

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

COMMISSIONERS:

Ho K. Nieh, Chairman
David A. Wright
Bradley R. Crowell
Matthew J. Marzano
Douglas W. Weaver

In the Matter of

HOLTEC PALISADES, LLC

(Palisades Nuclear Plant)

Docket No. 50-255 LA-4

CLI-26-9

MEMORANDUM AND ORDER

This decision addresses the appeal by Beyond Nuclear, Don't Waste Michigan, Michigan Safe Energy Future, Three Mile Island Alert, and Nuclear Energy Information Service (collectively, the Petitioners) of the Atomic Safety and Licensing Board (Board) decision in LBP-25-6, in which the Board denied the Petitioners' hearing request in this license amendment proceeding.¹ For the reasons provided below, we affirm the Board's decision.

¹ *Notice of Appeal of ASLB Decision LBP-25-06, by Beyond Nuclear, Don't Waste Michigan, Michigan Safe Energy Future, Three Mile Island Alert and Nuclear Energy Information Service and Brief in Support of Appeal* (Sept. 2, 2025) (Appeal); see also *NRC Staff Brief in Opposition to Appeal Filed by Beyond Nuclear, Don't Waste Michigan, Michigan Safe Energy Future, Three Mile Island Alert, and Nuclear Energy Information Service from the Atomic Safety and Licensing Board's Decision in LBP-25-6* (Sept. 29, 2025) (Staff Brief); *Holtec Palisades, LLC Brief in Opposition to Appeal* (Sept. 29, 2025) (Holtec Brief); LBP-25-6, 102 NRC __, __ (Aug. 5, 2025) (slip op.).

I. BACKGROUND

This proceeding arises from a February 11, 2025, license amendment request (LAR) by Holtec Palisades, LLC (Holtec) that seeks approval for Holtec to use Framatome Alloy 690 sleeves to repair defective steam generator tubes at the Palisades Nuclear Plant (Palisades).² The LAR was one of several license applications Holtec submitted while Palisades was in a shutdown and defueled state that related to Holtec's aim of resuming power operations at Palisades.³

Palisades' primary coolant system consists of two heat transfer loops, each of which contains one steam generator.⁴ Each steam generator contains thousands of feet of tubing, through which flows hot radioactive water from the reactor.⁵ The water inside the tubes heats non-radioactive water outside the tubes, generating the steam that turns the turbines and makes electricity.⁶ The steam generator tubes act as a barrier to the release of radioactive fission products to the environment.⁷ In 2024, Holtec conducted inspections and found that nearly 1,000 tubes in the two steam generators are "candidates for plugging or repair."⁸

² See Letter from Jean A. Fleming, Vice President of Licensing and Regulatory Affairs, Holtec International, to NRC Document Control Desk (Feb. 11, 2025), at 1 (ADAMS accession no. ML25043A348) (LAR).

³ LBP-25-6, 102 NRC at __ (slip op. at 10); see also *Holtec Decommissioning International, LLC* (Palisades Nuclear Plant), CLI-25-3, 101 NRC 197, 201 (2025).

⁴ LBP-25-6, 102 NRC at __ (slip op. at 10).

⁵ *Id.* at __ (slip op. at 10-11).

⁶ LBP-25-6, 102 NRC at __ (slip op. at 11).

⁷ *Id.* at __ (slip op. at 11).

⁸ See Letter from Justin Poole, NRC, to Jean A. Fleming, Holtec, "Palisades Nuclear Plant – Summary of Conference Call Regarding Steam Generator Tube Inspections (EPID L-2024-NFO-0008)" (Oct. 1, 2024), Encl. at 4 (ML24267A296) (Conference Call Summary). According to the conference call summary, 701 tubes in steam generator A and 248 tubes in steam generator B were found to be damaged, although sleeving is not mentioned in the summary. A total of 1,159 of the 16,438 tubes in the two steam generators were already plugged in the years

At that time, the Palisades technical specifications (TS) only allowed defective tubes to be addressed by plugging them.⁹ On February 11, 2025, Holtec submitted the LAR at issue in this proceeding, seeking to “revise the [TSs] to allow the use of Framatome Alloy 690 sleeves to repair defective steam generator [] tubes as an alternative to removing the tubes from service by plugging.”¹⁰ The Alloy 690 repair sleeves are noted in the LAR as having “three distinct advantages” in that “no welding, brazing, or heat treatment is required during sleeve installation;” “strain within the tube is low;” and the Alloy 690 material is more corrosion-resistant than the steam generator material itself.¹¹ The LAR included both proprietary and non-proprietary (redacted) versions of Framatome’s qualification assessment for using the Alloy 690 sleeves at Palisades.¹²

On April 15, 2025, the NRC Staff published a notice of opportunity to request a hearing on the LAR in the *Federal Register*. The notice (1) stated that the NRC proposed to determine that the amendment involves no significant hazards consideration (NSHC) and (2) provided an order imposing procedures to obtain access to sensitive unclassified non-safeguards information (SUNSI) in the LAR for contention preparation.¹³

since the steam generators were put in service. See Letter from Barbara E. Dotson, Entergy Nuclear Operations, Inc., to NRC Control Desk, “2020 [180-Day] Steam Generator Tube Inspection Report [for Palisades Refueling Outage 1R27]” (Mar. 25, 2021), Encl. at 11 fig.4-1 (ML21084A077). The steam generators have been in service since 1992. See *id.* at 8 tbl.4-1.

