

NUCLEAR REGULATORY COMMISSION

[Docket No. 50-255; NRC-2026-0497]

Holtec Palisades, LLC;

Palisades Nuclear Plant;

Exemption

AGENCY: Nuclear Regulatory Commission.

ACTION: Notice; issuance.

SUMMARY: The U.S. Nuclear Regulatory Commission (NRC) has issued an exemption in response to a June 26, 2025, request from Holtec Palisades, LLC (Holtec) that allows Holtec to submit a subsequent license renewal application for Palisades Nuclear Plant at least 3 years prior to the expiration of the existing license and, if the NRC staff finds it acceptable for docketing, the existing license will be in timely renewal under NRC regulations until the NRC has made a final determination on whether to approve the subsequent license renewal application.

DATE: The exemption was issued on February 10, 2026.

ADDRESSES: Please refer to Docket ID **NRC-2026-0497** when contacting the NRC about the availability of information regarding this document. You may obtain publicly available information related to this document using any of the following methods:

- **Federal Rulemaking Website:** Go to <https://www.regulations.gov> and search for Docket ID **NRC-2026-0497**. Address questions about Docket IDs in Regulations.gov to Bridget Curran; telephone: 301-415-1003; email: Bridget.Curran@nrc.gov. For technical questions, contact the individual listed in the "For Further Information Contact" section of this document.

- **NRC's Agencywide Documents Access and Management System**

(ADAMS): You may obtain publicly available documents online in the ADAMS Public Documents collection at <https://www.nrc.gov/reading-rm/adams.html>. To begin the search, select "Begin ADAMS Public Search." For problems with ADAMS, please contact the NRC's Public Document Room (PDR) reference staff at 1-800-397-4209, at 301-415-4737, or by email to PDR.Resource@nrc.gov. The ADAMS accession number for each document referenced (if it is available in ADAMS) is provided the first time that it is mentioned in this document.

- **NRC's PDR:** The PDR, where you may examine and order copies of publicly available documents, is open by appointment. To make an appointment to visit the PDR, please send an email to PDR.Resource@nrc.gov or call 1-800-397-4209 or 301-415-4737, between 8 a.m. and 4 p.m. eastern time (ET), Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Mark Yoo, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001; telephone: 301-415-8583; email: Mark.Yoo@nrc.gov.

SUPPLEMENTARY INFORMATION: The text of the exemption is attached.

Dated: February 13, 2026.

For the Nuclear Regulatory Commission.

/RA/

Mark Yoo, Senior Project Manager,
License Renewal Projects Branch,
Division of New and Renewed Licenses,
Office of Nuclear Reactor Regulation.

Attachment – Exemption.

NUCLEAR REGULATORY COMMISSION

Docket No. 50-255

Holtec Palisades, LLC

Palisades Nuclear Plant

Exemption

I. Background.

Holtec Palisades, LLC (Holtec, the licensee) is the holder of Renewed Facility Operating License No. DPR-20, which authorizes the operation of the Palisades Nuclear Plant (PNP). The PNP consists of one pressurized-water reactor located in Covert, Michigan. The PNP license provides, among other things, that the licensee is subject to all rules, regulations, and orders of the U.S. Nuclear Regulatory Commission (NRC, the Commission) now or hereafter in effect. The PNP license expires on March 24, 2031.

The PNP had ceased power operations on May 20, 2022. In response to requests by Holtec, on July 24, 2025, the NRC issued six licensing and regulatory actions that collectively reauthorized PNP power operations (Agencywide Documents Access and Management System Accession Nos. ML25157A127; ML25157A107; ML25150A281; ML25156A045; ML25163A182; ML25167A245). By letter dated June 26, 2025 (ML25177A070), Holtec requested an exemption from the requirements of Title 10 of the *Code of Federal Regulations* (10 CFR) 2.109(b) to allow Holtec to submit a subsequent license renewal application for the PNP at least 3 years prior to the expiration of the PNP license (i.e., March 24, 2028) and, if the NRC staff finds it acceptable for docketing, the license will be in timely renewal under NRC regulations until the NRC has made a final determination on whether to

approve the subsequent license renewal application. The NRC has completed its evaluation of Holtec's exemption request and has determined that pursuant to 10 CFR 54.15, "Specific exemptions," and 10 CFR 50.12, "Specific exemptions," the requested exemption is authorized by law, will not present an undue risk to the public health and safety, and is consistent with the common defense and security. The NRC has also determined that special circumstances, as defined in 10 CFR 50.12(a)(2), are present.

