



PNP 2026-015

10 CFR 26.9

March 4, 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: Supplement to Request for Additional Information Regarding 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 one-time 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 will expire on January 1, 2026.

By letter dated December 12, 2025 (Reference 4), Palisades Energy requested a second request for a one-time 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, after a two week rest and reset 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].

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), with supplements to the RAI dated December 31, 2025 (Reference 7) and January 5, 2026 (Reference 8).

On January 5, 2026 (Reference 9), the NRC granted the requested 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, 2025, and will expire on March 6, 2026.

By letter dated February 13, 2026 (Reference 10), Palisades Energy requested a third 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. The exemption would remain in effect until the end of the current PNP Cycle 28 outage, or May 26, 2026, whichever occurs first. 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 February 23, 2026 (Reference 11), Palisades Energy received an RAI regarding the third exemption request. Palisades Energy provided responses to the RAI in a letter dated February 27, 2026 (Reference 12). Subsequently, following clarification calls held with the NRC staff on March 3 and March 4, 2026, Palisades Energy agreed to provide a supplement to the RAI response.

The Enclosure to this letter provides the supplemental information affecting the February 27, 2026 (Reference 12) RAI response letter, which revises and replaces, in its entirety, the response to RAI 1.a provided in the Enclosure to the RAI response letter. The attachment to the Enclosure to this letter provides two revised commitments, which supersede the commitments provided in the February 27, 2026 RAI response letter. For completeness, please replace, in their entirety, the commitments included in the February 27, 2026 RAI response letter with the commitments provided in the attachment to the Enclosure to this letter.

Palisades Energy requests approval of the exemption request no later than March 7, 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  
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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 26.205, "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 Nos. ML26002A075 and ML26002A077)
10. Holtec Palisades letter to NRC, *Third Request for Exemption from Requirements of 10 CFR 26.205, "Fitness for Duty Programs – Work Hours,"* dated February 13, 2026 (ADAMS Accession No. ML26044A123)
11. NRC email to Holtec Palisades, *Request for Additional Information RE: Third Exemption from Part 26 Work Hours Requirements (L-2026-LLE-0010)*, dated February 23, 2026 (ADAMS Accession No. ML26058A327)
12. Holtec Palisades letter to NRC, *Request for Additional Information Regarding Third Request for Exemption from Requirements of 10 CFR 26.205, "Fitness for Duty Programs – Work Hours,"* dated February 27, 2026 (ADAMS Accession No. ML26058A024)

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Enclosure: Supplement to Request for Additional Information Regarding Third Request for Exemption from Requirements of 10 CFR 26.205

Enclosure Attachment: List of Regulatory Commitments

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

**PNP 2026-015**

**Enclosure**

**Supplement to Request for Additional Information Regarding Third  
Request for Exemption from Requirements of 10 CFR 26.205**

## **Supplement to Request for Additional Information Regarding Third Request for Exemption from Requirements of 10 CFR 26.205**

### **Background**

By letter dated February 13, 2026 (Reference 1), Palisades Energy, LLC (Palisades Energy) requested U.S. Nuclear Regulatory Commission (NRC) approval of a third 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 would allow the use of the less restrictive work hour limitations specified in 10 CFR 26.205(d)(4) in lieu of the requirements of 10 CFR 26.205(d)(3) and (d)(7) for a duration of 60 days starting on March 9, March 16, or March 28, 2026, respectively, for various covered site personnel to support continued plant restart activities at the Palisades Nuclear Plant (PNP). The exemption would remain in effect until the end of the current PNP Cycle 28 outage, or May 26, 2026, whichever occurs first. The NRC granted the first two similar exemptions, as supplemented, for PNP on October 24, 2025 (Reference 2) and January 5, 2026 (Reference 3).

On February 23, 2026 (Reference 4), Palisades Energy received a Request for Additional Information (RAI) by electronic mail (email) regarding the third request for exemption from the requirement of 10 CFR 26.205. Palisades Energy provided the responses to the RAI on February 27, 2026 (Reference 5). Following clarification calls held with the NRC staff on March 3 and March 4, 2026, Palisades Energy agreed to provide a supplement to the RAI response.

The supplemental information affecting the February 27, 2026 (Reference 5) RAI response letter, which revises and replaces, in its entirety, the response to RAI 1.a provided in the Enclosure to the RAI response letter, is provided below. The attachment to this Enclosure provides two revised commitments, which supersede the commitments provided in the February 27, 2026 RAI response letter. For completeness, please replace, in their entirety, the commitments included in the February 27, 2026 RAI response letter with the commitments provided in the attachment to the Enclosure to this letter.