⁹ LBP-25-6, 102 NRC at ___ (slip op. at 12); LAR, Encl. 1, “Description and Evaluation of the Proposed Changes,” at 4 (LAR Encl. 1, LAR Proposed Changes).

¹⁰ LAR at 1.

¹¹ LAR Encl. 1, LAR Proposed Changes, at 4.

¹² *Id.* at 3; see LAR, Encl. 5, “Framatome Document Number 51-9388710-001, ‘Steam Generator Mechanical TSP Sleeve Qualification Assessment for ¾” Tubes at Palisades Nuclear Power Plant’ (Non-Proprietary) (Non-Proprietary version of Framatome Document Number 51-9385467-002) (Mar. 26, 2024) (LAR Encl. 5, Framatome Report).

¹³ Holtec Palisades, LLC; Palisades Nuclear Plant; License Amendment Request, 90 Fed. Reg. 15,722, 15,723-24, 15,725-26 (Apr. 15, 2025) (Hearing Notice).

The Board entered a protective order allowing the Petitioners access to SUNSI in the LAR, which allowed the Petitioners to share the unredacted LAR with their expert, Mr. Arnold Gundersen, and challenge the LAR's technical basis.¹⁴ The Petitioners submitted a timely hearing request and proposed a single contention. Specifically, the Petitioners claimed that "the only solution to . . . defective and damaged steam generators" is replacement, and therefore the LAR should be denied and Holtec required to replace the steam generators.¹⁵

The Staff and Holtec opposed the Petitioners' hearing request.¹⁶ In LBP-25-6, the Board held that the Petitioners had established standing but had not submitted an admissible contention.¹⁷ Therefore, the Board denied the hearing request and terminated the proceeding.¹⁸ The Petitioners filed a timely appeal, which the Staff and Holtec oppose.¹⁹

On October 22, 2025, the Staff advised the Commission of its final NSHC determination.²⁰ The Staff issued the license amendment on October 30, 2025.²¹

¹⁴ Licensing Board Memorandum and Order (Protective Order Governing Specific Sensitive Unclassified Non-Safeguards Information) (May 19, 2025) (unpublished).

¹⁵ See *Petition to Intervene and Request for Adjudicatory Hearing by Beyond Nuclear, Don't Waste Michigan, Michigan Safe Energy Future, Three Mile Island Alert and Nuclear Energy Information Service* (June 16, 2025), at 19 (Petition).

¹⁶ *NRC Staff's Answer Opposing the Petition to Intervene Filed by Beyond Nuclear, Don't Waste Michigan, Michigan Safe Energy Future, Three Mile Island Alert, and Nuclear Energy Information Service* (July 11, 2025) (Staff Answer); *Applicant's Answer Opposing Beyond Nuclear et al.'s Petition to Intervene and Request for Hearing* (July 11, 2025) (Holtec Answer).

¹⁷ LBP-25-6, 102 NRC at __ (slip op. at 2).

¹⁸ *Id.* at __ (slip op. at 27).

¹⁹ See Appeal, Staff Brief at 2, Holtec Brief at 2.

²⁰ See Office of Nuclear Reactor Regulation, Notification of Significant Licensing Action (Oct. 22, 2025) (ML25301A510).

²¹ See Letter from Justin Poole, NRC, to Site Vice President, Palisades Energy, LLC (Oct. 30, 2025), Encl. 1, "Amendment [No. 281] to Renewed Facility Operating License [DPR-20]" (ML25303A280).

II. DISCUSSION

A. Legal Standards

To be granted a hearing, a person whose interest may be affected by a proceeding must demonstrate standing and submit an admissible contention.²² The requirements for an admissible contention are set out in our regulations, and a petitioner must “set forth with particularity” the contentions that the petitioner seeks to raise and, for each contention, the petitioner must:

- (i) Provide a specific statement of the issue of law or fact to be raised or controverted . . .;
- (ii) Provide a brief explanation of the basis for the contention;
- (iii) Demonstrate that the issue raised in the contention is within the scope of the proceeding;
- (iv) Demonstrate that the issue raised in the contention is material to the findings the NRC must make to support the action that is involved in the proceeding;
- (v) Provide a concise statement of the alleged facts or expert opinions [that] support the requestor’s/petitioner’s position on the issue and on which the petitioner intends to rely at hearing, together with references to the specific sources and documents on which the requestor/petitioner intends to rely to support its position on the issue; [and] . . .
- (vi) [P]rovide sufficient information to show that a genuine dispute exists with the applicant/licensee on a material issue of law or fact. . . .²³

These regulations are “deliberately strict . . . to ensure that adjudicatory resources are not needlessly spent on vague or speculative claims.”²⁴ We afford substantial deference to the

²² 10 C.F.R. § 2.309.