II. Request/Action.

Holtec requested an exemption from 10 CFR 2.109(b), which provides that if a nuclear power plant licensee files a sufficient license renewal application "at least 5 years before the expiration of the existing license, the existing license will not be deemed to have expired until the application has been finally determined." Specifically, Holtec requested timely renewal protection under 10 CFR 2.109(b) if it submits a subsequent license renewal application for the PNP no later than 3 years prior to the expiration of the PNP's renewed facility operating license on March 24, 2031. Holtec stated that the following three special circumstances apply to its exemption request:

- 1) The application of 10 CFR 2.109(b) in this instance would not serve the underlying purpose of the rule;
- 2) Compliance with the 5-year time limit specified in that regulation would result in undue hardship and other costs that are significantly in excess of those contemplated when the regulation was adopted, and are significantly in excess of those incurred by others similarly situated; and
- 3) Material circumstances that were not considered when the regulation was

adopted are present such that granting the exemption is in the public interest.

III. Discussion.

Under 10 CFR 54.17(a), an application for subsequent license renewal must be filed in accordance with subpart A, “Procedure for Issuance, Amendment, Transfer, or Renewal of a License, and Standard Design Approval,” of 10 CFR part 2, “Agency Rules of Practice and Procedure,” which includes 10 CFR 2.109(b). Section 2.109(b) of 10 CFR states that “[i]f the licensee of a nuclear power plant licensed under 10 CFR 50.21(b) or 50.22 files a sufficient application for renewal of ... an operating license ... at least 5 years before the expiration of the existing license, the existing license will not be deemed to have expired until the application has been finally determined.”

As provided in 10 CFR 54.15, exemptions from the requirements of 10 CFR part 54, “Requirements for Renewal of Operating Licenses for Nuclear Power Plants,” are governed by 10 CFR 50.12. Pursuant to 10 CFR 50.12, the Commission may, upon application by any interested person or upon its own initiative, grant exemptions from the requirements of 10 CFR part 50, “Domestic Licensing of Production and Utilization Facilities,” when: (1) the exemptions are authorized by law, will not present an undue risk to public health or safety, and are consistent with the common defense and security; and (2) special circumstances are present, as defined in 10 CFR 50.12(a)(2).

A. The Exemption is Authorized by Law

The requested exemption would allow the licensee to submit a sufficient subsequent license renewal application for the PNP by March 24, 2028, and, if it does so, receive timely renewal protection under 10 CFR 2.109(b). This means that

if the licensee submits a subsequent license renewal application by March 24, 2028, and the NRC staff finds it acceptable for docketing, the existing license for the PNP will not be deemed to have expired until the NRC has made a final determination on whether to approve the subsequent license renewal application.

The NRC has determined that even though less than 5 years would remain in the term of the license for the PMP, granting this limited, one-time exemption is authorized by law. The 5-year time period specified in 10 CFR 2.109(b) is not required by the Atomic Energy Act of 1954, as amended, or the Administrative Procedure Act. It is the result of a discretionary agency rulemaking under sections 161 and 181 of the Atomic Energy Act of 1954, as amended (56 FR 64943; December 13, 1991) that was designed to provide the NRC with a reasonable amount of time to review a license renewal application and decide whether to approve it. Section 103c of the Atomic Energy Act of 1954, as amended, permits the Commission to issue operating licenses, including renewed licenses. Section 2.109 of 10 CFR implements section 9(b) of the Administrative Procedure Act, 5 U.S.C. 558(c), which states, in part:

When the licensee has made timely and sufficient application for a renewal or a new license in accordance with agency rules, a license with reference to an activity of a continuing nature does not expire until the application has been finally determined by the agency.

