this transition notification letter, PNP intends to transition from a facility in decommissioning back to a power operations plant, and HDI will transfer its authority to conduct licensed activities to OPCO.

To support the expected regulatory schedule, Applicants request that NRC review this Application on a schedule that will permit issuance of an order consenting to the transfer and approving conforming license amendments by December 31, 2024. Applicants request that the consent be immediately effective upon issuance and authorize the transfer to occur up to one year after issuance or such later date as NRC may authorize. HDI will notify NRC staff at least five business days prior to the expected transfer date.

Applicants do not anticipate the need for other agency approvals in order to transfer licensed authority to OPCO. Applicants will continue to coordinate with NRC on the status of the other NRC approvals needed to support the Facility restart, the timing of which could impact the anticipated transfer date.

11. Conclusion

The proposed transfer of authority to conduct licensed activities under the RFOL will be consistent with the requirements of AEA, NRC regulations, and regulatory guidance. The transfer will not be inimical to the common defense and security and will not involve foreign ownership, control, or domination. Therefore, Applicants respectfully request NRC to issue an order (1) consenting to the proposed license transfer related to Renewed Facility Operating License No. DPR-20 and the PNP ISFSI general license, and (2) approving the conforming license amendments.

REVISED ENCLOSURE 1, ATTACHMENT C

Corporate Information Required by 10 CFR 50.33(d)(3)

Revised Attachment C

Corporate Information Required by 10 CFR 50.33(d)(3)

NAME:	Holtec International
STATE OF INCORPORATION:	Delaware
BUSINESS ADDRESS:	Krishna P. Singh Technology Campus 1 Holtec Boulevard Camden, NJ 08104
DIRECTORS:	Dr. Krishna P. Singh, Chair Martha J. Singh, Vice Chair S. Amy Singh, Secretary
EXECUTIVE COMMITTEE:	Dr. Krishna P. Singh, Chief Executive Officer Kelly D. Trice, President Pankaj Chaudhary, Senior V.P. of Operations Frederick J. Roegge, Senior V.P. and Chief Strategy Officer J. Scott Thomson, Senior V.P. and Governance Officer Joy Russell, Senior V.P., Chief Commercial Officer Dr. Richard Springman, Senior V.P. of International Projects William F. Gill, IV, V.P. and General Counsel

All of the directors are U.S. citizens. All of the principal officers of Holtec International, including all Holtec Executive Committee members, are U.S. citizens, with the same corporate address as Holtec International.

NAME:	Holtec Power, Inc.
STATE OF INCORPORATION:	Delaware
BUSINESS ADDRESS:	Krishna P. Singh Technology Campus 1 Holtec Boulevard Camden, NJ 08104
DIRECTORS:	Pankaj Chaudhary Dr. Stefan Anton
OFFICERS:	Pankaj Chaudhary, President Dr. Stefan Anton, Vice President Vivek Naidoo, Treasurer William F. Gill, IV, Secretary

All of the directors and principal officers of Holtec Power, Inc. are U.S. citizens, with the same corporate address as Holtec Power, Inc.

NAME:	Nuclear Asset Management Company, LLC
STATE OF FORMATION:	Delaware
BUSINESS ADDRESS:	Krishna P. Singh Technology Campus 1 Holtec Boulevard Camden, NJ 08104
MANAGING MEMBER:	Holtec Power, Inc.
PRINCIPAL OFFICERS:	Kelly D. Trice, President Troy Geauthreaux, Treasurer and Chief Financial Officers William F. Gill, IV, Secretary Jason Day, Assistant Secretary

All of the principal officers of Nuclear Asset Management Company, LLC are U.S. citizens, with the same corporate address as Nuclear Asset Management Company, LLC.