### **Addressing Public Health and Safety:**

As the first plant to resume power operations after entering decommissioning, PNP has necessarily presented novel regulatory issues, including the present need to address worker fatigue using NRC regulations created for maintenance outages. A restart project, while similar in kind to an extended maintenance outage (including those that have prompted other licensees to request similar exemptions), involves broader work scope and, thus, increased potential for schedule extensions and the corresponding need to manage cumulative worker fatigue. However, unlike a normal outage, a restart project includes additional layers of protection of public health and safety, including Palisades Energy's ongoing implementation of return-to-service plans for SSCs, NRC's restart inspection program, additional QA and QC requirement during system testing and repowering, incremental mode ascension and Technical Specification surveillances. The exemption request does not relax any of these substantive safety requirements, the inspection and oversight regime governing the restart, or the training and qualifications of the PNP operational organization. While none of these factors diminish Palisades Energy's responsibility to manage cumulative worker fatigue, they provide additional protections to public health and safety by ensuring that worker fatigue (or any other factor) does

not result in latent errors during the restart project in a manner that jeopardizes public health and safety.

In addition to the measures Palisades Energy is taking to mitigate and manage fatigue (discussed above), these additional layers of protection ensure that there is reasonable assurance of public health and safety during the resumption of power operations at PNP. In addition to these factors, the requested exemption has a direct nexus to improved flexibility in scheduling, work planning, and the conduct of restart activities to support the current schedule to return the plant to service before peak summer electric demand. The Michigan State Legislature, Governor's Office, Congressional Delegation, and Public Service Commission have all publicly urged PNP's prompt return to service to support regional grid reliability and resource adequacy. More broadly, U.S. Congress and the President have reiterated the urgent need to bring non-emitting nuclear baseload capacity online to address projected capacity shortfalls, energy security, and national security priorities of the U.S. government. Last summer, U.S. DOE exercised its emergency authority to delay retirement of a baseload facility in Michigan over the summer peak period, citing regional capacity shortfalls and the need to retain baseload generation to "help prevent the potential loss of power to homes and local businesses in the areas that might have been affected by curtailments or outages *that would otherwise pose a risk to public health and safety.*" (DOE Order No. 202-25-7). While these broader public considerations do not diminish Palisades Energy's responsibility for managing cumulative worker fatigue during the restart project, in evaluating the exemption request, NRC should acknowledge that the substantial public interest served by returning PNP to service also implicates public health and safety.

#### **Supplement to Palisades Energy Response to RAI 1.a:**

As understood in the clarification call conducted between the NRC and Palisades Energy on March 4, 2026, Palisades Energy hereby provides the following supplement to the response to RAI 1.a, provided to the NRC by Palisades Energy on February 27, 2026 (Reference 5). This supplement supersedes the RAI response.

Please note that the list of 6 regulatory commitments, as provided in Palisades Energy's response to the request for additional information regarding the third request for exemption from the requirements of 10 CFR 26.205 (Reference 5) remain in effect. Amendments to commitment number 2 (Tesco Projects), and commitment number 4 (all remaining covered individuals as described in 10 CFR 26.4(a)(2) [Chemistry] and 10 CFR 26.4(a)(4) [Maintenance and Projects]), are provided in the attachment to this enclosure. The amended commitments reflect a minimum 4-week schedule between exemption periods which are compliant with 10 CFR 26.205(d)(7).

Currently, except for the Fuel Handling Equipment (FHE) upgrade project and Tesco projects, the personnel covered by 10 CFR 26.4(a)(4) [Maintenance and Projects], are set to observe a 21-day rest and reset period in which no individual will work more than 50 hours per week from March 7 to March 27, 2026. Palisades Energy understands and acknowledges the NRC's concern that since Palisades entered its initial outage period on August 25, 2025, certain groups have historically averaged more hours than others during the exemption periods, and that the rest and reset periods do not necessarily translate to adequate days off in support of an

effective fatigue reset. Therefore, Palisades Energy will extend the rest/reset period by an additional 7 days, thereby ensuring that those individuals will have implemented a schedule compliant with 10 CFR 26.205(d)(7) for no less than 4 weeks, and ensure each covered individual from the following work groups are provided with a minimum of four consecutive days off between March 7 and May 26, 2026.