The time period in 10 CFR 2.109(b) is designed to provide a reasonable amount of time for the NRC to review a license renewal application and reach a decision on whether to approve it. Prior to 1992, the rules provided that a licensee would have received timely renewal protection when it submitted its license renewal application 30 days before the expiration of the current license (56 FR 64943; December 13, 1991). In 1990, the NRC proposed modifying 10 CFR 2.109 to provide that an application must be submitted 3 years before the expiration of the current license to

be afforded timely renewal protection (55 FR 29043; July 17, 1990). There is nothing in the preamble supporting the proposed rule or final rule revising 10 CFR 2.109(b) that suggests that applying the timely renewal doctrine to license renewal applications submitted 30 days before the expiration of the license was not authorized by law. Instead, it appears that the Commission proposed to revise 10 CFR 2.109(b) from 30 days to 3 years before the expiration of the license so that the final determination on a license renewal application would typically be made before the current operating license expired. In the proposed rule, the Commission explained that it did not believe 30 days would provide “a reasonable time to review an application for a renewed operating license” and estimated that the technical review of a license renewal application would take approximately 2 years (55 FR 29043; July 17, 1990). In the final rule, the Commission stated that the technical review of the application would take approximately 2 years due to the review of many complex technical issues and that “any necessary hearing could likely add an additional year or more” (56 FR 64943; December 13, 1991). Ultimately, the Commission concluded in the final rule that timely renewal protection would be provided for a license renewal application filed 5 years before the operating license expired to promote consistency with the requirement that licensees submit decommissioning plans and related financial assurance information on or about 5 years prior to the expiration of their current operating licenses. Thus, in promulgating 10 CFR 2.109(b), the Commission considered that the time period needed to reach a final determination may be less than 5 years in some cases, but the rule also provides timely renewal protection for timely filed applications to account for situations where the resolution of complex technical issues may take more time.

The requested exemption constitutes a change to the schedule by which the

licensee must submit its application for PNP subsequent license renewal and is administrative in nature; it does not involve any change to the current operating license. Under 10 CFR 54.17(a), an application for a renewed license must be filed in accordance with subpart A of 10 CFR part 2, which includes 10 CFR 2.109(b). However, the NRC may grant exemptions from the requirements of 10 CFR part 54 pursuant to 10 CFR 54.15. For the reasons stated above, the NRC has determined that granting this one-time exemption will not result in a violation of the Atomic Energy Act of 1954, as amended, the Administrative Procedure Act, or the NRC's regulations. Therefore, the NRC finds that the exemption is authorized by law.

B. The Exemption will not Present an Undue Risk to the Public Health and Safety

The requested exemption does not change the manner in which the plant operates and maintains public health and safety because the exemption from 10 CFR 2.109 does not result in a change to the facility or the current operating license, but allows the PNP to continue operating under its existing license in the event that the NRC has not reached a final determination on a subsequent license renewal application prior to the expiration of the current operating license. Pending final action on a subsequent license renewal application, the NRC will continue to conduct all regulatory activities associated with licensing, inspection, and oversight, and will continue to take whatever action may be necessary to ensure adequate protection of the public health and safety. The existence of this exemption would not affect the NRC's authority, applicable to all licenses, to modify, suspend, or revoke a license for cause, such as a serious safety concern.

If the licensee submits a subsequent license renewal application by March 24, 2028, there would be 3 years prior to the expiration of the current operating license for the NRC staff to conduct a docketing acceptance review and, if the application is

accepted for docketing, provide a hearing opportunity and conduct the required safety and environmental reviews. Three years significantly exceeds the 12-month generic milestone schedule for the NRC staff's review of a subsequent license renewal application;¹ therefore, it is sufficient time for the NRC staff to at least determine if any immediate actions need to be taken prior to the licensee entering the period of timely renewal. Based on the discussion in this section, the NRC finds that the exemption will not present an undue risk to the public health and safety.

C. The Exemption is Consistent with the Common Defense and Security

The requested exemption does not alter the design, function, or operation of any structures or plant equipment that are necessary to maintain the safe and secure status of any site security matters. Therefore, the NRC finds that the exemption is consistent with the common defense and security.