NAME:	Holtec Palisades, LLC
STATE OF INCORPORATION:	Delaware
BUSINESS ADDRESS:	Krishna P. Singh Technology Campus 1 Holtec Boulevard Camden, NJ 08104
MANAGING MEMBER:	Nuclear Asset Management Company, LLC
PRINCIPAL OFFICERS:	Kelly D. Trice, President Troy Geauthreaux, Chief Financial Officer and Treasurer William F. Gill, IV, Secretary Jason Day, Assistant Secretary

All of the principal officers of Holtec Palisades, LLC are U.S. citizens, with the same corporate address as Holtec Palisades, LLC.

NAME:	Palisades Energy, LLC
STATE OF FORMATION:	Delaware
BUSINESS ADDRESS:	Krishna P. Singh Technology Campus 1 Holtec Boulevard Camden, NJ 08104
MANAGING MEMBER:	Holtec Power, Inc.
PRINCIPAL OFFICERS:	Kelly D. Trice, President Troy Geauthreaux, Chief Financial Officer and Treasurer Richard Burroni, Chief Nuclear Officer Jean Fleming, Vice President of Environmental & Regulatory Affairs Michael Mlynarek, Palisades Site Vice President William F. Gill, IV, Secretary Jason Day, Assistant Secretary

All of the principal officers of Palisades Energy, LLC are U.S. citizens, with the same corporate address as Palisades Energy, LLC.

REVISED ENCLOSURE 3

**PROJECTED INCOME STATEMENT AND
OPENING BALANCE SHEET OF HOLTEC PALISADES, LLC
(NON-PROPRIETARY)**

Holtec Palisades, LLC Pro Forma Income Statement

Base Case

Projected Financial Data – Unaudited, Non-GAAP

Revenue						
Generation (TW)	[]
Capacity revenue	[]
Energy revenue	[]
Ancillary revenue	[]
Total Revenue	[]
Expenses						
Fuel expense	[]
Labor costs	[]
Non-labor operating costs	[]
Outage costs	[]
Property tax	[]
Total Opex	[]
Net Income						
EBITDA (excl. amortized fuel and outage)	[]
Depreciation & Amortization	[]
Operating Income (incl. amortized fuel and outage)	[]
Interest	[]
Income tax	[]
Production tax credits	[]
Net Income	[]

\$ Millions, rounded

Notes:

1. []
2. Generation volumes reflect historical PNP capacity factor and 18-month refueling cycles.
3. Energy revenue based on energy prices set forth in the Power Purchase Agreements (“PPA”) between Holtec Palisades and each of Wolverine Power Supply Cooperative, Inc. and Hoosier Energy Rural Electric Cooperative, Inc.
4. []
5. []
6. Operating expenses informed by historical operating costs, taking into account current labor rates, inflation and forward-looking contracts.

**Sensitivity Case – 10% Reduction in Capacity
Projected Financial Data – Unaudited, Non-GAAP**

Revenue						
Generation (TW)	[]
Capacity revenue	[]
Energy revenue	[]
Ancillary revenue	[]
Total Revenue	[]
Expenses						
Fuel expense	[]
Labor costs	[]
Non-labor operating costs	[]
Outage costs	[]
Property tax	[]
Total Opex	[]
Net Income						
EBITDA (excl. amortized fuel and outage)	[]
Depreciation & Amortization	[]
Operating Income (incl. amortized fuel and outage)	[]
Interest	[]
Income tax	[]
Production tax credits	[]
Net Income	[]

\$ Millions, rounded

Notes:

1. []
2. Generation volumes reflect historical PNP capacity factor and 18-month refueling cycles. Reduced by 10% to reflect the sensitivity analysis.
3. Energy revenue based on energy prices set forth in the Power Purchase Agreements (“PPA”) between Holtec Palisades and each of Wolverine Power Supply Cooperative, Inc. and Hoosier Energy Rural Electric Cooperative, Inc.
4. []
5. []
6. Operating expenses informed by historical operating costs, taking into account current labor rates, inflation and forward-looking contracts. Costs conservatively assumed not to be reduced for this sensitivity study.

