



PNP 2026-007

10 CFR 26.9

February 13, 2026

ATTN: Document Control Desk  
U.S. Nuclear Regulatory Commission  
Washington, DC 20555-0001

Palisades Nuclear Plant  
NRC Docket No. 50-255  
Renewed Facility Operating License No. DPR-20

Subject: Third Request for Exemption from Requirements of 10 CFR 26.205, "Fitness for Duty Programs – Work Hours"

By letter dated August 12, 2025 (Reference 1), in accordance with Title 10 of the Code of Federal Regulations (10 CFR), Part 26, *Fitness for Duty Programs*, Section 26.9, *Specific exemptions*, Palisades Energy, LLC (Palisades Energy) requested U.S. Nuclear Regulatory Commission (NRC) approval of a one-time exemption from the specific requirements of 10 CFR 26.205, *Work hours*. The proposed exemption, as supplemented by the letter dated October 15, 2025 (Reference 2), would allow the use of the less restrictive work hour limitations specified in 10 CFR 26.205(d)(4) and (d)(5) in lieu of the requirements of 10 CFR 26.205(d)(3) and (d)(7) for an additional 60-day period to support outage activities for restart of the Palisades Nuclear Plant (PNP).

On October 24, 2025 (Reference 3), the NRC granted the requested exemption to use the less restrictive outage work hour controls in 10 CFR 26.205(d)(4) and (d)(5) for a period not to exceed 60 days to support restart activities during the period of the proposed exemption. The exemption period commenced on November 3, 2025, and expired on January 1, 2026.

By letter dated December 12, 2025 (Reference 4), Palisades Energy requested a second request for exemption from the specific requirements of 10 CFR 26.205. This proposed exemption would allow use of the less restrictive outage work hour controls in 10 CFR 26.205(d)(4) for an additional period of 60 days, to commence on January 2, 2026. The proposed exemption would apply to personnel performing duties specified in 10 CFR 26.4(a)(2) [Health Physics and Chemistry] and 10 CFR 26.4(a)(4) [Maintenance and Projects].

On December 22, 2025 (Reference 5), Palisades Energy received a Request for Additional Information (RAI) by electronic mail (email) regarding the second request for exemption from the requirement of 10 CFR 26.205. Palisades Energy provided the responses to the RAI on December 26, 2025 (Reference 6).

On December 31, 2025 (Reference 7), following a clarification call with the NRC, Palisades Energy submitted a Supplement to the RAI regarding the second request for exemption from the requirements of 10 CFR 26.205. This was supplemented by the letter dated January 5, 2026 (Reference 8) requesting a change to the start date for the 60-day exemption from January 2 to January 6, 2026.

On January 5, 2026 (Reference 9), the NRC granted the requested exemption, as supplemented, allowing use of the less restrictive outage work hour controls in 10 CFR 26.205(d)(4) for a period not to exceed 60 days to support restart activities. The exemption period commenced on January 6, 2026, and will expire on March 6, 2026.

The Enclosure to this letter provides Palisades Energy's third request for exemption from the specific requirements of 10 CFR 26.205. Attachment 1 to the Enclosure provides the Environmental Assessment supporting the exemption request. Attachment 2 to the Enclosure contains four new commitments regarding the controls on work hours to manage cumulative worker fatigue.

Palisades Energy requests approval of the exemption request no later than March 1, 2026, to support the ongoing activities that are critical for the successful completion of the current outage and restart of PNP.

If you have any questions regarding this submittal, please contact Kami Miller, Regulatory Assurance Manager, at (269) 764-2375.

Respectfully,

Jean A.  
Fleming

Digitally signed by Jean A. Fleming  
DN: cn=Jean A. Fleming, c=US,  
o=Holtec Decommissioning  
International, LLC, ou=Regulatory and  
Environmental Affairs,  
email=J.Fleming@Holtec.com  
Date: 2026.02.13 10:41:28 -05'00'

Jean A. Fleming  
Vice President, Licensing and Regulatory Assurance  
Holtec International

- References:
1. Holtec Palisades, LLC (Holtec Palisades) letter to U.S. Nuclear Regulatory Commission (NRC), *Request for Exemption from Requirements of 10 CFR 26.205, "Fitness for Duty Programs – Work Hours,"* dated August 12, 2025 (ADAMS Accession No. ML25224A206)
  2. Holtec Palisades letter to NRC, *Supplement and Response to Request for Confirmatory Information Regarding Request for Exemption from Requirements of 10 CFR 26.205,* dated October 15, 2025 (ADAMS Accession No. ML 25288A074)
  3. NRC letter to Holtec Palisades, *Palisades Nuclear Plant – One-Time Exemption from the Requirements of 10 CFR 26.205(d)(3) and (d)(7) (EPID L-2025-LLE-0022),* dated October 24, 2025 (ADAMS Accession Nos. ML25293A005 and ML25293A007)
  4. Holtec Palisades letter to NRC, *Second Request for Exemption from Requirements of 10 CFR 26.205, "Fitness for Duty Programs – Work Hours,"* dated December 12, 2025 (ADAMS Accession No. ML25346A199)
  5. NRC email to Holtec Palisades, *Request for Additional Information RE: Request for Second Exemption from Part 26 Work Hours (LL-2025-LLE-0032),* dated December 22, 2025 (ADAMS Accession No. ML25357A221)

6. Holtec Palisades letter to NRC, *Request for Additional Information Regarding Second Request for Exemption from Requirements of 10 CFR 26.205, "Fitness for Duty Programs – Work Hours,"* dated December 26, 2025 (ADAMS Accession No. ML25360A002)
7. Holtec Palisades letter to NRC, *Supplement to Request for Additional Information Regarding Second Request for Exemption from Requirements of 10 CFR 25.205, "Fitness for Duty Programs – Work Hours,"* dated December 31, 2025 (ADAMS Accession No. ML25365A936)
8. Holtec Palisades letter to NRC, *Revision to Start Date for Second Exemption from Requirements of 10 CFR 26.205, "Fitness for Duty Programs – Work Hours,"* dated January 5, 2026 (ADAMS Accession No. ML26005A056)
9. NRC letter to Holtec Palisades, *Palisades Nuclear Plant – One-Time Exemption from the Requirements of 10 CFR 26.205(d),* dated January 5, 2026 (ADAMS Accession No. ML26002A075 and ML26002A077)