²³ *Id.* § 2.309(f)(1).

²⁴ *Palisades*, CLI-25-3, 101 NRC at 202.

Board on standing and contention admissibility.²⁵ We will not disturb a licensing board's ruling on contention admissibility unless an appeal demonstrates an error of law or abuse of discretion.²⁶ We review legal rulings *de novo* but defer to the Board's factual determinations.²⁷

B. The Board's Contention Admissibility Rulings

The Board denied the Petitioners' hearing request because it found their sole contention inadmissible.²⁸ In Contention 1, the Petitioners argued that:

The steam generators at Palisades are defective and damaged because the tubes are corroded or otherwise defective and damaged. Holtec proposes to repair the defective and damaged tubes by installing metal sleeves, instead of plugging the tubes or replacing the generators entirely. Installing sleeves will make the tubes more likely to crack, than installing plugs. However, due to Holtec not properly maintaining the steam generators for the past 2-3 years, the only solution to the defective and damaged steam generators is to replace the generators. Therefore, the LAR to

²⁵ See, e.g., *Crow Butte Resources, Inc.* (Marsland Expansion Area), CLI-14-2, 79 NRC 11, 26 (2014) (quoting *NextEra Energy Seabrook, LLC* (Seabrook Station, Unit 1), CLI-12-5, 75 NRC 301, 326-27, 329 (2012)) (giving "substantial deference" to the Board's decision to admit a contention even where the Commission may consider support "weak" or where the claim's materiality presents a "close question").

²⁶ *Nuclear Fuel Services, Inc.* (License Amendment Application), CLI-23-3, 98 NRC 33, 36 (2023).

²⁷ *Powertech (USA) Inc.* (Dewey-Burdock *In Situ* Uranium Recovery Facility), CLI-20-9, 92 NRC 295, 303 (2020); *Tennessee Valley Authority* (Watts Bar Nuclear Plant, Unit 1), CLI-04-24, 60 NRC 160, 189 (2004).

²⁸ The Board found that the Petitioners had demonstrated representational standing but had not submitted an admissible contention. LBP-25-6, 102 NRC at __ (slip op. at 2). Holtec contested the Petitioners' standing before the Board and reasserts its arguments on appeal as an alternative basis for affirming the denial of a hearing. See Holtec Brief at 25-27; Holtec Answer at 54-56. We do not need to reach that issue because, as explained below, we find that the Board reached the correct conclusion concerning the admissibility of the Petitioners' contention. See, e.g., *Palisades*, CLI-25-3, 101 NRC at 204; *Susquehanna Nuclear, LLC* (Susquehanna Steam Electric Station, Units 1 and 2), CLI-23-1, 97 NRC 81, 84 n.17 (2023); *Exelon Generation Co., LLC* (Three Mile Island Nuclear Station, Units 1 and 2), CLI-20-10, 92 NRC 327, 330 (2020).

allow sleeving should not be granted and Holtec should be required to replace the steam generators.²⁹

The Petitioners submitted a declaration by their expert, Mr. Arnold Gunderson, in which he provided his concerns regarding the Palisades steam generators.³⁰ Among other things, Mr. Gunderson stated that much of the damage to the steam tubes resulted from the steam generators not having been placed or maintained in “wet layup” after Palisades was shut down, and for a period of two years after Holtec acquired it.³¹ According to Mr. Gunderson, failure to place the steam generators in wet layup allowed corrosive chemicals to “hide out” in the gap between the tube and the tube sheet.³² Mr. Gunderson argued that sleeving “will not prevent the continuation of the corrosive reaction on the outside diameter of the tube due to the continuing hideout of chemicals in the junction between the tube and tubesheet.”³³ Mr. Gunderson also argued that Holtec’s Main Steam Line Break (MSLB) tests did not account for the actual condition of the tubing.³⁴

In considering these claims, the Board explained that the contention’s admissibility depended on whether it challenged the “actual relief that Holtec seeks in its LAR[,] i.e., Holtec’s request to change Palisades’ current technical specifications to authorize Holtec to sleeve tubes at the tube support plate in addition to plugging them.”³⁵ The Board found that many of the

²⁹ Petition at 19.

³⁰ *Id.*, Ex. B, “Declaration of Arnold Gunderson in Support of Petition to Intervene and Request for Adjudicatory Hearing Opposing Steam Generator Restoration by Michigan Safe Energy Future, Don’t Waste Michigan, Nuclear Energy Information Service, Three Mile Island Alert, and Beyond Nuclear” (June 16, 2025) (Gunderson Decl.).