Sensitivity Case – 10% Reduction in Energy Revenue
Projected Financial Data – Unaudited, Non-GAAP

Revenue						
Generation (TW)	[]
Capacity revenue	[]
Energy revenue	[]
Ancillary revenue	[]
Total Revenue	[]
Expenses						
Fuel expense	[]
Labor costs	[]
Non-labor operating costs	[]
Outage costs	[]
Property tax	[]
Total Opex	[]
Net Income						
EBITDA (excl. amortized fuel and outage)	[]
Depreciation & Amortization	[]
Operating Income (incl. amortized fuel and outage)	[]
Interest	[]
Income tax	[]
Production tax credits	[]
Net Income	[]

\$ Millions, rounded

Notes:

1. []
2. Generation volumes reflect historical PNP capacity factor and 18-month refueling cycles.
3. Energy revenue based on energy prices set forth in the Power Purchase Agreements (“PPA”) between Holtec Palisades and each of Wolverine Power Supply Cooperative, Inc. and Hoosier Energy Rural Electric Cooperative, Inc., reduced by 10% to illustrate this sensitivity analysis (despite the fact that the PPA pricing is fixed).
4. []
5. []
6. Operating expenses informed by historical operating costs, taking into account current labor rates, inflation and forward-looking contracts.

**Holtec Palisades, LLC Opening Balance Sheet
Projected Financial Data – Unaudited, Non-GAAP**

Assets			
Cash	[]		
Loan Reserves / Escrows	[]		
Accounts Receivable	[]		
Refueling Outage Escrow	[]		
Tax Receivable	[]		
Plant	[]		
Nuclear Fuel	[]		
Less: Accumulated Depreciation and Amortization	[]		
Total Assets	[]		
Liabilities and Equity			
Liabilities			
Accounts Payable	[]		
Short Term Interest Payable	[]		
LPO Debt	[]		
Total liabilities	[]		
Equity			
Michigan State Grant	[]		
Owner Paid	[]		
Retained Earnings	[]		
Total Equity	[]		
Total Liabilities and Equity	[]		

\$ Millions, rounded

Notes:

[

|

REVISED ENCLOSURE 5

**Form of Operator Services Agreement
between
Holtec Palisades, LLC
and
Palisades Energy, LLC
(NON-PROPRIETARY)**

**FORM OF
OPERATOR SERVICES AGREEMENT BETWEEN
HOLTEC PALISADES, LLC
AND
PALISADES ENERGY, LLC**

THIS OPERATOR SERVICES AGREEMENT (the “Agreement”) is effective as of the 19 day of November, 2024, between HOLTEC PALISADES, LLC, a Delaware limited liability company (“Owner”), and PALISADES ENERGY, LLC, a Delaware limited liability company (“Operator”), each a “Party” and together, “Parties” to this Agreement.

RECITALS:

a. Owner owns the Palisades Nuclear Generation Station (the “Palisades Station”) located near Covert, Michigan, including its associated Independent Spent Fuel Storage Installation (the “Palisades ISFSI”), which are licensed by the U.S. Nuclear Regulatory Commission (“NRC”) pursuant to Renewed Facility Operating License No. DPR-20.

b. Owner is also a party to a Loan Guarantee Agreement, dated as of July 31, 2024 (the “LGA”), pursuant to which the U.S. Department of Energy (“DOE”) has guaranteed certain financing to Owner for the refurbishment and restart of the Palisades Station.

c. The Palisades Station and the Palisades ISFSI will be collectively referred to herein as the “Facility” and the NRC license will be referred to as the “NRC Operating License.”

d. Owner and Operator are indirect wholly owned subsidiaries of Holtec International.

e. Owner and Operator desire that Operator possess, use, operate, maintain, support recommissioning and restart of, and eventual decommissioning of (“Operate”) the Facility for Owner under the terms of this Agreement.