Enclosure: Third Request for Exemption from Requirements of 10 CFR 26.205

- Enclosure Attachments:
1. Palisades Nuclear Plant – Environmental Assessment
  2. List of Regulatory Commitments

cc: NRC Region III Regional Administrator  
NRC Senior Resident Inspector – Palisades Nuclear Plant  
NRC Project Manager – Palisades Nuclear Plant

**PNP 2026-007**

**Enclosure**

**Third Request for Exemption from Requirements of 10 CFR 26.205**

### **Third Request for Exemption from Requirements of 10 CFR 26.205**

#### **SUMMARY**

By letter dated August 12, 2025 (Reference 1), Palisades Energy, LLC (Palisades Energy) requested U.S. Nuclear Regulatory Commission (NRC) approval of a one-time exemption from the specific requirements of Title 10 of the Code of Federal Regulations (10 CFR), 10 CFR 26.205, *Work hours*. The proposed exemption, as supplemented by the letter dated October 15, 2025 (Reference 2), would allow the use of the less restrictive work hour limitations specified in 10 CFR 26.205(d)(4) and (d)(5) in lieu of the requirements of 10 CFR 26.205(d)(3) and (d)(7) for an additional 60-day period to support outage activities for restart of the Palisades Nuclear Plant (PNP). The NRC granted the exemption request, as supplemented, on October 24, 2025 (Reference 3).

By letter dated December 12, 2025 (Reference 4), Palisades Energy submitted a second request for exemption from the specific requirements of 10 CFR 26.205. This proposed exemption would allow use of the less restrictive outage work hour controls in 10 CFR 26.205(d)(4) for a second 60-day period. The proposed exemption would apply to personnel performing duties specified in 10 CFR 26.4(a)(2) [Health Physics and Chemistry] and 10 CFR 26.4(a)(4) [Maintenance and Projects]. Palisades Energy received a Request for Additional Information (RAI) on December 22, 2025 (Reference 5) regarding the second exemption request and provided a response to the RAI on December 26, 2025 (Reference 6). The RAI response was supplemented by the letter dated December 31, 2025 (Reference 7), and further supplemented by the letter dated January 5, 2026 (Reference 8) requesting a change to the start date for the 60-day exemption from January 2 to January 6, 2026. The NRC granted the requested exemption, as supplemented, on January 5, 2026 (Reference 9).

After receipt of the approved exemption, the period needed to support the PNP outage and restart activities was re-assessed, and it was determined that a third exemption period will be needed for use of the less restrictive work hour limitations of 10 CFR 26.205(d)(4). The additional time under the less restrictive work hour limitations will allow more flexibility for the scheduling of covered work tasks and individual work hours to better manage cumulative fatigue. This supports the primary purpose of the fatigue rule, which is to ensure cumulative fatigue does not compromise the ability of covered individuals to perform their duties safely and competently.

#### **APPLICABLE 10 CFR 26 REQUIREMENTS**

10 CFR 26.4(a) defines the categories of individuals that are subject to the work-hour controls specified in 10 CFR 26.205. These categories are for persons performing the following activities:

- (1) *Operating or onsite directing of the operation of systems and components that a risk-informed evaluation process has shown to be significant to public health and safety;*
- (2) *Performing health physics or chemistry duties required as a member of the onsite emergency response organization minimum shift complement;*

- (3) *Performing the duties of a fire brigade member who is responsible for understanding the effects of fire and fire suppressants on safe shutdown capability;*
- (4) *Performing maintenance or onsite directing of the maintenance of SSCs that a risk-informed evaluation process has shown to be significant to public health and safety; and*
- (5) *Performing security duties as an armed security force officer, alarm station operator, response team leader, or watchman, hereinafter referred to as security personnel.*

10 CFR 26.205(d)(3) provides the following requirements:

Licensees shall either ensure that individuals have, at a minimum, the number of days off specified in this paragraph, or comply with the requirements for maximum average workhours in § 26.205(d)(7). For the purposes of this section, a day off is defined as a calendar day during which an individual does not start a work shift. For the purposes of calculating the average number of days off required in this paragraph, the duration of the shift cycle may not exceed 6 weeks.

- (i) *Individuals who are working 8-hour shift schedules shall have at least 1 day off per week, averaged over the shift cycle;*
- (ii) *Individuals who are working 10-hour shift schedules shall have at least 2 days off per week, averaged over the shift cycle;*
- (iii) *Individuals who are working 12-hour shift schedules while performing the duties described in § 26.4(a)(1) through (a)(3) shall have at least 2.5 days off per week, averaged over the shift cycle;*
- (iv) *Individuals who are working 12-hour shift schedules while performing the duties described in § 26.4(a)(4) shall have at least 2 days off per week, averaged over the shift cycle; and*
- (v) *Individuals who are working 12-hour shift schedules while performing the duties described in § 26.4(a)(5) shall have at least 3 days off per week, averaged over the shift cycle.*

10 CFR 26.205(d)(4) provides the following requirements:

*During the first 60 days of a unit outage, licensees need not meet the requirements of § 26.205(d)(3) or (d)(7) for individuals specified in § 26.4(a)(1) through (a)(4), while those individuals are working on outage activities. However, the licensee shall ensure that the individuals specified in § 26.4(a)(1) through (a)(3) have at least 3 days off in each successive (i.e., non-rolling) 15-day period and that the individuals specified in § 26.4(a)(4) have at least 1 day off in any 7-day period.*

10 CFR 26.205(d)(7) provides the following requirements:

*Licensees may, as an alternative to complying with the minimum days off requirements in § 26.205(d)(3), comply with the requirements for maximum average work hours in this paragraph.*

- (i) Individuals may not work more than a weekly average of 54 hours, calculated using an averaging period of up to six (6) weeks, which advances by 7 consecutive calendar days at the finish of every averaging period.*
- (ii) For purposes of this section, when an individual's work shift starts at the end of a calendar day and concludes during the next calendar day, the licensee shall either consider the hours worked during that entire shift as if they were all worked on the day the shift started, or attribute the hours to the calendar days on which the hours were actually worked.*
- (iii) Each licensee shall state, in its FFD policy and procedures required by § 26.27 and § 26.203(a) and (b), the work hour counting system in § 26.205(d)(7)(ii) the licensee is using.*