³¹ See Gunderson Decl. 4.3 & n.8.

³² See *id.* 11.7.

³³ *Id.* 11.9.2; see *id.* 12.12.2.

³⁴ See *id.* 12.12.6–12.12.8.

³⁵ LBP-25-6, 102 NRC at __ (slip op. at 13).

Petitioners' claims were outside the scope of the proceeding, because they did not challenge the request in the LAR itself but instead focused on the claim that the steam generators had to be replaced.³⁶ The Board found that several other claims were unsupported in fact, and/or failed to show a genuine dispute with the application.³⁷

In their appeal, the Petitioners claim the Board erred in rejecting Contention 1 by "improperly constricting the scope of [the] proceeding and imposing an overly strict contention admissibility standard."³⁸ We find that the Petitioners have identified no error of law or abuse of discretion with the Board's findings on the admissibility of Contention 1.

1. The Board Did Not Impose an Improperly Strict Admissibility Standard

On appeal, the Petitioners claim generally that the Board imposed too high of an admissibility standard.³⁹ The Petitioners first reiterate an argument they made before the Board that the NRC's contention admissibility standards (when rightly understood) are comparable to those for a motion to dismiss in federal court under Federal Rules of Civil Procedure (FRCP) Rule 12(b)(6).⁴⁰ They argue that the NRC's contention admissibility rules, although renumbered, were not made more strict in a 2004 revision.⁴¹ Next, Petitioners argue that the Board allowed

³⁶ See *id.* at __ (slip op. at 15-16).

³⁷ See *id.* at __ (slip op. at 13-15, 17-26).

³⁸ Appeal at 22.

³⁹ *Id.* at 6-8, 12.

⁴⁰ Appeal at 8-11; see Petition at 18; *Petitioning Organizations' Combined Reply to Answers Filed by NRC Staff and Holtec to the Petition to Intervene* (July 18, 2025), at 6 (Reply).

⁴¹ Appeal at 10-11; Petition at 18-19; Reply at 5-6. Although the contention admissibility rules were renumbered in 2004, the substance of them, as they pertain to Petitioners here, remains intact. See Changes to Adjudicatory Process; Final Rule, 69 Fed. Reg. 2182, 2189-90 (Jan. 14, 2004); *id.* at 2221 ("Paragraphs (f)(1) and (2) of § 2.309 incorporate the longstanding contention support requirements of former § 2.714—no contention will be admitted for litigation in any NRC adjudicatory proceeding unless these requirements are met.").

the Staff and Holtec to “rebut competing factual allegations” on “mere attorney representations” in their answers.⁴²

As an initial matter, the Petitioners are mistaken that our contention admissibility rules only require that a contention be able to withstand a motion to dismiss under FRCP Rule 12(b)(6). They base this argument on a provision in the 1989 version of the NRC’s rules of practice which directed a presiding officer to refuse a contention where “[t]he contention, if proven, would be of no consequence in the proceeding because it would not entitle petitioner to relief.”⁴³ But the 1989 rules also included the contention admissibility factors, which required a contention to state the facts and evidence to be relied on at a hearing, show that a “genuine dispute exists with the applicant on a material issue of law or fact,” and cite specific portions of the application that are in dispute.⁴⁴ Therefore, even in 1989, the NRC’s contention admissibility rules required more than the ability of a contention to survive a motion to dismiss. And as the Board observed, the language in section 2.714(d)(2)(ii) was not incorporated into the 2004 version of the rules.⁴⁵ Therefore, the Board properly rejected the Petitioners’ interpretation of the NRC’s admissibility standards and considered the contention under the NRC’s current rules of practice.⁴⁶

The Petitioners also argue that the Board applied too strict an admissibility standard because it ruled on “competing factual allegations,” relied on “mere attorney representations,”

⁴² Appeal at 11.

⁴³ See Rules of Practice for Domestic Licensing Proceedings—Procedural Changes in the Hearing Process; Final Rule, 54 Fed. Reg. 33,168, 33,169, 33,171, 33,181 (Aug. 11, 1989); see Appeal at 9. The statements of consideration for the 1989 rulemaking explained that this provision, 10 C.F.R. § 2.714(d)(2)(iii), was intended to “parallel the standard for dismissing a claim under Rule 12(b)(6) of the Federal Rules of Civil Procedure.” 54 Fed. Reg. at 33,171.

⁴⁴ See 54 Fed. Reg. at 33,180 (10 C.F.R. § 2.714(b)(2)).

⁴⁵ See LBP-25-6, 102 NRC at __ (slip op. at 9-10).

⁴⁶ See *id.* at 10.

and “adjudicate[ed] the facts” rather than “properly determining the admissibility of the contention.”⁴⁷ We disagree. The Board relied on longstanding Commission precedent and explained that our standard for contention admissibility is “‘strict by design’ in order to exclude vague, unparticularized, or unsupported contentions.”⁴⁸ And with each of the specific claimed points of error below, the Board reasonably concluded that Contention 1 did not meet one or more of the standards set forth in the NRC’s regulations. Moreover, the Petitioners point to no specific instances where the Board relied on “mere attorney representations.” We therefore reject the Petitioners’ arguments that the Board imposed too strict a standard for evaluating their contention.