AGREEMENT:

NOW, THEREFORE, for the mutual covenants and consideration referenced in this Agreement, Owner and Operator agree as follows:

1. Agency. Operator is hereby appointed as the agent of Owner to act on its behalf for the purposes set forth in this Agreement, including the right to execute, modify, amend or terminate, any contracts, purchase orders, licenses, permits and privileges relating to the Operation of the Facility. Except to the extent explicitly agreed in writing by Owner and Operator, Operator hereby assigns to Owner all right, title and interest in any material, equipment, intellectual property, and any other property acquired by Operator in connection with the Facility, to the extent necessary for Owner’s ownership, use, maintenance, recommissioning, or operation of the Facility, whether such interest is held by Operator as of the date of this Agreement or hereafter acquired. Operator shall take commercially reasonable steps to ensure that any third-party agreements

entered into by Operator as agent for Owner provides Owner with all such rights, title, and interest. Owner shall have the right to supervise Operator's duties and responsibilities hereunder, provided, however, that Operator shall have sole authority, as the licensed operator pursuant to the NRC Operating Licenses, with respect to its obligations to comply with the requirements of the NRC Operating Licenses and all applicable NRC or other applicable requirements of law to Operate the Facility. Without limiting the foregoing, Owner reserves for itself certain financial and other approval rights as may be required to comply with Owner's obligations under the LGA, and Operator shall support Owner's compliance with such obligations in accordance with the terms set forth herein. Owner shall furnish to Operator the information or assistance as may be required for Operator to comply with the terms of this Agreement and for the expeditious and orderly Operation of the Facility.

2. Duties of Operator.

2.1 Operator shall do and perform all such things as shall be reasonably necessary to Operate the Facility on behalf of Owner. Operator shall Operate the Facility in compliance with NRC Operating Licenses and all applicable NRC requirements, in a good and workmanlike manner, and in accordance with generally accepted industry standards. Operator's responsibilities will include, without limitation, the following activities:

a. engage and supervise, as employees of Operator or as personnel assigned to provide services to Operator under a service agreement, all personnel reasonably required to Operate the Facility;

b. negotiate, enter into, supervise and administer, in Owner's name, or in Operator's name and as agent for Owner, all contracts reasonably necessary to Operate the Facility, including, without limitation, equipment purchase orders and agreements, and agreements with contractors and service providers;

c. procure and furnish all materials, equipment, services, supplies and labor determined by Operator to be reasonably necessary or desirable to Operate the Facility and to otherwise carry out Operator's responsibilities hereunder;

d. use its best efforts to abide by and conform with all valid applicable laws, orders, rules and regulations that affect the Facility or Operator's duties under this Agreement;

e. file (and keep current) all reports, and filings required by law with respect to the Facility, and pay any fees in connection therewith;

f. obtain and use its best efforts to comply and to Operate the Facility in accordance with all licenses, permits and authorizations required by law already obtained or to be obtained by Owner, Operator or the Facility;

g. keep an accurate record of all significant activities undertaken to Operate the Facility and furnish to Owner, from time to time upon reasonable request such reports and other information (or access thereto); and

h. do such other and further acts and deeds as may be necessary to accomplish fully and to perform its duties under this Agreement, subject to the limitations herein provided.

2.2 In performing its obligations under this Agreement, Operator shall consult with Owner prior to taking any action that may require Owner to consult with and obtain DOE consent under the LGA; provided, however, the foregoing shall not limit Operator's sole and exclusive authority to make all decisions to protect public health and safety as required by the NRC Operating License and applicable laws and regulations, to conduct licensed activities at the site in accordance with the Facility's licensing basis, and to comply with NRC requirements as they pertain to site activities, including, without limitation, Operator's sole authority to take immediate action in the event an emergency or other threat to public health and safety.