10 CFR 26.9, *Specific exemptions*, states:

*Upon application of any interested person or on its own initiative, the Commission may grant such exemptions from the requirements of the regulations in 10 CFR 26 as it determines are authorized by law and will not endanger life or property or the common defense and security, and are otherwise in the public interest.*

### **PROPOSED EXEMPTION**

Palisades Energy requests an exemption from the requirements of 10 CFR 26.205 that would allow the less restrictive work hour limitations described in 10 CFR 26.205(d)(4) to be applied to support the ongoing outage activities and subsequent plant restart, in lieu of the work hour limitations described in 10 CFR 26.205(d)(3) and (d)(7). The proposed exemption would be applicable for a period not to exceed 60 days. The exemption would remain in effect until the end of the current PNP Cycle 28 outage, or May 26, 2026, whichever occurs first. During the period of the exemption, Palisades Energy will apply the limitations of 10 CFR 26.205(d)(4) to the individuals performing the duties specified in 10 CFR 26.4(a)(2) [Health Physics and Chemistry] and 10 CFR 26.4(a)(4) [Maintenance and Projects].

The period of the proposed exemption for the covered individuals described in 10 CFR 26.4(a)(4) [Maintenance and Projects], specifically working on the Fuel Handling Equipment (FHE) Upgrade Project, would commence on March 9, 2026, following a 29-day rest/reset period to commence on February 8, 2026, and be in effect until the end of the current PNP Cycle 28 outage, or May 7, 2026, whichever occurs first.

The period of the proposed exemption for the covered individuals described in 10 CFR 26.4(a)(4) [Maintenance and Projects], specifically working on the Tesco Projects, would commence on March 9, 2026, following a 22-day rest/reset period to commence on

February 15, 2026, and be in effect until the end of the current PNP Cycle 28 outage, or May 7, 2026, whichever occurs first.

The period of the proposed exemption for the covered individuals described in 10 CFR 26.205(a)(2) [Health Physics] would commence on March 16, 2026, following a 29-day rest/reset period to commence on February 15, 2026, and be in effect until the end of the current PNP Cycle 28 outage, or May 14, 2026, whichever occurs first.

The period of the proposed exemption for the covered individuals described in 10 CFR 26.4(a)(2) [Chemistry], and the remaining covered individuals described in 10 CFR 26.4(a)(4) [Maintenance and Projects], would commence on March 28, 2026, following a 21-day rest/reset period to commence on March 7, 2026, and be in effect until the end of the current PNP Cycle 28 outage, or May 26, 2026, whichever occurs first.

### **BASIS FOR PROPOSED EXEMPTION**

In accordance with 10 CFR 26.9, Specific exemptions, the NRC may grant exemptions from the regulations that are determined to be authorized by law, that do not endanger life or property or the common defense and security and are otherwise in the public interest. This exemption request satisfies these requirements.

The proposed exemption is authorized by law in that no other prohibition of law exists to preclude the activities which would be authorized by the exemption. The provisions of 10 CFR 26.9 allow the NRC to grant exemptions from the requirements of 10 CFR 26. Therefore, the proposed exemption is authorized by law.

On January 5, 2026 (Reference 9), the NRC granted the previously requested second exemption, as supplemented, to use the less restrictive outage work hour controls in 10 CFR 26.205(d)(4) for a period not to exceed 60 days to support restart activities. The exemption period commenced on January 6, 2026. There are three commitments regarding the exemption (Reference 7). The commitments and compliance status are as follows:

- (1) Palisades Energy will ensure that covered individuals working on the Alloy 600 project will transition to online averaging rules on January 25, 2026, for the remainder of the proposed exemption period.

Palisades Energy confirms that the covered individuals working on the Alloy 600 project completed the scope of work addressed in Palisades Energy's second request for exemption from the requirements of 10 CFR 26.205 (Reference 4) prior to January 25, 2026, and are not currently scheduled for covered work at Palisades.

- (2) Palisades Energy will ensure that the covered individuals working on Tesco Projects will transition to online averaging rules on February 15, 2026, for the remainder of the proposed exemption period.

The Tesco Project will not be completed by February 15, 2026, due to delays in procurement and a scheduling conflict. Palisades Energy confirms that the covered individuals working on the Tesco Projects will transition to a rest/reset period on February 15, 2026. To ensure an adequate reset before continuing outage rules, the individuals in this Group will observe a

rest/reset period of not more than 50 hours per week, from February 15, 2026, until March 8, 2026.

- 3) Palisades Energy will ensure that covered individuals working on the FHE project will transition to online averaging rules on February 8, 2026, for the remainder of the proposed exemption period.

The FHE project will not be completed by February 8, 2026, due to a pause in field work during primary coolant system passivation activities. Palisades Energy confirms that the covered individuals working on the FHE Upgrades Project will transition to a rest/reset period on February 8, 2026. To ensure an adequate reset before continuing outage activities, the individuals in this Group will observe a rest/reset period of not more than 50 hours per week, from February 8, 2026, until March 8, 2026.

For the covered workers described in 10 CFR 26.4(a)(2) [Chemistry], and the remaining covered workers described in 10 CFR 26.4(a)(4) [Maintenance and Projects], the current exemption period ends on March 6, 2026. Palisades Energy confirms that this Group will transition to a rest/reset period on March 7, 2026. To ensure an adequate reset before continuing outage activities, the individuals in this Group will observe a rest/reset period of not more than 50 hours per week, from March 7, 2026, until March 27, 2026.

For the covered workers described in 10 CFR 26.4(a)(2) [Health Physics], the current exemption period ends on March 6, 2026. To ensure an adequate reset before continuing outage activities, the individuals in this Group will observe a rest/reset period of not more than 50 hours per week, from February 15, 2026, until March 15, 2026.

Palisades Energy uses the Certrec Fatigue Rule Management System (FRMS) to prepare work schedules and track covered work hours. The FRMS individual work schedule reports for the 8-week period from January 3, 2026, through February 28, 2026, are available for NRC review upon request. A description of each Group's typical work schedule is provided below.