2. The Board Properly Found Replacing the Steam Generators To Be Outside the Scope of the Proceeding

The Petitioners argue on appeal that the Board erred by limiting the scope of the adjudicatory proceeding to the sleeving repair proposed by the LAR. Specifically, the Petitioners argue that the Board erroneously rejected many of the Petitioners’ claims that the Palisades steam generators are unsafe, whether tubes are sleeved or not.⁴⁹ The Petitioners argue that because the LAR stated that allowing the option of sleeving would “support the [steam generators’] return to service . . . as part of the potential resumption of power operations,” their argument that the steam generators cannot be returned to service (and therefore must be replaced) is within the scope of the proceeding.⁵⁰ They contend that issues related to restarting

⁴⁷ See Appeal at 11, 23.

⁴⁸ LBP-25-6, 102 NRC at __ (slip op. at 8) (citing *Entergy Nuclear Operations, Inc.* (Indian Point, Unit 2), CLI-16-5, 83 NRC 131, 136 (2016) (quoting *Dominion Nuclear Connecticut, Inc.* (Millstone Nuclear Power Station, Units 2 and 3), CLI-01-24, 54 NRC 349, 358 (2001)); *Exelon Generation Co., LLC* (Oyster Creek Nuclear Generating Station), CLI-19-6, 89 NRC 465, 471-72 (2019) (quoting *PPL Susquehanna, LLC* (Susquehanna Steam Electric Station, Units 1 and 2), CLI-15-8, 81 NRC 500, 504 (2015))).

⁴⁹ Appeal at 16-21.

⁵⁰ *Id.* at 16-17 (quoting Hearing Notice, 90 Fed. Reg. at 15,722).

Palisades are within the scope of the proceeding because the *Federal Register* notice providing an opportunity to request a hearing on the LAR mentions resumption of power operations.⁵¹

In the Petitioners' view, the scope of the proceeding "transcends the mechanical question of adding sleeves to steam generator tubes" and is "governed ultimately by the [Atomic Energy Act of 1954, as amended] mandate to protect public health and safety."⁵² They argue that because the NRC must find that a license amendment is not "inimical to the common defense and security or to the health and safety of the public," then any issue concerning the safety of restarting the reactor is within the scope of the instant proceeding.⁵³

We reject these arguments as attempts to expand the scope of this proceeding. This proceeding does not encompass every possible safety issue related to the steam generators or resumption of operations at Palisades. The Board correctly explained that the scope of the proceeding is defined by the licensing action requested and the findings the Staff must make in approving or denying it.⁵⁴ To approve the LAR, the Staff had to find that Holtec can safely repair a steam generator tube that is damaged in the tube support plate region with the proposed sleeves. And the Board found that, to the extent that the Petitioners questioned the safety of the proposed repair itself, their contention was within the scope of the proceeding.⁵⁵

If, on the other hand, the Staff found the repair unsafe, the practical effect of denying the LAR might be that the licensee would have to replace one or both of the steam generators before it could resume operations. But that in itself does not raise an issue for hearing. And the

⁵¹ See *id.* at 17 (citing Hearing Notice, 90 Fed. Reg. at 15,722).

⁵² See *id.* at 19, 20; see also Petition at 2-3.

⁵³ Appeal at 19 (quoting 42 U.S.C. § 2133(d); 10 C.F.R. § 50.40).

⁵⁴ LBP-25-6, 102 NRC at __ (slip op. at 16); see also *id.* at __ (slip op. at 12-13).

⁵⁵ *Id.* at __ (slip op. at 17) ("the remaining portions of Contention 1 are arguably material and within scope . . .").

question of whether it is more practical to repair or replace the steam generators to support resumption of operations amounts to a business decision, which the NRC leaves up to the licensee.⁵⁶

The Petitioners also assert that the Board found other issues out of scope, when in fact the Board rejected those claims for other reasons. For example, the Petitioners reassert their claim that Holtec caused much of the existing tube damage because it did not place the steam generator in “wet layup” when it took possession of Palisades.⁵⁷ But the Board found this issue to be immaterial because the Petitioners had “offered no technical reason why the efficacy of sleeving is dependent on who damaged the tubes or on when such damage happened.”⁵⁸ And the Petitioners do not explain why these matters would be material to whether sleeving would be an effective repair for that damage. The Petitioners also reassert their argument that the MSLB analysis did not “accurately model the actual conditions that now exist inside the damaged Palisades steam generators.”⁵⁹ But the Board rejected this argument because it was factually unsupported, not because it was out of scope. Specifically, the Board pointed out that the application stated that the analysis was performed in accordance with American Society of Mechanical Engineers standards, and the Petitioners did not show that the tests did not meet the applicable standards.⁶⁰ The Board therefore concluded that the claim did not raise a genuine

⁵⁶ See, e.g., *South Carolina Electric & Gas Co. and South Carolina Public Service Authority (also referred to as Santee Cooper)* (Virgil C. Summer Nuclear Station, Units 2 and 3), CLI-10-1, 71 NRC 1, 22-23 (2010); *Louisiana Energy Services, L.P.* (National Enrichment Facility), CLI-05-28, 62 NRC 721, 726 (2005).

⁵⁷ See Appeal at 14, 15, 17, 20, 21.

⁵⁸ LBP-25-6, 102 NRC at __ (slip op. at 17).

⁵⁹ Appeal at 14; see *id.* at 14-15, 18-19; see also Petition at 23; Gundersen Decl. 12.12.8.

⁶⁰ LBP-25-6, 102 NRC at __ (slip op. at 19-20).

dispute with the LAR.⁶¹ The Petitioners do not confront the Board's reasoning and inaccurately characterize the ruling as based on scope.⁶² The Petitioners' arguments therefore do not demonstrate Board error or abuse of discretion.

3. The Board Properly Found that the Petitioners' Chemical Hideout Claims Did Not Raise a Genuine Dispute

The Petitioners also argue on appeal that the Board erred with respect to their claims concerning "chemical hideout in the tube-to-tubesheet crevasses."⁶³ According to the Petitioners, corrosive chemicals have settled into crevasses in the steam generators and this cannot be repaired by sleeving.⁶⁴ The tubesheet is a thick plate located toward the bottom of the steam generator, to which the steam generator tubes are welded, as opposed to the tube support plates, which are "parallel to and above the tubesheet, bolster the tubes within the steam generator, hold the tubes in position, and maintain separation between the tubes."⁶⁵ The Board explained that the LAR would not change the handling of defective tubes in the tubesheet, which would still need to be plugged even if the LAR is approved.⁶⁶ Therefore, the Board concluded that the Petitioners' claims regarding damage to the tubesheet did not raise a genuine dispute with the application.⁶⁷

⁶¹ *Id.* at __ (slip op. at 20).

⁶² See Appeal at 19.

⁶³ *Id.* at 21-22.

⁶⁴ *Id.* at 21; see also *id.* at 18-19.

⁶⁵ LBP-25-6, 102 NRC at __ (slip op. at 18).

⁶⁶ *Id.* at __ (slip op. at 18-19) (citing LAR Encl. 1, LAR Proposed Changes, at 13 ("repair of the [steam generator] . . . involves plugging tubes with defects deep within the tubesheet as per [relevant technical specifications], whereas 'tube repair' refers to sleeving tubes with tube defects in the [tube support plate] area.")).

⁶⁷ LBP-25-6, 102 NRC at __ (slip op. at 19).

On appeal, the Petitioners do not dispute that the LAR does not address damage to the tubesheet, and therefore they do not explain how approval or denial of the LAR could affect purported tubesheet damage. Instead, they simply reassert their general claim that the “point of the LAR” is the “protection of public health and safety.”⁶⁸ The Petitioners’ general argument seems to be that any matter affecting the safety of the steam generators is within the scope of a proceeding relating to the steam generators regardless of whether it raises a genuine dispute with the application. We conclude that the Petitioners fail to show the Board erred in rejecting claims concerning damage to the tubesheet.

4. *Replacement of Steam Generators at Watts Bar 2*

Next, the Petitioners argue that the experience with steam generators at Watts Bar Nuclear Plant, Unit 2 (Watts Bar 2) raises an issue admissible in this proceeding.⁶⁹ The history of Watts Bar 2 is, in short, that the NRC approved steam generator tube sleeving at Watts Bar 2, but no sleeves were installed there.⁷⁰ The Watts Bar 2 steam generators were replaced less than two years after the request was approved.⁷¹ But the Petitioners fail to show that the Board erred in finding that the Watts Bar 2 history did not raise a genuine dispute with the LAR at issue here.

The Petitioners argue that the experience at Watts Bar 2 is “relevant to show that Watts Bar was forced to replace its steam generators, even though it had approval to install sleeves.”⁷²

⁶⁸ Appeal at 22.

⁶⁹ *Id.*

⁷⁰ See LBP-25-6, 102 NRC at __ (slip op. at 21) (citing Letter from Michael J. Wentzel, Project Manager, NRC, to James Barstow, Tennessee Valley Authority (Aug. 10, 2020) (ML20156A018); Letter from Anthony L. Williams, Tennessee Valley Authority, to NRC Document Control Desk (May 16, 2024), Encl. at 2, “180 Day Steam Generator Tube Inspection Report” (April. 2024) (ML24137A267)); see also Staff Answer at 30-31 & n.117.

⁷¹ See Staff Answer at 31.

⁷² Appeal at 22.

The Petition and Mr. Gundersen offer a detailed history of Watts Bar 2's steam generators.⁷³ But the Board observed that the application "referred to Watts Bar 2 solely to demonstrate the type of information that must be submitted to the NRC."⁷⁴ The Board rejected the Petitioners' argument that installing sleeves was ineffective at Watts Bar 2 because that facility "never installed any sleeves in its steam generators before they were replaced."⁷⁵

On appeal, the Petitioners do not confront the Board's reasoning, and they simply reassert their claim that Watts Bar 2 shows that sleeving is ineffective. But a review of the LAR shows that the Board was correct that Holtec cited the Watts Bar 2 application solely as guidance for what information the Staff needs to evaluate in a sleeving application.⁷⁶ The Watts Bar 2 experience neither supports nor refutes the effectiveness of sleeving, and there is no apparent reason to devote a hearing on the instant LAR in this proceeding to discussing the operations at Watts Bar 2. Therefore, the Petitioners have not shown Board error with respect to the Petitioners' claims related to Watts Bar 2.

5. Claim that Sleeving Will Cause Excessive Stress on the Tubes

The Petitioners argue on appeal that rather than ruling on admissibility, the Board adjudicated the merits of its argument that the sleeving will cause excessive stress on the tubes and tubesheet.⁷⁷ The Petitioners point specifically to page 18 of Mr. Gundersen's declaration, wherein he cites a 1998 article from Nuclear Engineering International (NEI) Magazine that summarized a report from the Electric Power Research Institute (EPRI) concerning the

⁷³ See Petition at 21, 23; Gundersen Decl. 11.3–11.14, 12.10.1–12.10.4, 16.

⁷⁴ LBP-25-6, 102 NRC at __ (slip op. at 21) (citing LAR Encl. 1, LAR Proposed Changes, at 27).

⁷⁵ *Id.*

⁷⁶ See LAR Encl. 1, LAR Proposed Changes, at 27 ("While the above does not reflect the configuration to be used at [Palisades], the information submitted to obtain the Watts Bar Unit 2 approval was used as guidance in the development of this request.").

⁷⁷ Appeal at 23.

effectiveness of sleeving as a steam generator tube repair.⁷⁸ Mr. Gundersen quoted two sentences from the article that state:

The process of forming a sleeve joint places an additional stress on both the sleeve and the parent tube materials. The additional stress in the joint area increases the parent tube susceptibility to environmentally induced cracking.⁷⁹

The Board considered the Petitioners' claims, Mr. Gundersen's declaration, the NEI Magazine article, and the EPRI report on which the magazine article was reporting.⁸⁰ The Board observed that the EPRI report both notes that increased stress may occur and that the "stress can be relieved through heating the tube for a short time period."⁸¹ The Board considered that the LAR itself included a report from the sleeves' vendor, Framatome, that "directly addresses the impact of sleeve installation" on the tubes.⁸² The Board concluded that the Petitioners' generalized claim that there will be additional stress did not present a genuine dispute with the application because it did not:

(1) dispute the LAR's explanation of stress relief techniques, (2) demonstrate any errors in the stress relief analysis utilized in the LAR, (3) show why stress relief is not an acceptable method for Palisades, or (4) establish that this additional stress will cause damage that will fail the tubes within the inspection intervals required at Palisades.⁸³

⁷⁸ *Id.*; see Gundersen Decl. 9.9 (citing *SG Repair Has Something Up Its Sleeve*, NUCL. ENG'G INT'L (Feb. 28, 1998), <https://www.neimagazine.com/advanced-reactorsfusion/sg-repair-has-something-up-its-sleeve/?cf-view> (NEI Article)); see also Petition at 20, 23.

⁷⁹ Gundersen Decl. 9.9 (quoting NEI Article) (emphasis removed).

⁸⁰ LBP-25-6, 102 NRC at __ (slip op. at 21-22).

⁸¹ *Id.* at __ (slip op. at 22).

⁸² *Id.* at __ (slip op. at 22-23).

⁸³ *Id.* at __ (slip op. at 23).

Therefore, the Board concluded that this portion of the contention failed to raise a genuine dispute with the application on a material issue.⁸⁴

On appeal, the Petitioners raise two arguments with respect to their claim that sleeving will increase stress on the tubes. The Petitioners first argue that they did dispute the Framatome report because they pointed out that Framatome's tests were "conducted under laboratory conditions, not with the severely damaged steam generator tubes and components at Palisades."⁸⁵ But the Petitioners' Appeal only briefly mentioned "laboratory conditions" before the Board, and it is not apparent where this argument was further explained.⁸⁶ Any arguments not raised before the Board and clearly articulated in the appeal are waived.⁸⁷ In addition, the Petitioners do not explain on appeal how their petition or expert disputed the LAR in the four ways the Board raised above or in any other way. As Holtec pointed out in its brief, the LAR expressly acknowledged that stress would occur, analyzes the extent of the stress, and discusses how stress will be mitigated.⁸⁸ We therefore find that Petitioners have not shown any error in the Board's ruling that this portion of Contention 1 did not raise a genuine dispute with the relevant portions of the LAR.

⁸⁴ *Id.*

⁸⁵ Appeal at 23.

⁸⁶ Mr. Gundersen's declaration briefly mentions "laboratory conditions" in one paragraph but then proceeds to discuss chemical attack within the steam generators as a whole rather than articulate how the analysis was incorrect regarding the sleeved tubes. See Gundersen Decl. 12.12.7–12.12.8, 14–15.8.

⁸⁷ See *Hydro Resources, Inc.* (P.O. Box 15910, Rio Rancho, NM 87174), CLI-04-33, 60 NRC 581, 592 (2004); *Carolina Power & Light Co.* (Shearon Harris Nuclear Power Plant), CLI-01-11, 53 NRC 370, 383 (2001).

⁸⁸ See Holtec Brief at 22 & n.91 (citing LAR Encl. 1, LAR Proposed Changes, at 12-13 (summarizing increased stresses on tubes from sleeving and acceptance requirements and meeting design requirements with margin); LAR Encl. 5, Framatome Report, at 25-29 (detailing the analyses performed to confirm the extent of increased stress caused by sleeving would be within acceptable limits)).

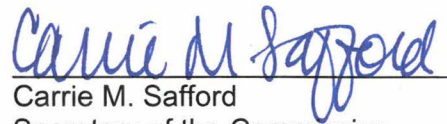
III. CONCLUSION

For the reasons described above, we deny the Petitioners' appeal and affirm LBP-25-6.

IT IS SO ORDERED.

For the Commission




Carrie M. Safford
Secretary of the Commission

Dated at Rockville, Maryland,
this 15th day of June 2026

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)
)
HOLTEC PALISADES, LLC) Docket No. 50-255-LA-4
)
)
(Palisades Nuclear Plant))

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing **COMMISSION MEMORANDUM AND ORDER (CLI-26-9)** have been served upon the following persons by Electronic Information Exchange.

U.S. Nuclear Regulatory Commission
Office of Commission Appellate Adjudication
Mail Stop: O-16B33
Washington, DC 20555-0001
E-mail: ocaamail.resource@nrc.gov

U.S. Nuclear Regulatory Commission
Office of the Secretary of the Commission
Mail Stop: O-16B33
Washington, DC 20555-0001
E-mail: hearingdocket@nrc.gov

Atomic Safety and Licensing Board Panel
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001
Michael M. Gibson, Chair, Administrative Judge
Dr. Gary S. Arnold, Administrative Judge
Dr. Arielle J. Miller, Administrative Judge
Whitlee Dean, Law Clerk
Georgia Rock, Law Clerk
Email: Michael.Gibson@nrc.gov
Gary.Arnold@nrc.gov
Arielle.Miller@nrc.gov
Whitlee.Dean@nrc.gov
Georgia.Rock@nrc.gov

U.S. Nuclear Regulatory Commission
Office of the General Counsel
Mail Stop - O-14A44
Washington, DC 20555-0001
Kevin D. Bernstein, Esq.
Anita G. Naber, Esq.
Sherwin E. Turk, Esq.
Susan H. Vrahoretis, Esq.
Jeremy Wachutka, Esq.
Kristopher Wilson, Esq.
Anne Fream, Paralegal
Georgia Hampton, Paralegal
Email: Kevin.Bernstein@nrc.gov
Anita.ghoshnaber@nrc.gov
Sherwin.Turk@nrc.gov
Susan.Vrahoretis@nrc.gov
Jeremy.Wachutka@nrc.gov
Kris.Wilson@nrc.gov
Anne.Fream@nrc.gov
Georgiann.Hampton@nrc.gov

Palisades Nuclear Plant, Docket No. 50-255-LA-4
COMMISSION MEMORANDUM AND ORDER (CLI-26-9)

Counsel for Holtec Palisades, LLC
Balch and Bingham LLP
1710 Sixth Avenue North
Birmingham, AL 35203
M. Stanford Blanton, Esq.
Grant Eskelsen, Esq.
Alan D. Lovett, Esq.
Jason B. Tompkins, Esq.
Email: sblanton@balch.com
geskelsen@balch.com
alovett@balch.com
jtompkins@balrch.com

Counsel for Beyond Nuclear, Don't Waste
Michigan, Michigan Safe Energy Future,
Three Mile Island Alert, and Nuclear Energy
Information Services
Wallace L. Taylor, Esq.
4403 1st Ave. S.E., Suite 402
Cedar Rapids, Iowa 52402
Email: wtaylorlaw@aol.com
Terry J. Lodge, Esq.
316 N. Michigan Street, Suite 520
Toledo, OH 43604-5627
Email: tjlodge@yahoo.com

Office of the Secretary of the Commission

Dated at Rockville, Maryland,
this 15th day of June 2026.