D. Special Circumstances are Present

Paragraph 50.12(a)(2) of 10 CFR states that the Commission will not consider granting an exemption unless special circumstances are present. Such special circumstances include that: (1) application of the regulation in the particular circumstances would not serve the underlying purpose of the rule or is not necessary to achieve the underlying purpose of the rule (10 CFR 50.12(a)(2)(ii)); (2) compliance would result in undue hardship or other costs that are significantly in excess of those contemplated when the regulation was adopted, or that are significantly in excess of those incurred by others similarly situated (10 CFR 50.12(a)(2)(iii)); and (3) there is present any other material circumstance not considered when the regulation was adopted for which it would be in the public interest to grant an exemption (10 CFR

¹ Nuclear Energy Innovation and Modernization Act Milestone Schedules of Requested Activities of the Commission, <https://www.nrc.gov/about-nrc/generic-schedules.html> (last updated August 28, 2025).

50.12(a)(2)(vi)). The NRC finds that Holtec has provided several factors in support of its exemption request that demonstrate that the special circumstances of 10 CFR 50.12(a)(2)(ii), (iii), and (vi) are present.

Holtec stated that its submittal of a subsequent license renewal application for the PNP at least 3 years prior to the expiration of the PNP's renewed facility operating license would provide the NRC the time that it needs to complete its review and any hearing, if necessary, and, therefore, the application of 10 CFR 2.109(b) in the particular circumstances would not serve the underlying purpose of the rule and the special circumstance of 10 CFR 50.12(a)(2)(ii) is present. The PNP ceased power operations and was defueled in 2022. In early 2023, Holtec announced plans to restart power operations at the plant, making it the first United States nuclear power plant to reopen after beginning decommissioning. Restarting requires restoring components for safe operation, performing upgrades and repairs, and obtaining the NRC's approval. Holtec stated that meeting the subsequent license renewal application submission deadline would divert significant resources from these efforts, and even with reprioritization, the application may not be ready due to incomplete aging analyses and calculations. Therefore, compliance with the five-year time limit specified in 10 CFR 2.109(b) would result in undue hardship and other costs that are significantly in excess of those contemplated when the regulation was adopted, and are significantly in excess of those incurred by others similarly situated and the special circumstance of 10 CFR 50.12(a)(2)(iii) is present. Finally, Holtec stated that the timely renewal rule did not contemplate the situation in which a restart of power operations would have to occur in parallel with the preparation of a subsequent license renewal application and that the timely restart of the PNP is essential to meet Michigan's clean energy commitment. Holtec stated that allowing it

to focus on preparations for a safe and efficient restart rather than draining resources from those preparations to meet the 5-year requirement for a timely subsequent license renewal submittal is a material circumstance not considered when 10 CFR 2.109(b) was adopted for which it would be in the public interest to grant an exemption. Therefore, the special circumstance of 10 CFR 50.12(a)(2)(vi) is present.

The NRC finds that the factors that Holtec provided in support of its exemption request are compelling and demonstrate that the special circumstances of 10 CFR 50.12(a)(2)(ii), (iii), and (vi) are present.

E. Environmental Considerations

The NRC has determined that the issuance of the requested exemption meets the provisions of the categorical exclusion in 10 CFR 51.22(c)(25). Under 10 CFR 51.22(c)(25), the granting of an exemption from the requirements of an NRC regulation qualifies as a categorical exclusion if: (i) there is no significant hazards consideration; (ii) there is no significant change in the types or significant increase in the amounts of any effluents that may be released offsite; (iii) there is no significant increase in individual or cumulative public or occupational radiation exposure; (iv) there is no significant construction impact; (v) there is no significant increase in the potential for or consequences from radiological accidents; and (vi) the requirements from which the exemption is sought involve one of several matters, including scheduling requirements (10 CFR 51.22(c)(25)(vi)(G)). The basis for the NRC's determination is provided in the following evaluation of the requirements in 10 CFR 51.22(c)(25)(i)-(vi).

Requirements in 10 CFR 51.22(c)(25)(i)

To qualify for a categorical exclusion under 10 CFR 51.22(c)(25)(i), the exemption must involve a no significant hazards consideration. The criteria for

making a no significant hazards consideration determination are found in 10 CFR 50.92(c). The NRC has determined that the granting of the exemption request involves no significant hazards consideration because allowing the submittal of the subsequent license renewal application less than 5 years before the expiration of the existing license and deeming the license in timely renewal under 10 CFR 2.109(b) does not: (1) involve a significant increase in the probability or consequences of an accident previously evaluated; or (2) create the possibility of a new or different kind of accident from any accident previously evaluated; or (3) involve a significant reduction in a margin of safety. Therefore, the requirements of 10 CFR 51.22(c)(25)(i) are met.

Requirements in 10 CFR 51.22(c)(25)(ii) and (iii)

The requested exemption constitutes a change to the schedule by which the licensee must submit its application for subsequent license renewal and still place the license in timely renewal, which is administrative in nature, and does not involve any change in the types or significant increase in the amounts of effluents that may be released offsite and does not contribute to any significant increase in occupational or public radiation exposure. Accordingly, there is no significant change in the types or significant increase in the amounts of any effluents that may be released offsite, and no significant increase in individual or cumulative public or occupational radiation exposure. Therefore, the requirements of 10 CFR 51.22(c)(25)(ii) and (iii) are met.

Requirements in 10 CFR 51.22(c)(25)(iv)

The regulation that is requested to be exempted is not associated with construction, and the exemption request does not propose any changes to the site and would not alter the site or change the operation of the site. Therefore, the

requirements of 10 CFR 51.22(c)(25)(iv) are met because there is no significant construction impact.

Requirements in 10 CFR 51.22(c)(25)(v)

The requested exemption constitutes a change to the schedule by which the licensee must submit its subsequent license renewal application and still place the license in timely renewal, which is administrative in nature, and does not impact the probability or consequences of accidents. Thus, there is no significant increase in the potential for, or consequences of, a radiological accident. Therefore, the requirements of 10 CFR 51.22(c)(25)(v) are met.

Requirements in 10 CFR 51.22(c)(25)(vi)

To qualify for a categorical exclusion under 10 CFR 51.22(c)(25)(vi)(G), an exemption must involve scheduling requirements. The requested exemption involves scheduling requirements because it would allow the licensee to submit an application for subsequent license renewal for the PNP less than 5 years prior to the expiration of the existing license, rather than the 5 years specified in 10 CFR 2.109(b), and still place the license in timely renewal under 10 CFR 2.109(b). Therefore, the requirements of 10 CFR 51.22(c)(25)(vi) are met.

Based on the above, the NRC concludes that the requested exemption meets the eligibility criteria for a categorical exclusion set forth in 10 CFR 51.22(c)(25). Therefore, pursuant to 10 CFR 51.22(b), no environmental impact statement or environmental assessment need to be prepared in connection with the granting of this exemption request.

IV. Conclusion.

Accordingly, the NRC has determined that, pursuant to 10 CFR 54.15 and 10 CFR 50.12, the requested exemption is authorized by law, will not present an undue risk

to the public health and safety, and is consistent with the common defense and security. Also, special circumstances, as defined in 10 CFR 50.12(a)(2), are present. Therefore, the NRC hereby grants the licensee a one-time exemption from 10 CFR 2.109(b) to allow Holtec to submit a subsequent license renewal application for the PNP less than 5 years prior to the expiration of the PNP's renewed facility operating license, but no later than March 24, 2028.

The decision to issue Holtec an exemption from 10 CFR 2.109(b) does not constitute approval of the subsequent license renewal application that Holtec intends to submit by March 24, 2028. Rather, this exemption provides that if Holtec submits an application by March 24, 2028, and the application is sufficient for docketing, the licensee will receive timely renewal protection under 10 CFR 2.109(b) while the NRC evaluates that application. Should the application be docketed, the NRC will provide an opportunity for the public to seek a hearing and will review the application using its normal license renewal review processes and standards to determine whether the application meets all applicable regulatory requirements. This exemption is effective upon issuance.

Dated: February 10, 2026.

For the Nuclear Regulatory Commission.

/RA/

Michele Sampson, Director,
Division of New and Renewed Licenses,
Office of Nuclear Reactor Regulation.