<b>Fatigue Management – Affected Group: 10 CFR 26.4(a)(2)</b>		
<b>10 CFR</b>	<b>Position</b>	<b>Schedule 01/03 to 02/28/2026</b>
26.4(a)(2)	Chemistry  13 Covered Individuals	<ul style="list-style-type: none"> <li>• During the 8-week period listed above, the Chemistry department worked mainly 8-hour and 12-hour shifts for 4 or 5 consecutive days, followed by 2 or 3 days off. Additional days off were provided where practicable.</li> <li>• This schedule resulted in a cumulative average of 47.63 hours/week and highest weekly average of 52.25 hours/week.</li> <li>• Although passivation activities will most likely result in an increased work schedule for the Chemistry Department, this schedule is planned to result in most</li> </ul>

<b>Fatigue Management – Affected Group: 10 CFR 26.4(a)(2)</b>		
<b>10 CFR</b>	<b>Position</b>	<b>Schedule 01/03 to 02/28/2026</b>
		<p>covered individuals averaging 54 hours per week or less until the end of the exemption period.</p> <ul style="list-style-type: none"> <li>• Since entering the Reactor Oversight Process (ROP) on August 25, 2025, the Chemistry department has maintained average work hours under 54 hours per week. The reason for their inclusion in the exemption requests was that a scheduled start date for passivation activities had not been established.</li> </ul>
<p><u>Summary</u></p> <p>Primary coolant system passivation activities are currently scheduled to start in the second half of February 2026 and are planned to last two weeks. Although Chemistry has maintained low weekly averages to date, they remain in the exemption request because activities prior to startup could require a change in schedule.</p> <p>To ensure an adequate reset before continuing outage activities, the individuals in this Group will observe a rest/reset period of not more than 50 hours per week from March 7, 2026, until March 27, 2026.</p> <p>The Group 10 CFR 26.4(a)(2) table includes the scheduled 30-minute shift turnover time as part of the work hour averaging calculation for Chemistry. This is conservative because shift turnover time may be excluded from the calculation of an individual's work hours (References: Nuclear Energy Institute (NEI) 06-11, Section 8.1, and NRC Regulatory Guide 5.73, Appendix B, page B-11).</p>		
26.4(a)(2)	<p>Health Physics</p> <p>10 Covered Individuals</p>	<ul style="list-style-type: none"> <li>• During the 8-week period listed above, the Health Physics department mainly worked 12-hour shifts for 4 consecutive days followed by 1 day off. Additional days off were provided where practicable to support fatigue management.</li> <li>• This schedule resulted in a cumulative average of 61.77 hours per week, and a highest weekly average of 67.19 hours per week.</li> </ul>

<b>Fatigue Management – Affected Group: 10 CFR 26.4(a)(2)</b>		
<b>10 CFR</b>	<b>Position</b>	<b>Schedule 01/03 to 02/28/2026</b>
<u>Summary</u>		
<p>As described in the Group 10 CFR 26.4(a)(2) table above, to support the ongoing PNP outage activities and subsequent plant restart, the covered individuals in Chemistry and Health Physics work different schedules. The schedules will remain in compliance with 10 CFR 26.205(d)(1), (d)(2), and (d)(4).</p> <p>To ensure an adequate reset before continuing outage activities, the individuals in Health Physics will observe a rest/reset period of not more than 50-hours per week from February 15, 2026, until March 15, 2026.</p> <p>The Group 10 CFR 26.4(a)(2) table includes the scheduled 30-minute shift turnover time as part of the work hour averaging calculation for Health Physics. This is conservative because shift turnover time may be excluded from the calculation of an individual's work hours (References: Nuclear Energy Institute (NEI) 06-11, Section 8.1, and NRC Regulatory Guide 5.73, Appendix B, page B-11).</p>		

<b>Fatigue Management – Affected Group: 10 CFR 26.4(a)(4)</b>		
<b>10 CFR</b>	<b>Position: Maintenance / Projects</b>	<b>Schedule 01/03 to 02/28/2026</b>
26.4(a)(4)	Projects - Crane Nuclear  22 Covered Individuals	<ul style="list-style-type: none"> <li>As of 01/24/2026, the individuals from Crane Nuclear have been removed from the schedule and have left site.</li> <li>This exemption request no longer applies to Crane Nuclear.</li> </ul>
26.4(a)(4)	Westinghouse - Reactor Services  19 Covered Individuals	<ul style="list-style-type: none"> <li>As of 01/30/2026, the individuals from Westinghouse – Reactor Services have been removed from the schedule and have left site.</li> <li>This exemption request no longer applies to Westinghouse – Reactor Services.</li> </ul>
26.4(a)(4)	Mechanical Maintenance  22 Covered Individuals	<ul style="list-style-type: none"> <li>12-hour shifts, 6 days on, 1 day off.</li> <li>Cumulative average: 71.49 hours per week.</li> <li>Highest weekly average: 73.44 hours per week.</li> <li>Group will observe a rest/reset period of</li> </ul>

<b>Fatigue Management – Affected Group: 10 CFR 26.4(a)(4)</b>		
<b>10 CFR</b>	<b>Position: Maintenance / Projects</b>	<b>Schedule 01/03 to 02/28/2026</b>
		not more than 50 hours per week from March 7, 2026, until March 27, 2026.
26.4(a)(4)	Champion Electricians  50 Covered Individuals	<ul style="list-style-type: none"> <li>• 10-hour shifts, 5 days on, 2 days off.</li> <li>• Cumulative average: 49.80 hours per week.</li> <li>• Highest weekly average: 64.50 hours per week.</li> <li>• Group will observe a rest/reset period of not more than 50 hours per week from March 7, 2026, until March 27, 2026.</li> </ul>
26.4(a)(4)	FHE Upgrade Project  23 Covered Individuals	<ul style="list-style-type: none"> <li>• 12-hour shifts, 6 days on, 1 day off.</li> <li>• Cumulative average: 61.78 hours per week.</li> <li>• Highest weekly average: 70.25 hours per week.</li> <li>• Note that the February schedule reflects the Group on 6 days on, 1 day off schedule. In January, many individuals were given additional time off which significantly lowered the cumulative average.</li> <li>• Group will observe a rest/reset period of not more than 50 hours per week from February 8, 2026, until March 8, 2026.</li> </ul>
26.4(a)(4)	Projects - Tesco  32 Covered Individuals, reduced to 21 in early February	<ul style="list-style-type: none"> <li>• 12-hour shifts, 6 days on, 1 day off.</li> <li>• Additional days off provided where practicable.</li> <li>• Cumulative average: 54.72 hours per week. Note that this lower average is the result of a reduction in staff between January and February 2026.</li> <li>• Highest weekly average: 70.31 hours per week.</li> <li>• Group will observe a rest/reset period of not more than 50 hours per week from February 15, 2026, until March 8, 2026.</li> </ul>

<b>Fatigue Management – Affected Group: 10 CFR 26.4(a)(4)</b>		
<b>10 CFR</b>	<b>Position: Maintenance / Projects</b>	<b>Schedule 01/03 to 02/28/2026</b>
26.4(a)(4)	Electrical Maintenance  23 Covered Individuals	<ul style="list-style-type: none"> <li>• 12-hour shifts, 6 days on, one day off.</li> <li>• Cumulative average: 67.90 hours per week.</li> <li>• Highest weekly average: 72 hours per week.</li> <li>• Group will observe a rest/reset period of not more than 50 hours per week from March 7, 2026, until March 27, 2026.</li> </ul>
26.4(a)(4)	Instrumentation and Controls (I&C) Maintenance  17 Covered Individuals	<ul style="list-style-type: none"> <li>• 12-hour shifts, 6 days on, 1 day off.</li> <li>• Cumulative average: 72.63 hours per week.</li> <li>• Highest weekly average: 75 hours per week.</li> <li>• Group will observe a rest/reset period of not more than 50 hours per week from March 7, 2026, until March 27, 2026.</li> </ul>
26.4(a)(4)	Champion Projects (Days) <ul style="list-style-type: none"> <li>• Insulators</li> <li>• Ironworkers</li> <li>• Boilermakers</li> <li>• Millwrights</li> </ul> 76 Covered Individuals	<ul style="list-style-type: none"> <li>• 10-hour shifts, 5 days on, 2 days off.</li> <li>• Cumulative average: 50 hours per week.</li> <li>• Highest weekly average: 50 hours per week.</li> <li>• Group will observe a rest/reset period of not more than 50 hours per week from March 7, 2026, until March 27, 2026.</li> </ul>
26.4(a)(4)	Champion Projects (Nights) <ul style="list-style-type: none"> <li>• Pipefitters</li> <li>• Iron Workers</li> </ul> 25 Covered Individuals	<ul style="list-style-type: none"> <li>• 10-hour shifts, 5 days on, 2 days off.</li> <li>• Cumulative average: 50 hours per week.</li> <li>• Highest weekly average: 50 hours per week.</li> <li>• Group will observe a rest/reset period of not more than 50 hours per week from March 7, 2026, until March 27, 2026.</li> </ul>
26.4(a)(4)	Champion Boilermakers (Nights)  5 Covered Individuals	<ul style="list-style-type: none"> <li>• 10 and 12-hour shifts, 5 days on, 2 days off.</li> <li>• Cumulative average: 53.89 hours per week.</li> <li>• Highest weekly average: 57.63 hours per week.</li> <li>• Group will observe a rest/reset period of not more than 50 hours per week from March 7, 2026, until March 27, 2026.</li> </ul>

<b>Fatigue Management – Affected Group: 10 CFR 26.4(a)(4)</b>		
<b>10 CFR</b>	<b>Position: Maintenance / Projects</b>	<b>Schedule 01/03 to 02/28/2026</b>
26.4(a)(4)	Champion Pipefitters  30 Covered Individuals	<ul style="list-style-type: none"> <li>• 10-hour shifts, 5 days on, 2 days off.</li> <li>• Cumulative average: 46.25 hours per week.</li> <li>• Highest weekly average: 46.25 hours per week.</li> <li>• Group will observe a rest/reset period of not more than 50 hours per week from March 7, 2026, until March 27, 2026.</li> </ul>
26.4(a)(4)	Champion Material Handling  16 Covered Individuals	<ul style="list-style-type: none"> <li>• 12-hour shifts, 5 days on, 2 days off and 6 days on, 1 day off.</li> <li>• Cumulative average: 57.70 hours per week.</li> <li>• Highest weekly average: 68.69 hours per week.</li> <li>• Group will observe a rest/reset period of not more than 50 hours per week from March 7, 2026, until March 27, 2026.</li> </ul>
26.4(a)(4)	Champion Operating Engineers  13 Covered Individuals	<ul style="list-style-type: none"> <li>• 12-hour shifts, 5 days on, 2 days off.</li> <li>• Cumulative average: 57.85 hours per week.</li> <li>• Highest weekly average: 58.5 hours per week.</li> <li>• Group will observe a rest/reset period of not more than 50 hours per week from March 7, 2026, until March 27, 2026.</li> </ul>
26.4(a)(4)	Champion Painters  21 Covered Individuals	<ul style="list-style-type: none"> <li>• 12-hour shifts, 5 days on, 2 days off and 6 days on, 1 day off.</li> <li>• Additional time off was given where practicable.</li> <li>• Cumulative average: 61.36 hours per week.</li> <li>• Highest weekly average: 70.31 hours per week.</li> <li>• This will be the first exemption request that this Group will be part of. Containment coatings project dictated that they were reclassified as covered.</li> <li>• Group will observe a rest/reset period of not more than 50 hours per week from March 7, 2026, until March 27, 2026.</li> </ul>

<b>Fatigue Management – Affected Group: 10 CFR 26.4(a)(4)</b>		
<b>10 CFR</b>	<b>Position: Maintenance / Projects</b>	<b>Schedule 01/03 to 02/28/2026</b>
26.4(a)(4)	Arc Pipefitters  15 Covered Individuals	<ul style="list-style-type: none"> <li>• 12-hour shifts, 6 days on, 1 day off.</li> <li>• Additional time off was given where practicable</li> <li>• Cumulative average: 69.47 hours per week.</li> <li>• Highest weekly average: 70.5 hours per week.</li> <li>• Group will observe a rest/reset period of not more than 50 hours per week from March 7, 2026, until March 27, 2026.</li> </ul>
26.4(a)(4)	Mechanical Seconded Millwrights  6 Covered Individuals	<ul style="list-style-type: none"> <li>• 12-hour shifts, 6 days on, 1 day off.</li> <li>• Cumulative average: 72 hours per week.</li> <li>• Highest weekly average: 72 hours per week.</li> <li>• Group will observe a rest/reset period of not more than 50 hours per week from March 7, 2026, until March 27, 2026.</li> </ul>
<p><u>Summary</u></p> <p>As described in the table above, to support the ongoing PNP outage activities and subsequent plant restart, the covered individuals in Group 10 CFR 26.4(a)(4) will be required to work various schedules. All schedules will remain compliant with 10 CFR 26.205(d)(1), (d)(2), and (d)(4). To ensure an adequate reset before continuing outage activities, the individuals in this Group will observe a rest and reset period in which no covered individual will work more than 50 hours per week for the range of time specified above.</p> <p>The Group 10 CFR 26.4(a)(4) table includes the scheduled 30-minute shift turnover time as part of the work hour averaging calculation. This is conservative because shift turnover time may be excluded from the calculation of an individual's work hours (References: NEI 06-11, Section 8.1, and NRC Regulatory Guide 5.73, Appendix B, page B-11).</p>		

**MITIGATING STRATEGY**

- PNP continues to exclude three of the five covered worker classification Groups from the exemption request. Operations, Fire Brigade, and Security will continue to maintain compliance with the on-line maximum average work hour requirements of 10 CFR 26.205(d)(7). This fatigue management strategy has resulted in the exclusion from the exemption request of approximately 37 percent of the total covered workforce currently at PNP.

- Throughout the current exemption period, an estimated 190 of the approximately 380 covered workers in Groups 10 CFR 26.4(a)(2) [Health Physics and Chemistry] and 10 CFR 26.4(a)(4) [Maintenance and Projects] currently at PNP have been limited to less than a 54-hour per week average, thus illustrating Palisades Energy's commitment to effective fatigue management. This represents approximately 50 percent of the covered workforce included in the exemption request.
- As PNP makes progress toward restart, the required number of covered workers is decreasing. PNP is actively striving to reasonably reduce the non-permanent covered workforce supporting plant restart as another fatigue management mitigation strategy. Throughout the course of the current exemption period, Westinghouse Reactor Services and Crane Nuclear have completed their scope of work and the 41 individuals have been removed from the covered worker schedules, and the Tesco Project has reduced its covered workforce by 11 individuals.
- Since the start of the first exemption period on November 3, 2025, the covered workers in Groups 10 CFR 26.4(a)(2) [Health Physics and Chemistry] and 10 CFR 26.4(a)(4) [Maintenance and Projects] have maintained work hours compliant with 10 CFR 26.205(d)(1), (d)(2), and (d)(4). Palisades Energy is committing the Chemistry individuals identified in Group (a)(2) and the Maintenance and Projects individuals in Group (a)(4) supporting plant restart, with the exception of the individuals supporting the FHE and Tesco Projects, to a minimum 21-day rest and reset period prior to the start of the proposed 60-day extended exemption period. Palisades Energy is committing the Health Physics individuals in Group (a)(2) supporting plant restart to a 29-day rest and reset period. In addition, Palisades is committing the FHE Project individuals in Group (a)(4) supporting plant restart to a 29-day rest and reset period and the Tesco Project individuals in Group (a)(4) supporting plant restart to a 22-day rest and reset period. During the observed rest and reset periods, a maximum of 50 hours per week will be maintained.
- In addition to the above mitigating strategies, which include a longer-duration rest period and a minimization of the work hour limitations exemption, leaders will continue to assess covered workers for fatigue and mental alertness and encourage self-identification.

## **PRECEDENT**

- On June 11, 2013, the NRC approved a request, as supplemented, for exemption from 10 CFR 26.205 for Fort Calhoun Station, Unit 1 (ML13157A135 and ML13157A139). Fort Calhoun is cited as precedent because the exemption was needed to support an extended outage. The exemption allowed the use of the less restrictive working hour limitations described in 10 CFR 26.205(d)(4) and (d)(5) to support activities for a period not to exceed 60 days.
- On October 28, 2013, the NRC approved a request, as supplemented, for a second exemption from the requirements of 10 CFR 26.205 for Fort Calhoun Station, Unit 1 (ML13274A025 and ML13274A026). Fort Calhoun is again cited as precedent because the exemption was needed to allow use of the less restrictive working hour limitations

described in 10 CFR 26.205(d)(4) to support activities required for plant startup from the extended outage. The previous 60-day exemption period approved by the NRC on June 11, 2013 for the extended outage had expired. The second exemption was approved for a period not to exceed 45 days.

- On April 29, 2022, the NRC approved a request, as supplemented, for exemption from 10 CFR 26.205 for Watts Bar Nuclear Plant, Unit 2 (ML22117A185 and ML22117A186). Watts Bar is cited as precedent because the exemption was needed due to an extended outage. The exemption allowed use of the less restrictive working hour limitations described in 10 CFR 26.205(d)(4) to support outage activities for a period not to exceed 60 days.
- On March 20, 2025, the NRC approved a request for exemption from 10 CFR 26.205 for Sequoyah Nuclear Plant, Unit 2 (ML25070A295 and ML25070A296). Sequoyah is cited as precedent because the exemption was needed due to an extended outage. The exemption allowed use of the less restrictive working hour limitations described in 10 CFR 26.205(d)(4) to support startup activities for a period not to exceed 21 days.
- On October 24, 2025, the NRC approved a request, as supplemented, for exemption from 10 CFR 26.205 for Palisades Nuclear Plant (PNP) (ML25293A005 and ML25293A007). PNP is cited as precedent because the exemption was needed to support plant restart. The exemption allowed use of the less restrictive working hour limitations described in 10 CFR 26.205(d)(4) and (d)(5) to support the ongoing outage and restart activities. The exemption period commenced on November 3, 2025 for a period not to exceed 60 days and expired on January 1, 2026.
- On January 5, 2026, the NRC approved a request for exemption from 10 CFR 26.205 for PNP (ML26002A075 and ML26002A077). PNP is cited as precedent because this was a second exemption needed to support plant restart. The exemption allowed use of the less restrictive working hour limitations described in 10 CFR 26.205(d)(4) and (d)(5) to support the ongoing outage and restart activities. The exemption period commenced on January 6, 2026, for a period not to exceed 60 days and will expire on March 6, 2026.