- Health Physics
- Mechanical Maintenance
- Electrical Maintenance
- Instrumentation and Controls Maintenance
- Mechanical Seconded Millwrights

The new proposed exemption period for personnel covered by 10 CFR 26.2(a)(4) [Maintenance and Projects], except for the FHE project and Tesco projects, is from April 4, 2026, to June 2, 2026, or until the end of the current PNP Cycle 28 outage, whichever occurs first. It is understood that, due to the extended nature of the ongoing outage, a definitive plant restart schedule has not yet been established. Therefore, it is Palisades Energy's position that in order to better align with the intent of 10 CFR 26.23(e) to address the effects of fatigue and degraded alertness on individuals, the minimum four consecutive days off may be given before or during the proposed exemption period to ensure emergent issues are addressed promptly and competently while allowing for some scheduling flexibility.

Palisades Energy also acknowledges the NRC's concern regarding the high cumulative work hours for the covered individuals in the Arc Pipefitters Group, the Tesco Projects Group, the FHE Group, and all remaining covered individuals as described in 10 CFR 26.4(a)(2) and 10 CFR 26.4(a)(4). The mitigating action strategy for these Groups is described below:

- Palisades Energy will ensure that the Arc Pipefitters Group, along with all other work groups included in the exemption request, observe a rest/reset period of not less than 4 weeks, thereby ensuring that those individuals will have implemented a schedule compliant with 10 CFR 26.205(d)(7) for no less than 4 weeks.
- Currently, the covered individuals working on Tesco Projects are observing a rest/reset period in which no covered individual will work more than 50 hours per week, in the 22-day period from February 15, 2026, to March 8, 2026. Palisades Energy will extend this period by an additional 7 days, thereby ensuring that those individuals will have implemented a schedule compliant with 10 CFR 26.205(d)(7) for no less than four weeks. The new proposed exemption period for this group is March 16, 2026, to May 14, 2026, or until the end of the current PNP Cycle 28 outage, whichever occurs first.
- Currently, the covered individuals working on the FHE project are observing a rest/reset period in which no covered individual will work more than 50 hours per week, in the 29-day period from February 8, 2026, to March 8, 2026. The proposed exemption period for the FHE project remains unchanged.
- Currently, the covered individuals in the Health Physics department are observing a rest/reset period in which no covered individual will work more than 50 hours per week,

in the 43-day period from February 15, 2026, to March 29, 2026. The proposed exemption period for the Health Physics department remains unchanged.

## References

1. Holtec Palisades, LLC (Holtec Palisades) letter to U.S. Nuclear Regulatory Commission (NRC), *Third Request for Exemption from Requirements of 10 CFR 26.205, "Fitness for Duty Programs – Work Hours,"* dated February 13, 2026 (ADAMS Accession No. ML26044A123)
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3. 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 Nos. ML26002A075 and ML26002A077)
4. NRC email to Holtec Palisades, *Request for Additional Information RE: Third Exemption from Part 26 Work Hours Requirements (L-2026-LLE-0010)*, dated February 23, 2026 (ADAMS Accession No. ML26058A327)
5. Holtec Palisades letter to NRC, *Request for Additional Information Regarding Third Request for Exemption from Requirements of 10 CFR 26.205, "Fitness for Duty Programs – Work Hours,"* dated February 27, 2026 (ADAMS Accession No. ML26058A024)

**Enclosure Attachment**  
**PNP 2026-015**  
**List of Regulatory Commitments**

(1 Page Follows)

## List of Regulatory Commitments

The table below identifies actions discussed in this letter for which, upon approval, Palisades Energy, LLC (Palisades Energy) 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 29-day rest and reset period in which no covered individual works more than 50 hours per week from February 15, 2026, to March 15, 2026	03/15/2026
3. Palisades Energy will ensure that the covered individuals as described in 10 CFR 26.4(a)(2) [Health Physics] will observe a 43-day rest and reset period in which no covered individual works more than 50 hours per week from February 15 to March 29, 2026	03/29/2026
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 28-day rest and reset period in which no covered individual works more than 50 hours per week from March 7 to April 3, 2026.	04/03/2026
5. Palisades Energy will ensure that each covered individual from Health Physics, Mechanical Maintenance, Electrical Maintenance, Instrumentation and Controls Maintenance, and Mechanical Seconded Millwrights receives a minimum 4 consecutive days off between March 7, 2026, and May 26, 2026	05/26/2026
6. Palisades Energy will implement a bi-weekly, site-wide communication during the exemption period which will emphasize fatigue management and encourage self-declaration	05/26/2026