2.3 Without limiting the foregoing, Operator agrees as follows in connection with the restart of power operations at the Palisades Station:

a. to review and take commercially reasonable efforts to comply with the Major Project Documents (as defined in the LGA),

b. to use commercially reasonable efforts to not take or omit any action that could reasonably be expected to (i) breach the warranties or covenants made by Owner in either the LGA or under applicable Major Project Documents or (ii) render invalid, or otherwise adversely impact the validity or enforceability of, any warranty (including any equipment warranty) made for the benefit of Operator, Owner or the Palisades Station by the counterparty to any such Major Project Document;

c. to take actions needed to execute Owner's regulatory strategy necessary to Operate the Facility, including making such submittals and communications to the NRC;

d. to execute and, as may be necessary, update or amend, the Project Execution Plan (as defined in the LGA) or any other Major Project Document as may be authorized under the LGA; and

e. to undertake other efforts needed to help Owner comply with its obligations under the LGA, to the extent related to the activities necessary to Operate the Facility.

3. Right to Audit. Either Party may audit any and all records of the other Party relating to the Facility or the services provided hereunder on such dates and at such times as a Party may reasonably request.

4. Term. The term of this Agreement shall commence as of the date noted above and the term shall continue until terminated pursuant to Section 5 of this Agreement.

5. Termination.

5.1 Owner or Operator may terminate this Agreement for convenience by providing at least 60 days written notice to the other Party; provided, however, Operator shall

continue to exercise all authority under the NRC Operating License and perform in accordance with this Agreement until Owner or Operator obtain the requisite approvals from the NRC to transfer Operator's responsibilities hereunder to a new licensed operator.

5.2 This Agreement will automatically terminate with respect to Operator's authority to Operate the Facility upon the earlier of (a) consummation of the transfer of operational authority under the NRC Operating License in accordance with NRC regulations and approvals, or (b) termination of the NRC Operating License.

5.3 Owner or Operator may also terminate this Agreement for default if the other Party has failed to materially comply with any provisions of this Agreement. The terminating Party will first provide the other Party written notice of the default and 30 days to remedy (or undertake diligent efforts to remedy) the default to the terminating Party's reasonable satisfaction; provided, however, Operator shall continue to exercise all authority under the NRC Operating License and perform in accordance with this Agreement until Owner or Operator obtain the requisite approvals from the NRC to transfer Operator's responsibilities hereunder to a new licensed operator.

6. Transition Period. In the event Owner or Operator terminates this Agreement in accordance with Sections 5.1 or 5.3, Operator will cooperate with another operator selected by Owner in order to prepare for the transfer of operating responsibility pursuant to the NRC Operating License to a new operator, including obtaining the required approval of the NRC and any other required regulatory approvals. The Transition Period shall end upon the transfer of operating responsibility. Operator agrees to cooperate and execute such documents as may be necessary to affect the transfer.

7. Survival. The indemnification, release, and limitation of liability provisions contained in this Agreement shall survive termination to the extent they pertain to events giving rise to such indemnification, release and liability that occurred during the term of this Agreement. Further, it is agreed that in no event shall this Agreement terminate unless all payments required under this Agreement to have been made by the Owner to Operator shall have been made and all necessary regulatory approvals for termination of the NRC Operating Licenses or transfer of responsibility for the Facility shall have been obtained.

8. Responsibilities of Owner. Owner shall cooperate with and assist Operator and provide Operator with correct and reliable information and access to the Facility, as reasonably necessary for Operator to carry out and perform its duties under this Agreement.

9. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

10. Reporting. Operator acknowledges that Owner has significant reporting obligations to DOE under the LGA and Operator agrees to assist Owner to meet such reporting obligations. Operator will provide the reports required under the LGA and any other reports reasonably requested by Owner.

11. Insurance. Operator shall procure and maintain for Owner insurance coverage of the types and in the amounts as required by applicable NRC regulations and as generally maintained by the industry.

12. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

15. Capacity, Liability and Release. Operator is entering into this Agreement to act as agent for and on behalf of Owner, and all obligations incurred by Operator to any third party in connection with this Agreement are being incurred solely on behalf of, and shall be enforceable solely against, Owner (but solely to the extent that such obligations are incurred in compliance with this Agreement). Rights being granted in favor of or retained by Operator herein shall be held and enforceable by Operator, in its individual or corporate capacity. In no event shall Operator be

liable to Owner for any damages of any kind, direct, incidental or consequential, and Owner hereby releases Operator from liability for damages arising out of Operator's performance, nonperformance or breach of this Agreement except to the extent of any claims covered by insurance proceeds.

16. Material Consideration. The Parties agree that the limitations on liability and indemnity provisions set forth in this Agreement are supported by the Parties' respective contractual undertakings and other good and valuable consideration and acknowledge that the Parties would not have entered into this Agreement in the absence of the indemnification obligations and the limitations on liability undertaken by either or both Parties.

17. Confidentiality. Any information belonging to a Party hereto which such Party designates as confidential or proprietary shall not be disclosed to any other person or entity by the Party receiving such information, except to the extent disclosure is required by law or as otherwise permitted with the consent of the non-disclosing Party.

18. Power of Attorney. Owner hereby irrevocably appoints Operator, and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full and irrevocable power and authority in the place and stead of Owner and in the name of Owner for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all reports, contracts, documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement (in all cases subject to any limitations on authority set forth in Section 1 of this Agreement).

19. Protected Activities.

19.1 Operator acknowledges that none of the terms and conditions set forth in this Agreement are intended to restrict, discourage, or supersede the rights of its employees to:

a. raise safety concerns or engage in any other "protected activities" described in 10 CFR 50.7(a)(1), including, but not limited to, providing information to the NRC or Operator about potential violations or other matters within the NRC's regulatory responsibilities, or

b. seek any remedy as described in 10 CFR 50.7(b).

19.2 Further, Operator understands that nothing in this Agreement is intended to prohibit, impair, or restrict its employees from:

a. communicating with the NRC or any other government agency (or its representatives) concerning any potential violations or other matters within NRC's or other government agency's regulatory responsibilities, or from testifying in any NRC proceeding, or before Congress, or at any Federal or State proceeding regarding any provision or proposed provision of the Atomic Energy Act or the Energy Reorganization Act; or

b. filing a complaint, petition, or charge with, or participating in, any investigation or proceeding with the NRC or the Department of Labor ("DOL") under the Energy Reorganization Act of 1974, as amended, 42 U.S.C. 5851.

20. Representations and Warranties.

20.1 Each Party represents and warrants to the other that (i) it is duly organized, validly existing, and in good standing under the laws of the state of Delaware, (ii) it has the requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder, and (iii) this Agreement has been executed and delivered and is in full force and effect and constitutes a legal, valid and binding obligation.

20.2 Each Party represents and warrants that the execution, delivery, and performance of this Agreement does not (i) violate or conflict with any law, regulation, or order applicable to such Party or any organizational or governing document of such Party, or (ii) violate or conflict with, result in the breach or termination of, or constitute a default of any agreement or document to which such Party is a party.

20.3 Operator represents and warrants to Owner that it possesses the technical, financial, and organizational qualifications necessary to perform its obligations under this Agreement.

20.4 Owner represents and warrants that it has made available to Operator a true, correct and complete copy of each Transaction Document (under and as defined in the LGA). Operator represents and warrants that it has reviewed and is familiar with the terms of each such Transaction Document.

21. Force Majeure.

21.1 Any delay in the performance by either Party hereunder shall be excused if and to the extent such delay is caused by the occurrence of a Force Majeure Event (defined below). The affected Party shall promptly give written notice within five (5) business days to the other Party of the commencement of delay caused by a Force Majeure Event, specifying the nature of the delay, and the probable extent of the delay, if determinable. Following receipt of any written notice of the occurrence of a Force Majeure Event, the Parties shall promptly discuss potential impacts and mitigation efforts.