## References

1. Holtec Palisades, LLC (Holtec Palisades) letter to U.S. Nuclear Regulatory Commission (NRC), *Request for Exemption from Requirements of 10 CFR 26.205, "Fitness for Duty Programs – Work Hours,"* dated August 12, 2025 (ADAMS Accession No. ML25224A206)
2. Holtec Palisades letter to NRC, *Supplement and Response to Request for Confirmatory Information Regarding Request for Exemption from Requirements of 10 CFR 26.205,* dated October 15, 2025 (ADAMS Accession No. ML 25288A074)
3. NRC letter to Holtec Palisades, *Palisades Nuclear Plant – One-Time Exemption from the Requirements of 10 CFR 26.205(d)(3) and (d)(7) (EPID L-2025-LLE-0022),* dated October 24, 2025 (ADAMS Accession Nos. ML25293A005 and ML25293A007)

4. Holtec Palisades letter to NRC, *Second Request for Exemption from Requirements of 10 CFR 26.205, "Fitness for Duty Programs – Work Hours,"* dated December 12, 2025 (ADAMS Accession No. ML25346A199)
5. NRC email to Holtec Palisades, *Request for Additional Information RE: Request for Second Exemption from Part 26 Work Hours (LL-2025-LLE-0032),* dated December 22, 2025 (ADAMS Accession No. ML25357A221)
6. Holtec Palisades letter to NRC, *Request for Additional Information Regarding Second Request for Exemption from Requirements of 10 CFR 26.205, "Fitness for Duty Programs – Work Hours,"* dated December 26, 2025 (ADAMS Accession No. ML25360A002)
7. Holtec Palisades letter to NRC, *Supplement to Request for Additional Information Regarding Second Request for Exemption from Requirements of 10 CFR 25.205, "Fitness for Duty Programs - Work Hours,"* dated December 31, 2025 (ADAMS Accession No. ML25365A936)
8. Holtec Palisades letter to NRC, *Revision to Start Date for Second Exemption from Requirements of 10 CFR 26.205, "Fitness for Duty Programs – Work Hours,"* dated January 5, 2026 (ADAMS Accession No. ML26005A056)
9. NRC letter to Holtec Palisades, *Palisades Nuclear Plant – One-Time Exemption from the Requirements of 10 CFR 26.205(d),* dated January 5, 2026 (ADAMS Accession No. ML26002A075 and ML26002A077)

**Enclosure Attachment 1**  
**PNP 2026-007**  
**Palisades Nuclear Plant**  
**Environmental Assessment**

## **Palisades Nuclear Plant Environmental Assessment**

In accordance with Title 10 of the Code of Federal Regulations (10 CFR), Part 26.9, *Specific exemptions*, Palisades Energy, LLC (Palisades Energy) is requesting a third one-time exemption for the Palisades Nuclear Plant (PNP) from the specific requirements of 10 CFR 26.202, *Fitness for Duty Programs – Work Hours*, Section (d)(7). The requirements of 10 CFR 26.205(d)(4) permit the use of less restrictive work hour limitations during the first 60 days of a unit outage, in lieu of the requirements of 10 CFR 26.205(d)(7). The proposed exemption would allow the use of the less restrictive work hour limitations described in 10 CFR 26.205(d)(4) for an additional 60 days to support the remaining outage activities for restart of PNP.

As required by 10 CFR 51.41, *Requirement to submit environmental information*, Palisades Energy hereby provides the following environmental assessment for the proposed exemption. This environmental assessment is consistent with those provided in similar, previous exemption requests, including the examples provided in References 1, 2, 3, 4, and 5 which were approved by the NRC in References 6, 7, 8, 9, and 10. The proposed exemption meets the eligibility criteria for categorical exclusion set forth in 10 CFR 51.22(c)(25), as supported by the assessment below. Pursuant to 10 CFR 51.22(b), no environmental impact statement or environmental assessment is required to be prepared in connection with granting the exemption.

**1. *Describe any change to the types, characteristics, or quantities of non-radiological effluents discharged to the environment as a result of the proposed exemption.***

**Palisades Response:**

There are no expected changes in the types, characteristics, or quantities of non-radiological effluents discharged to the environment as a result of the proposed exemption. The proposed exemption is administrative in nature and is limited to changing the timeframe when less restrictive hours can be worked. This does not result in any changes to the design basis requirements for the structures, systems, and components (SSCs) at PNP that function to limit the release of non-radiological effluents during and following postulated accidents. The SSCs associated with limiting the release of non-radiological effluents to the environment will continue to perform or be capable of performing their functions, and as a result, there is no significant non-radiological effluent impact. In light of the administrative nature of the proposed exemption, there are no materials or chemicals introduced into the plant that could affect the characteristics or types of non-radiological effluents. In addition, the method of operation of non-radiological waste systems will not be affected by the proposed exemption.

**2. *Describe any changes to liquid radioactive effluents discharged as a result of the proposed exemption.***

**Palisades Response:**

There are no expected changes to liquid radioactive effluents discharged as a result of the proposed exemption. The proposed exemption is limited to administrative changes regarding the timeframe when less restrictive work hours can be worked and will not result in the

production of any different quantity or type of radioactive material in the primary coolant system. The proposed exemption will not result in changes to the design basis requirements for the SSCs at PNP that function to limit the release of liquid radiological effluents during and following postulated accidents. The SSCs associated with limiting the release of liquid radiological effluents will continue to perform or be capable of performing their functions, and as a result, there is no significant liquid radiological effluent impact.

**3. *Describe any changes to gaseous radioactive effluents discharged as a result of the proposed exemption.***

**Palisades Response:**

There are no expected changes to gaseous radioactive effluents discharged as a result of the proposed exemption. The proposed administrative changes to the timeframe when less restrictive work hours can be worked will not result in the production of any different quantity or type of radioactive material in the primary coolant system. Further, these changes will not result in changes to the design basis requirements for SSCs at PNP that function to limit the release of gaseous radiological effluents during and following accidents. The SSCs associated with limiting the release of gaseous radiological effluents will continue to perform or be capable of performing their functions, and as a result, there is no significant gaseous radiological effluent impact.

**4. *Describe any change in the type or quantity of solid radioactive waste generated as a result of the proposed exemption.***

**Palisades Response:**

There are no expected changes to the solid radioactive waste generated by the facility as a result of the proposed exemption. The proposed administrative changes to the timeframe when less restrictive work hours can be worked have no impact on the processing, storage, or shipping of radwaste and will not result in the production of any different quantity or type of solid radioactive waste during and following postulated accidents. In addition, radiation surveys will continue to be performed in accordance with plant radiation protection procedures. The SSCs associated with limiting the release of solid radioactive waste will continue to perform or be capable of performing their functions, and as a result, there is no significant solid radioactive waste impact.

**5. *What is the expected change in occupational dose as a result of the proposed exemption under normal and design basis accident conditions?***

**Palisades Response:**

The proposed exemption will allow less restrictive work hours for a limited period. The exemption will not increase or decrease the amount of work activities that must be completed in preparation for plant restart. As such, no change in occupational dose as a result of the proposed exemption under normal or design basis accident (DBA) conditions is expected.

**6. *What is the expected change in the public dose as a result of the proposed exemption under normal and design basis accident conditions?***

**Palisades Response:**

Public dose is not changed by the proposed exemption for normal operations or DBA conditions. As noted in items 2, 3, and 4 above, there is no basis to contemplate an increased source of liquid, gaseous, or solid radiological effluents, or an associated leak rate that could contribute to increased public exposure during normal or DBA conditions.

**7. *What is the impact to land disturbance for the proposed exemption?***

**Palisades Response:**

The proposed exemption will allow less restrictive work hours for a limited period. As such, the proposed exemption is administrative in nature and will not result in a land disturbance or affect a historical site.

**Conclusion:**

There is no significant radiological environmental impact associated with implementing less restrictive work hours for a limited period. The proposed changes will not result in a land disturbance or affect any historical sites, nor will they affect non-radiological plant effluents.

**References:**

1. Holtec Palisades, LLC (Holtec Palisades) letter to U.S. Nuclear Regulatory Commission (NRC), *Second Request for Exemption from Requirements of 10 CFR 26.205, "Fitness for Duty Programs – Work Hours,"* dated December 12, 2025 (ADAMS Accession No. ML25346A199)
2. Holtec Palisades letter to NRC, *Request for Exemption from Requirements of 10 CFR 26.205, "Fitness for Duty Programs – Work Hours,"* dated August 12, 2025 (ADAMS Accession No. ML25224A206)
3. Tennessee Valley Authority (TVA) letter to NRC, *Request for Exemption from Requirements of 10 CFR 26.205, "Fitness for Duty Programs – Work Hours,"* dated February 5, 2025 (ADAMS Accession No. ML25036A070)
4. TVA letter to NRC, *Request for Exemption from Requirements of 10 CFR 26.205(d)(4), 26.205(d)(6) and 26.205(d)(7), "Fitness for Duty Programs – Work Hours,"* dated April 15, 2022 (ADAMS Accession No. ML22105A579)
5. Omaha Public Power District (OPPD) letter to NRC, *Request for Exemption from Requirements of 10 CFR 26.205(d)(7),* dated August 16, 2013 (ADAMS Accession No. ML13231A018)

6. NRC letter to Holtec Palisades, *Palisades Nuclear Plant – One-Time Exemption from the Requirements of 10 CFR 26.205(d)*, dated January 5, 2026 (ADAMS Accession No. ML26002A075 and ML26002A077)
7. NRC letter to Holtec Palisades, *Palisades Nuclear Plant – One-Time Exemption from the Requirements of 10 CFR 26.205(d)(3) and (d)(7) (EPID L-2025-LLE-0022)*, dated October 24, 2025 (ADAMS Accession Nos. ML25293A005 and ML25293A007)
8. NRC letter to TVA, *Sequoyah Nuclear Plant, Unit 2 – One-Time Exemption from the Requirements of 10 CFR 26.205(d)(7) (EPID L-2025-LLE-0007)*, dated March 20, 2025 (ADAMS Accession Nos. ML25070A295 and ML25070A296)
9. NRC letter to TVA, *Watts Bar Nuclear Plant, Unit 2 – Exemptions from the Requirements of 10 CFR Part 26, Section 26.205(d)(7)*, dated April 29, 2022 (ADAMS Accession No. ML22117A185)
10. NRC letter to OPPD, *Fort Calhoun Station, Unit No. 1 – Exemption from the Requirements of 10 CFR Part 26, Section 205 (TAC NO. ME9770)*, dated June 11, 2013 (ADAMS Accession Nos. ML13157A135 and ML13157A139)

**Enclosure Attachment 2**  
**PNP 2026-007**  
**List of Regulatory Commitments**

(1 Page Follows)

## List of Regulatory Commitments

The table below identifies actions discussed in this letter for which, upon approval, Holtec commits to perform. Any other actions discussed in this submittal are described for U.S. Nuclear Regulatory Commission (NRC) information and are **not** commitments.

Commitment	Proposed Completion Date
1. Palisades Energy will ensure that covered individuals working on the Fuel Handling Equipment (FHE) project will observe a 29-day rest and reset period in which no covered individual works more than 50 hours per week from February 8, 2026, to March 8, 2026.	03/08/2026
2. Palisades Energy will ensure that covered individuals working on Tesco Projects will observe a 22-day rest and reset period in which no covered individual works more than 50 hours per week from February 15, 2026, to March 8, 2026.	03/08/2026
3. Palisades Energy will ensure that the covered individuals as described in 10 CFR 26.4(a)(2) [Health Physics] will observe a 29-day rest and reset period in which no covered individual works more than 50 hours per week from February 15 to March 15, 2026.	03/15/2026
4. Palisades Energy will ensure that all remaining covered individuals as described in 10 CFR 26.4(a)(2) [Chemistry] and 10 CFR 26.4(a)(4) [Maintenance and Projects] will observe a 21-day rest and reset period in which no covered individual works more than 50 hours per week from March 7 to March 27, 2026.	03/27/2026