21.2 For purposes of this Section 21, a “Force Majeure Event” shall mean: unusual and severe weather events, floods, fires, epidemics or pandemics, earthquakes, explosions, wars, sabotage, civil insurrection, actions of legislative, judicial or regulatory bodies after the date of this Agreement, labor disputes, and other like events, but only to the extent that such events are beyond the reasonable control of the Party affected thereby, despite such Party’s commercially reasonable efforts to prevent, avoid, delay, or mitigate the effect of such acts, events or occurrences.

22. Notices. Notices, requests, consents, elections, reports, payments, or other communications required or permitted to be given or made hereunder shall be in writing and shall be deemed to be delivered upon delivery to the Operator or Owner at their principal place of business during regular business hours on a business day. Notices delivered after hours or on a weekend or legal holiday will be effective on the next business day. Addresses shown below shall be considered the principal place of business of each unless and until the other is notified in writing.

Owner:

Holtec Palisades, LLC
1 Holtec Blvd
Camden, NJ 08104
Attention: General Counsel

Operator:

Palisades Energy, LLC
1 Holtec Blvd
Camden, NJ 08104
Attention: Kelly Trice, President

23. Successors in Interest. Each and all of the covenants, agreements, terms, and provisions of this Agreement shall be binding on and inure to the benefit of the Parties hereto and, to the extent permitted by this Agreement, their respective heirs, executors, administrators, personal representatives, successors and assigns.

24. Assignment. Neither Party may assign this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Each Party may collaterally assign this Agreement to secure the obligations under the LGA.

25. Severability. Any provision of this Agreement which is invalid, illegal, or unenforceable in any respect in any jurisdiction shall be, as to such jurisdiction, ineffective to the extent of such invalidity, illegality or unenforceability without in any way affecting the validity, legality or enforceability of the remaining provisions hereof, and any such invalidity, illegality or unenforceability in any jurisdiction shall not invalidate or in any way affect the validity, legality or enforceability of such provision in any other jurisdiction.

26. Waivers. The failure or delay of any Party to seek redress for violation of or to insist upon the strict performance of any obligation in this Agreement shall not be a waiver of that violation or obligation or a waiver of a subsequent act.

27. Third-Party Rights. Nothing in this Agreement, expressed or implied, is intended, nor shall same be construed or interpreted, to confer any rights or remedies upon any person or entity not a Party hereto, other than the permitted successors or assigns of a Party hereto.

28. Governing Law. This Agreement shall be governed in accordance with the laws of New York, without application of choice of law rules.

29. Disputes. Any dispute, controversy or claim arising out of or relating to this Agreement (“Dispute”) shall first be negotiated between appropriate senior executives of each Party who shall have the authority to resolve the matter. Such executives shall meet to attempt in good faith to negotiate a resolution of the Dispute prior to pursuing other available remedies, within 30 days of receipt by a Party of written notice of a Dispute, or such longer time as mutually agreed. If the Parties cannot resolve the Dispute and desire to pursue litigation, then the Parties agree to submit to the jurisdiction of the (i) the courts of the United States for the District of Columbia;

(ii) the courts of the United States in and for the Southern District of New York sitting in New York County; (iii) any other federal court of competent jurisdiction in any other jurisdiction where it or any of its property may be found; (iv) the courts of the State of New York in and for the County of New York, (v) the courts of Washington, D.C. and (vi) appellate courts from any of the foregoing.

30. Entire Agreement; Amendments. This Agreement contains the entire agreement and understanding between Owner and Operator concerning the operation of the Facility, and supersedes and replaces any and all prior agreements, both verbal and written. This Agreement may only be amended in writing, signed by both parties.

31. No Partnership or Joint Venture. Nothing in this Agreement shall be deemed or construed to create a partnership, joint venture or any similar relationship or create any fiduciary duties between Operator and Owner.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the day and year first above written.

OWNER:

HOLTEC PALISADES, LLC

By: _____
Name:
Title:

OPERATOR:

PALISADES ENERGY, LLC

By: _____
Name:
Title: