

**UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION**

Before the Atomic Safety and Licensing Board

In the Matter of	)	Docket Nos.	50-255-LT-2
ENTERGY NUCLEAR OPERATIONS,	)		50-155-LT-2
INC., ENERGENCY NUCLEAR	)		72-007-LT
PALISADES, LLC, HOLTEC	)		72-043-LT-2
INTERNATIONAL, and HOLTEC)		
DECOMMISSIONING	)	ASLBP No.	22-974-01-LT-BD01
INTERNATIONAL, LLC)		
)		
(Palisades Nuclear Plant and Big)		
Rock Point Site))		

**MICHIGAN ATTORNEY GENERAL'S WRITTEN CONCLUDING
STATEMENTS OF POSITION ON THE ISSUES**

Dana Nessel
Attorney General
State of Michigan

Michael E. Moody
Joel B. King
Assistant Attorneys General
Special Litigation Division
P.O. Box 30755
Lansing, Michigan 48909
MoodyM2@michigan.gov
KingJ38@michigan.gov
(517) 335-7627

Dated: January 27, 2023

TABLE OF CONTENTS

	<u>Page</u>
Index of Authorities	ii
List of Abbreviations and Acronyms	ii
Introduction	1
Attorney General’s concluding statements of position.....	5
A. Projected length of time for transfer of all spent nuclear fuel off of the Palisades site.....	5
B. Reasonableness of the site-specific decommissioning cost estimate falling below the minimum formula amount	11
C. Applicants failed to fully explain how they derived the 12% contingency amount and, based on relevant industry norms, practices, and standards, failed to demonstrate that the 12% contingency amount is a plausible amount of funding for covering the contingency costs reasonably expected to be incurred at Palisades.	15
D. Applicants failed to adequately describe how they will ensure that sufficient additional funding will be available as a means to adjust funding if needed, and therefore should be required to provide license conditions or other forms of assurances as discussed below.	2222
Conclusion.....	32

LIST OF ABBREVIATIONS AND ACRONYMS

Applicants	Entergy Nuclear Operations, Inc.; Entergy Nuclear Palisades, LLC; Holtec International; and Holtec Decommissioning International, LLC
ASLB	Atomic Safety and Licensing Board
BWR	Boiling water reactor
CDI	Comprehensive Decommissioning International, LLC
DCE	Decommissioning Cost Estimate
DOE	United States Department of Energy
Enbridge	Enbridge, Inc.
ENOI	Entergy Nuclear Operations, Inc.
Entergy	Entergy Nuclear Operations, Inc.; and Entergy Nuclear Palisades
FERC	Federal Energy Regulatory Commission
GAO	Government Accounting Office
GTCC	Greater-than-class-C waste
HDI	Holtec Decommissioning International, LLC
Holtec	Holtec Intl; CDI; HDI; or Holtec Palisades
Holtec Intl	Holtec International
Holtec Palisades	Holtec Palisades, LLC
ISFSI	Independent spent fuel storage installation
LTA	License transfer application
MPSC	Michigan Public Service Commission
NAMCo	Nuclear Asset Management Company, LLC
NRC	United States Nuclear Regulatory Commission
Oyster Creek	Oyster Creek Nuclear Generating Station (New Jersey)

PFAS	Per- and polyfluorinated alkyl substances
PHMSA	Pipeline and Hazardous Materials Safety Administration
Pilgrim	Pilgrim Nuclear Power Station (Massachusetts)
PNNL	Pacific Northwest National Laboratory
PSDAR	Post-shutdown decommissioning activities report
PWR	Pressurized water reactor
State	State of Michigan
TVA	Tennessee Valley Authority

INTRODUCTION

The Nuclear Regulatory Commission (NRC) is considering whether to grant an application by Entergy Nuclear Operations, Inc. (ENOI); Entergy Nuclear Palisades, LLC (ENP) (together “Entergy”); Holtec International (Holtec); and Holtec Decommissioning International, LLC (HDI) (collectively “Applicants”) requesting approval to transfer the operating licenses for the Palisades Nuclear Plant, Big Rock Point Plant, and associated independent spent fuel storage installations (ISFSIs) from Entergy to Holtec and HDI.¹ The license transfer application notes that Entergy plans to transfer all of the assets and liabilities of ENP to a new entity that will become Holtec Palisades, LLC (Holtec Palisades).² The LTA also notes that Nuclear Asset Management Company, LLC (NAMCo), a wholly-owned subsidiary of Holtec, will acquire the equity interests in either the new Holtec Palisades or the parent company owner of Holtec Palisades; either way, emerging as the direct parent company of Holtec Palisades.³ Holtec plans to engage another Holtec subsidiary, Comprehensive Decommissioning International, LLC (CDI), to decommission the single unit at Palisades, restore the site, and manage on-site spent nuclear fuel.⁴

¹ License Transfer Application (LTA) at 1–2 (Dec. 23, 2020).

² LTA at 2 (Dec. 23, 2020).

³ LTA at 2 (Dec. 23, 2020).

⁴ LTA at 2-3 (Dec. 23, 2020). As noted in the NRC’s Memorandum and Order in this case, HDI later informed the NRC that HDI no longer plans to contract with CDI to serve as the decommissioning general contractor for Palisades and that HDI is absorbing CDI’s resources and will directly employ site personnel to perform the scope of work previously planned to be executed by CDI. *Entergy Nuclear Operations, Inc.* (Palisades Nuclear Plant and Big Rock Point Site), Memorandum and Order, CLI-22-08, __ NRC __, slip op. (July 15, 2022), p 5.

Holtec⁵ represents that it will release the site for unrestricted use “by approximately 2041.”⁶

On February 24, 2021, the Michigan Attorney General (“Attorney General,” “MIAG,” or “AG”) filed with the NRC a petition for leave to intervene and request for a hearing.⁷ In December 2021, the NRC Staff issued an order approving both the transfer of the licenses and draft conforming license amendments as well as approving a related regulatory exemption requested by HDI in support of the license transfer application.⁸ Although the Staff issued this order, the NRC explained that the “staff’s order approving the license transfer . . . remains subject to our authority to ‘rescind, modify, or condition the approved transfer’ based on the outcome of this adjudicatory proceeding.”⁹

On July 15, 2022, the NRC issued its Memorandum and Order granting the Attorney General’s petition to intervene and request for a hearing.¹⁰ In the order, the NRC explained that an application for a license transfer “must contain sufficient information to demonstrate that the applicant has the financial qualifications to carry out the activities for which the license is sought,” and the “application also must provide reasonable assurance that funds will be available to decommission the facility including any ISFSI.”¹¹ The NRC further explained that its license transfer

⁵ Throughout this petition, use of the term “Holtec” refers to any or all of Holtec Intl, CDI, HDI, or Holtec Palisades unless otherwise specified.

⁶ LTA at 3 (Dec. 23, 2020).

⁷ Petition of the Michigan Attorney General for Leave to Intervene and for a Hearing, February 24, 2021.

⁸ Mem. and Order, CLI-22-08, slip op. at 1.

⁹ Mem. and Order, CLI-22-08, slip op. at 2.

¹⁰ Mem. and Order, CLI-22-08, slip op.

¹¹ Mem. and Order, CLI-22-08, slip op. at 7.

regulations do not require an applicant to demonstrate financial qualifications to cover site restoration costs, but that in this case “[s]ite restoration costs nonetheless are relevant to this proceeding because Holtec intends to pay for those costs with the Palisades decommissioning trust, on which Holtec relies for its showing of financial qualifications.”¹²

The NRC admitted four contentions raised by the Attorney General. Those contentions are as follows: “(1) the Applicants’ estimated 11-year timeframe for the removal by DOE of all of the spent fuel at Palisades; (2) the reasonableness of the site-specific decommissioning cost estimates falling well below the minimum formula amount; (3) the 12% contingency allowance allocated to the radiological decommissioning, spent fuel management, and site restoration cost estimate; and (4) the Applicants’ description of their planned means to adjust funding if necessary to complete decommissioning and terminate the license.”¹³

The parties filed Initial Statements, Testimony, Exhibits, and Affidavits on November 18, 2022, and Written Responses Rebuttal, Rebuttal Testimony, Exhibits, and Affidavits on December 16, 2022. As a reminder, this proceeding deals with Holtec’s request for license transfer approval.¹⁴ Moreover, as provided in 10 C.F.R. § 2.325, Holtec bears the burden of proof in this case and must support its application by a preponderance of evidence. *In re Smith*, 79 N.R.C. 131, 149; 2014 NRC LEXIS 16.

¹² Mem. and Order, CLI-22-08, slip op. at 10.

¹³ Mem. and Order, CLI-22-08, slip op. at 18.

¹⁴ Mem. and Order, CLI-22-08, slip op. at 2.

In Appendix A of his Scheduling and Case Management Order, Judge Paul S. Ryerson laid out the hearing schedule for this case. The schedule provides for “[w]ritten concluding statements of position on the issues,” to be filed by January 27, 2023. Accordingly, Michigan Attorney General Dana Nessel files the following statements. This filing predominantly mirrors the Attorney General’s written responses and rebuttal testimony, which in large part cover her positions on the issues as they stand.

As stated in her Petition, the Attorney General supports prompt, thorough, and safe decommissioning and site restoration at Palisades and Big Rock, but she does not believe Holtec possesses the financial qualifications or assurances necessary to complete such a risk-intensive project. At the outset of this filing, the Attorney General comments that she hopes common sense will prevail in this proceeding and that appropriate safeguards will be put in place to make sure that future generations of Michiganders are not stuck covering costs that should be the responsibility of the party decommissioning Big Rock and Palisades. Simply put, those safeguards do not exist if HDI’s proposal goes forward as laid out in its application. There is too much uncertainty surrounding where monies for any shortfall would come from and nothing in this proceeding has addressed those concerns. HDI’s vague, unpersuasive discussion during the proceeding has only added to the lack of clarity and HDI has failed to answer, as laid out below, the questions posed by the NRC in its opinion. Accordingly, the Attorney General appreciates that the NRC granted her petition and

that it is seeking further answers from the applicants to the arguments raised in the Attorney General’s petition.

ATTORNEY GENERAL’S CONCLUDING STATEMENTS OF POSITION

A. Projected length of time for transfer of all spent nuclear fuel off of the Palisades site

In its order, the NRC noted that the hearing will cover four challenges to the application, the first of which is the “projected length of time for transfer of all spent fuel off of the Palisades site.”

(a) The projected length of time for transfer of all spent fuel off of the Palisades site:

The applicants should address how they determined that the estimated 11-year spent fuel transfer period constitutes a plausible timeframe for removal of all Palisades spent fuel. In their description, the applicants should clarify the assumptions on which they relied, including what fuel acceptance priority and fuel allocation or transfer rate they assumed for their schedule.

In assessing financial qualifications for a license transfer we accept plausible forecasts. The parties’ arguments therefore should address whether the estimated 11-year period reflects a plausible timeframe to complete the fuel transfer.¹⁵

In its order, the NRC explained that

the applicants’ general references to [the] two Standard Contract provisions do not by themselves answer the Attorney General’s challenge to the plausibility of the specific 11-year schedule on which the applicants rely. The applicants have not described how they applied their assumptions to reach their 11-year schedule.¹⁶

The NRC found that the Attorney General raised a “supported, genuine dispute with the application on a material issue,” and that “neither the Palisades site-

¹⁵ Mem. and Order, CLI-22-08, slip op. at 31. Internal citation omitted.

¹⁶ Mem. and Order, CLI-22-08, slip op. at 31.

specific decommissioning cost estimate nor the applicants' answer clearly explains how HDI determined that 11 years constitutes a plausible schedule for removal of all of the Palisades spent fuel."¹⁷ The NRC explained that it expects that

Holtec should clarify how it determined that 11 years constitutes a plausible transfer schedule. If HDI's schedule departs from the commonly applied maximum transfer rate of 3,000 metric tons of uranium/year, then Holtec should describe the spent fuel transfer rate that it used, and why it determined that a faster rate is plausible. If Holtec bases its schedule on the commonly applied spent fuel transfer rate, then it should nonetheless explain how it reached the 11-year transfer accelerated schedule.¹⁸

The NRC also agreed with the Attorney General that, with regard to Holtec's spent fuel cost analysis, there is a "genuine issue regarding whether "the impact on overall cost estimates would be minimal," and also that "there is no commitment by Holtec to use any costs recovered from DOE."¹⁹ The NRC stated,

Based on the application, the NRC must be able to find adequate financial qualifications and reasonable assurance of decommissioning funding. If cost estimates on which the application relies for necessary findings are implausible, or if further inquiry is necessary to assess their adequacy, that is a matter warranting resolution in this license transfer proceeding.²⁰

So, as noted in the Attorney General's written responses, the Commission's directive to HDI was to "address whether the estimated 11-year period reflects a plausible timeframe to complete the fuel transfer."

The Attorney General addressed this in her initial statements and written responses and continues to argue that the 11-year period is not a plausible timeframe in which to complete the fuel transfer.²¹

¹⁷ Mem. and Order, CLI-22-08, slip op. at 31-32.

¹⁸ Mem. and Order, CLI-22-08, slip op. at 32-33.

¹⁹ Mem. and Order, CLI-22-08, slip op. at 33. (Internal citation omitted).

²⁰ Mem. and Order, CLI-22-08, slip op. at 33.

²¹ Michigan Attorney General Initial Statement, pp. 6-8.

In its first statement of position on the Attorney General’s admitted contentions, HDI argued that “it is plausible that, once it begins performance, DOE will accept all of the SNF at Palisades within the eleven-year window assumed in the DCE.”²² The Attorney General disagrees and argues that HDI has failed to address the NRC’s question and, during the pendency of this case, has only added more uncertainty into its request. On page 12 of its statements, HDI notes that, “[t]he Commission did ... order HDI to “address how [it] determined that the estimated 11-year spent fuel transfer period constitutes a plausible timeframe for removal of all Palisades spent fuel.””²³ However, HDI immediately twisted that directive, stating that, “[t]hus, the only question regarding HDI’s assumed SNF transfer timeline that is at issue in this proceeding is whether an eleven-year transfer window is plausible.”²⁴ This is not what the NRC asked. The NRC asked *how HDI determined*, as discussed in its license transfer application (LTA), that an 11-year transfer period is plausible. HDI’s statements avoided the NRC’s question and instead raised new scenarios and hypotheticals that were not included in its LTA nor reviewed by NRC staff or other interested parties.

Specifically, HDI’s statements discussed fifty-plus years of the Nuclear Waste Policy Act (NWPA)²⁵ and then asserted that, no matter what was said in its actual LTA, there are “multiple paradigms” that would allow HDI to transfer all Palisades’ SNF offsite within 11 years. [REDACTED]

²² Applicants’ Initial Statement p. 11.

²³ Applicants’ Initial Statement p. 12. Internal citation omitted.

²⁴ Applicants’ Initial Statement p. 12.

²⁵ Applicants’ Initial Statement pp. 13-18.

[REDACTED]

There are several problems with each of these newly raised “paradigms.” First, none of this was included in HDI’s application. To include completely new arguments and vague, unsupported ideas in initial statements is untimely and therefore improper. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] HDI has no control over DOE and cannot purport to speak for DOE. Decades of delays and nuclear waste stalemate make all timelines discussed in this case highly suspect and unlikely to come to fruition. That aside, even if DOE were to get a program up and running, it is certain that the early years of the rollout would go slowly and that DOE would ease into a ramp-up, as the organization figured out how to safely, cost-effectively, and efficiently transport SNF.

Regardless of HDI’s failure to address the Commission’s question, transfer of

[REDACTED]

all of Palisades' SNF offsite within an 11-year window is simply not plausible, as it is neither reasonable nor probable to believe such a transfer will occur.²⁹

Attorney General expert Nick Capik provided specific discussion on this in his rebuttal testimony. He noted numerous reasons that HDI's fuel removal date discussion is implausible under even the most optimistic of scenarios. These include that:

- a. Holtec's 2030 date was predicated on a 2013 projection, with DOE starting a pilot program by 2021 and starting to actually accept significant amounts of SNF by 2025. Since that 2013 projection, little to no progress has been made, resulting in Holtec assuming an additional five-year delay in accepting significant amounts of SNF, to the 2030 date. However, since that 2020 assumption an additional two years have passed, with no new progress. Thus, all other assumptions being the same, the final acceptance should be no earlier than 2042. Additionally, HDI's spent fuel management plan was never updated per 10 CFR 50.54(bb) for this substantial change.³⁰

and

- b. 

Along with those observations, the Attorney General also notes that,

- c. 

²⁹ The Oxford Languages Dictionary defines "plausible" as "seeming reasonable or probable." Additionally, in *In re La. Energy Servs., L.P.*, 45 N.R.C. 99; 1997 NRC LEXIS 19, the NRC noted that "Although in its hearing notice the Commission listed a number of possible generic tails disposal strategies such as storage of tails at the plant site as a possible future resource or conversion of tails to uranium oxide for disposal, **the Commission did not specifically define what constitutes a plausible strategy. The plain meaning of these terms, however, provides the answer. The dictionary defines "plausible" as "reasonable" or "credible,"** Webster's Third New International Dictionary 1736 (1971) ..." [emphasis added] Board Decision, p. 5 (Lexis pagination). See also *In re La. Energy Servs., L.P.*, 63 N.R.C. 591; 2006 NRC LEXIS 212, Board Decision, p. 637.

³⁰ Exhibit MICH019, pp. 8-9.

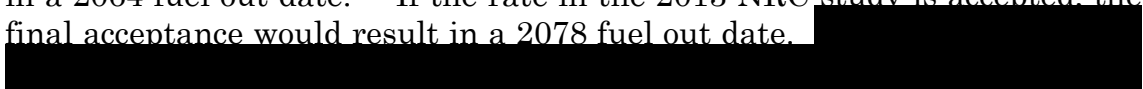


- d. HDI's expert's model requires a change to the NWPA.³³ However, the NWPA does not authorize interim storage until construction authorization for a repository is granted and the 2013 plan requires a pilot facility and an interim facility before this milestone. The 2013 DOE study notes that the NWPA must be changed.³⁴ Again, HDI is engaging in hopeful speculation that this is a possibility and does not have any control over whether it happens.
- e. HDI's expert's model is not consistent with the DCE process. Delivery Commitment Schedules per the Standard Contract are not issued for all fuel at the beginning of performance. DOE expects them to be issued 63 months before delivery (see Article V.B.1).
- f. HDI's expert's model assumes all DOE capacity will be suitable for canistered fuel. DOE has considered using multiple, parallel systems to process incoming fuel. One option considered (and likely the primary one at the time) would have used a small part of that parallel processing for fuel from ISFSIs. The remaining systems would have been used for fuel from operating plants (directly from fuel pools). Again, HDI and its expert are engaging in speculation about what may happen in the future with no basis or knowledge of the physical design.

g.



- h. Using the original Holtec assumption of OFF at 3,000 MTU per year results in a 2064 fuel out date.³⁵ If the rate in the 2013 NRC study is accepted, the final acceptance would result in a 2078 fuel out date.



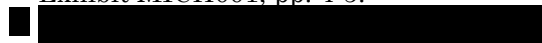
The point here is that, regardless of the assumptions used, a mechanism for providing additional funding is needed.

As HDI has failed to answer the Commission's question of why it determined, in its LTA, that an 11-year timeframe to transfer all of Palisades' SNF offsite is plausible, and as under any even remotely plausible scenario Palisades' SNF transfer

³³ Exhibit HOL001, pp. 8-10.

³⁴ Exhibit MICH031.

³⁵ Exhibit MICH001, pp. 4-5.



will take much longer than 11 years, HDI has failed to adequately address either this challenge or the Attorney General's concerns.

B. Reasonableness of the site-specific decommissioning cost estimate falling below the minimum formula amount

The second challenge the Commission admitted was as to the “[r]easonableness of the site-specific decommissioning cost estimate falling below the minimum formula amount.”

(b) Reasonableness of the site-specific decommissioning cost estimate falling below the minimum formula amount:

The applicants should provide a detailed explanation of the primary reasons that the cost estimate falls significantly below the minimum formula amount. We also direct the parties and invite the staff to address whether the minimum formula regulation in section 50.75(b) applies to this application.³⁷

The NRC instructed that “the minimum formula has relevance beyond merely establishing a decommissioning funding floor early in reactor life.”³⁸ It found that the cost estimate falling below the minimum formula amount is a “material consideration given that the applicants are relying on this decommissioning cost estimate for their related exemption request to use the trust fund amounts in excess of the estimate to fund spent fuel management costs and non-radiological site restoration costs....”³⁹

Further, the NRC found that,

current NRC guidance on site-specific decommissioning cost estimates calls for a comparison of the estimate to the minimum formula, and this guidance expressly applies to the site-specific cost estimates submitted under the

³⁷ Mem. and Order, CLI-22-08, slip op. at 134.

³⁸ Mem. and Order, CLI-22-08, slip op. at 38.

³⁹ Mem. and Order, CLI-22-08, slip op. at 39.

decommissioning regulations in section 50.82 (e.g., with a PSDAR under section 50.82(a)(4)(i), or within two years of cessation of operations under section 50.82(a)(8)(iii)).⁴⁰

The NRC also opined that “the minimum formula amount remains a benchmark to assess the acceptability of a site-specific decommissioning cost estimate that is submitted with a PSDAR or within two years of permanent cessation of operations,” and that cost estimates falling below the formula amount warrant explanation.⁴¹

So, in its Order the Commission’s directive to HDI was twofold: 1) to explain why the company’s site-specific decommissioning cost estimate (DCE) falls significantly below the minimum formula amount and 2) to address whether the minimum formula regulation in section 50.75(b) applies to this application.

The Attorney General addressed this in her initial statements and written responses and continues to argue that 1) it is not reasonable for the site-specific DTE to fall significantly below the minimum formula amount and 2) that the minimum formula regulation in section 50.75(b) applies to this application.⁴²

In its first statement of position on the Attorney General’s admitted contentions, HDI argued that “the HDI cost estimate reasonably falls below the NRC formula amount due to differences between the formula’s vintage and generic purpose and the HDI estimate’s basis on contemporaneous project-specific inputs.”⁴³ The Attorney General disagrees.

In its initial statement, HDI provided more than 30 pages of discussion that

⁴⁰ Mem. and Order, CLI-22-08, slip op. at 39.

⁴¹ Mem. and Order, CLI-22-08, slip op. at 39-40.

⁴² Michigan Attorney General Initial Statement, pp. 8-11.

⁴³ Applicants’ Initial Statement p. 11.

raised a host of different arguments. First, applicants addressed the legal question of whether 10 CFR § 50.75(b) applies to this application and second provided its rationale for why the DCE falls significantly below the minimum formula amount.

10 CFR § 50.75(b)

Applicants argued that “the purpose of the minimum formula in § 50.75 is to ensure during operations that licensees have a “viable plan to accumulate funds . . . by the projected time of permanent cessation of operations.””⁴⁴ They went on to state that the “text of § 50.75(b) itself is clearly limited to the “certification” that the licensee is collecting adequate funds based on the formula,” and that the “certification is not required during decommissioning, and there is no requirement in § 50.75 or elsewhere that a § 50.82 SSCE be “more, but not less, than” the formula amount.”⁴⁵

The clear problem with this is that this proceeding solely covers HDI’s license transfer application.⁴⁶ It does *not*, as HDI’s statement explicitly contemplates, cover the decommissioning stage. Thus, HDI’s entire argument attempted to move the discussion past the point of this proceeding and deal with requirements at the decommissioning stage, which has not yet been reached.

The AG argues that it is clear that 10 CFR § 50.75(b) and the minimum formula amount apply at this stage of the proceeding. The unambiguous language requires that each “applicant for . . . an operating license under part 50,” which HDI

⁴⁴ Applicants’ Initial Statement p. 28.

⁴⁵ Applicants’ Initial Statement p. 30.

⁴⁶ Mem. and Order, CLI-22-08, slip op. at 2 (“The staff’s order approving the license transfer . . . explicitly remains subject to [the NRC’s] authority “to rescind, modify, or condition the approved transfer” based on the outcome of this adjudicatory proceeding.”).

is, must submit a decommissioning report that “must contain a certification that financial assurance for decommissioning will be (for a license applicant), or has been (for a license holder), provided in an amount which may be more, but not less, than [the formula] in the table in [50.75(c)].”⁴⁷ Much of HDI’s argument and discussion during this matter conflated what is actually at issue *in this proceeding*, with what is required during the decommissioning process.

DCE and Minimum Formula Amount

In the remainder of part two of its initial statement, HDI argued that there are numerous reasons its DCE falls significantly below the minimum formula amount and that ultimately its in-house cost estimate is reasonable. As laid out in the AG’s filings, this is incorrect. Accordingly, even if the NRC finds that HDI’s financial assurance did not need to be equal to or greater than the minimum formula, HDI has failed to provide a detailed explanation for, and support the reasonableness for, why its cost estimate falls significantly below the minimum formula amount.

Attorney General expert Nick Capik provided further discussion on this in his rebuttal testimony. He noted numerous reasons that the analyses performed by HDI’s witnesses are wrong and therefore render its arguments incorrect. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

⁴⁷ 10 CFR § 50.75(b).
[REDACTED]

[REDACTED]

[REDACTED] HDI's projected waste volume substantially overstates waste density compared to current and past projects,⁵¹ and e) that unreasonable waste density results in understated waste disposal costs.⁵²

Accordingly, the Attorney General continues to argue that the requirements of 10 CFR § 50.75(b) and the minimum formula regulation do apply to this application. HDI's DCE is objectively below the minimum amount and therefore its application is deficient on its face.

C. Applicants failed to fully explain how they derived the 12% contingency amount and, based on relevant industry norms, practices, and standards, failed to demonstrate that the 12% contingency amount is a plausible amount of funding for covering the contingency costs reasonably expected to be incurred at Palisades.

In its order, the NRC explained that site-specific decommissioning cost estimates include an amount added under the title of "contingency" to cover unknown costs.⁵³ Thus, the "identified contingency value, expressed as a percentage, reflects the percentage of the overall final cost estimate that was added as a margin to cover unknown costs."⁵⁴ The NRC noted that a contingency factor is a "nearly universal element" in large-scale construction and demolition projects and explained that it expects that

[A] plausible decommissioning cost estimate will include an adequate contingency allowance. The contingency allowance is intended to cover

⁵¹ Exhibit MICH019, pp. 10-11.

⁵² Exhibit MICH019, pp. 10-11.

⁵³ Mem. and Order, CLI-22-08, slip op. at 43.

⁵⁴ Mem. and Order, CLI-22-08, slip op. at 43.

“unforeseeable events that are almost certain to occur in decommissioning, based on industry experience.” Funds allocated for contingency typically have been “expected to be fully expended.” These funds are to cover costs considered inevitable in a large project (e.g. weather delays, equipment breakage). Contingency funds are therefore “an integral part of the total cost to complete the decommissioning process.”⁵⁵

The NRC also addressed two additional important points about contingency funds:

(1) “They have not been intended as surplus funds for possible but speculative events but instead funding necessary to cover expected costs”; and (2) “The annual funding review process . . . is not intended as a substitute for providing reasonable estimates of *expected* projected costs in the site-specific decommissioning cost estimate.”⁵⁶

Turning to the instant case, the NRC noted that “on estimated project costs of \$644 million, the current projected funding remaining in 2041 is less than \$20 million; therefore, even a small increase in the percentage of contingency expenditures could exceed the available funding.”⁵⁷ Although the NRC has rejected other challenges to contingency levels where petitioners had not identified a material supported dispute and “the levels on their face did not appear disproportionately low,” the NRC explained that “[h]ere, the Attorney General claims that the challenged level is both unsupported and inconsistent with industry norms for such analyses. . . .”⁵⁸

Accordingly, the NRC ruled, in its July 15th order granting the hearing, that Holtec should explain not just “how they calculated and derived the 12% level applied for contingency,” but also how they “concluded that this amount for contingency is

⁵⁵ Mem. and Order, CLI-22-08, slip op. at 49 (citations omitted).

⁵⁶ Mem. and Order, CLI-22-08, slip op. at 49–50, n 175 (citation omitted).

⁵⁷ Mem. and Order, CLI-22-08, slip op. at 50–51.

⁵⁸ Mem. And Order, CLI-22-08, slip op. at 46 (citation omitted).

reasonably adequate for Palisades.”⁵⁹ In addition, the NRC explained that the parties should not just “address relevant industry norms, practices and standards for the contingency amount added to reactor decommissioning cost estimates as a similar project stage,” but also “address whether the 12% funding added reflects a plausible amount of funding for covering the contingency costs reasonably expected to be incurred at Palisades.”⁶⁰

The record in this case demonstrates that the contingency amount is not reasonably adequate for Palisades

As explained above by the NRC, the contingency funds “have not been intended as surplus funds for possible speculative events but instead funding necessary to cover expected costs.”⁶¹ Thus, properly developing the contingency is critical to cover unforeseeable events that are almost certain to occur based on industry experience. It is the lack of conservatism and the lack of committed other sources of funding (i.e., DOE recovered funds) that makes the contingency funding so important in this case. Moreover, the NRC noted that the margin for error on the contingency in this case is extremely narrow because “even a small increase in the percentage of contingency expenditures could exceed the available funding.”⁶²

As Attorney General expert Nicholas Capik explains in his Initial and Rebuttal testimony, Holtec failed to provide the necessary detail to support its modeling, failed to conduct the modeling properly, and there are “numerous risks . . . that would argue

⁵⁹ Mem. and Order, CLI-22-08, slip op. at 134.

⁶⁰ Mem. and Order, CLI-22-08, slip op. at 134–135.

⁶¹ Mem. and Order, CLI-22-08, slip op. at 49–50.

⁶² Mem. and Order, CLI-22-08, slip op. at 50–51.

for substantially greater contingency, including the uncertainty with fuel out date, annual ISFSI maintenance costs, and waste disposal costs.”⁶³

In his Initial Testimony, Mr. Capik explains that the 12 percent contingency used by Holtec for Palisades is inconsistent with industry norms, practices, and standards.⁶⁴ For example, the Association for the Advancement of Cost Engineering (AACE) in AACE International Recommended Practice No. 18R-97, provides guidelines for identifying proper contingency for various phases of project estimation.⁶⁵ Mr. Capik opines that Holtec’s contingency would be classified as a Class 2 estimate under the AACE guidelines, which means that there is a 20 percent probability that costs will ultimately be better than 15 percent below the estimate or worse than 20 percent above the estimate.⁶⁶ In addition, Holtec’s 12 percent contingency is significantly less than the NRC 25 percent contingency guidance for ISFSI decommissioning in NUREG-1757.⁶⁷

Moreover, Holtec’s 12 percent contingency is unexplainably lower than the 19 percent contingency Holtec itself used for the Indian Point project, which is the same reactor type as Palisades.⁶⁸ It is also lower than Holtec’s Oyster Creek (15 percent) and Pilgrim (17 percent) projects.⁶⁹ Not only is Holtec’s contingency for Palisades lower than its other decommissioning projects, but also the “majority of work for Palisades will not be performed until over 15 years after the estimate was created,

⁶³ Exhibit MICH019, p 11.

⁶⁴ Exhibit MICH001, p 9.

⁶⁵ Exhibit MICH001, p 9.

⁶⁶ Exhibit MICH001, p 10.

⁶⁷ Exhibit MICH001, p 10.

⁶⁸ Exhibit MICH001, p 11.

⁶⁹ Exhibit MICH001, p 11.

thus creating more estimating uncertainty for Palisades compared to other Holtec projects.”⁷⁰ As Holtec states in its initial statement “it is expected that site-specific estimates prepared closer to decommissioning will have a higher degree of certainty and, thus lower contingency.”⁷¹ Thus, Holtec itself agrees that the contingency for Palisades should be higher than other projects that do not have the 15-year gap.

Mr. Capik further notes that Holtec’s Palisades’ DCE could not have benefitted from lessons learned from these other Holtec projects because at the time Holtec submitted the Palisades DCE, sufficient progress had not yet been made at these other projects to allow for any more accurate estimation for Palisades.⁷² This refutes Holtec’s claim in its Initial Statement that “previous experience” and “actual work progress” at the other projects were used by Mr. Goulette in developing the contingency for Palisades.⁷³ [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

As to the risk modeling provided by Holtec in its initial statement and testimony that was used to create the 12 percent contingency, Mr. Capik explains that Holtec actually provides two types of contingency, which together form the 12

⁷⁰ Exhibit MICH001, p 11.

⁷¹ Applicants’ Initial Statement, p 67.

⁷² Exhibit MICH001, p 12.

⁷³ Applicants’ Initial Statement, p 71.

[REDACTED]

percent value they use.⁷⁵ The first type of contingency included by Holtec is uncertainty, which is not the same type of contingency that the industry and the NRC discuss – that which is expected to be fully consumed during decommissioning.⁷⁶

The second type of contingency included by Holtec is due to discrete events.⁷⁷

[REDACTED]

[REDACTED] Mr. Capik’s analysis fits with the argument that Holtec had a goal in mind and tailored the modeling to meet the goal—a low contingency that would fit the amount of money in the trust fund.

In summary, Mr. Capik explains that the “risk of underfunding associated with Holtec’s 12 percent combined contingency (lower than any other Holtec project) is exacerbated by the lowest estimated license termination of any of Holtec’s projects.”⁸²

⁷⁵ Exhibit MICH019, p 11.

⁷⁶ Exhibit MICH019, pp 11-12.

⁷⁷ Exhibit MICH019, p 12.

[REDACTED]

⁸² Exhibit MICH019, p 12.

Thus, “the absolute amount of contingency included by Holtec for Palisades is substantially less than any other Holtec project.”⁸³ Mr. Capik further notes that the “12 percent contingency for Palisades results in about \$53 million of contingency for license termination activities (including dormancy).”⁸⁴ In comparison, “the average of Holtec’s other projects is \$94 million per unit, a 77 percent increase over that provided for Palisades.”⁸⁵ The 12 percent contingency is not a plausible amount for covering costs that are reasonably expected to be incurred, because “there are numerous risks as noted in this [Mr. Capik’s] testimony that would argue for substantially greater contingency, including uncertainty with fuel out date, annual ISFSI maintenance costs, and waste disposal costs.”⁸⁶

As shown above, Holtec failed to fully explain how they derived the 12% contingency by providing incomplete analysis; failed to demonstrate that its flawed analysis supports the 12% contingency; failed to demonstrate that industry norms, practices, and standards support the 12% contingency; and ultimately failed to demonstrate that the 12% contingency amount is a plausible amount of funding for covering the contingency costs reasonably expected to be incurred at Palisades.

⁸³ Exhibit MICH019, p 12.

⁸⁴ Exhibit MICH019, p 12.

⁸⁵ Exhibit MICH019, p 12.

⁸⁶ Exhibit MICH019, p 11.

D. Applicants failed to adequately describe how they will ensure that sufficient additional funding will be available as a means to adjust funding if needed, and therefore should be required to provide license conditions or other forms of assurances as discussed below.

In its order, the NRC stated that Holtec projects major decommissioning activities to begin in December 2035, following the dormancy period, with final license termination to occur in 2041.⁸⁷ “Under NRC regulations, for decommissioning activities that ‘delay completion of decommissioning by included a period of storage or surveillance,’ the licensee must provide a means of adjusting cost estimates and of adjusting the ‘associated funding levels over the storage or surveillance period.’”⁸⁸ NRC guidance instructs the staff to determine “whether the means described by the licensee provides adequate assurance that funds will be available for decommissioning activities *at the time they are needed*.”⁸⁹ Thus, the NRC explained that for this hearing, “the applicants should describe how they will ensure that sufficient additional funding will be available to use at the time of decommissioning if additional funding proves necessary to complete decommissioning.”⁹⁰ The NRC further noted that “while the applicants emphasize that they must file annual reports on decommissioning funding, these status reports will not address the recoveries” and “they will not indicate how much funding Holtec Palisades may have recovered nor whether some, all, or none of the funds remain available to adjust funding.”⁹¹ The NRC continued by noting that “[i]f there are unanticipated decommissioning costs

⁸⁷ Mem. and Order, CLI-22-08, slip op. at 74.

⁸⁸ Mem. and Order, CLI-22-08, slip op. at 74–75.

⁸⁹ Mem. and Order, CLI-22-08, slip op. at 79–80.

⁹⁰ Mem. and Order, CLI-22-08, slip op. at 81.

⁹¹ Mem. and Order, CLI-22-08, slip op. at 79.

that will not be known until decommissioning is underway, status reports submitted in the years prior to the start of the major decommissioning activities may not capture such costs either.”⁹²

The NRC’s conclusion section of its order states that the “applicants should describe how they will ensure that sufficient additional funding will be available as a means to adjust funding, if needed” and that “[a]s part of their description, the applicants should address the issues described at the end of Section III.C.1.h.”⁹³ In addition, “[t]he parties additionally should address whether license conditions or other forms of assurances are warranted.”⁹⁴

At the end of Section III.C.1.h, the NRC reaffirms that the applicants should outline how they will ensure sufficient DOE-related recoveries or other funding (if applicable) will be available as a means to augment funding if necessary to complete decommissioning.”⁹⁵ Moreover, the NRC expressly requires the applicants, who rely on DOE-related recoveries as a source of funding⁹⁶, “to describe (1) whether any applicable DOE-related settlement is in place; (2) the timetable on which the applicants would expect to file its DOE-related claims (including the respective estimated amounts in damages reasonable expected to be obtained); and (3) approximately when and in what estimated amounts the DOE recoveries can reasonably be expected to be paid.”⁹⁷

⁹² Mem. and Order, CLI-22-08, slip op. at 79.

⁹³ Mem. and Order, CLI-22-08, slip op. at 135.

⁹⁴ Mem. and Order, CLI-22-08, slip op. at 135.

⁹⁵ Mem. and Order, CLI-22-08, slip op. at 81.

⁹⁶ Applicants Initial Statement, pp 91-94.

⁹⁷ Mem. and Order, CLI-22-08, slip op. at 81.

Problems with Applicants' ability to provide additional financial assurance as a means to adjust funding and the need for license conditions or other forms of assurances in this case.

Attorney General expert Nicholas Capik testifies that there are numerous reasons that Holtec's DCE could understate actual costs, including an increase in scope due to unforeseen conditions, any delay in performance of activities, inflation beyond what is assumed with two percent real growth of the NDT, or higher than anticipated actual costs 14 years from now when decommissioning activities commence.⁹⁸ [REDACTED]

[REDACTED] Thus, it would require many years of dormancy to address a shortfall in funding. Moreover, as noted by the NRC, neither Holtec's application nor the cost estimate discuss or rely on extending the dormancy period.¹⁰⁰

As to the spent fuel management costs from DOE that Holtec relies upon, there are two significant problems. First, any recovery on a Holtec claim for ISFSI construction costs and cask loading (the largest portion of spent fuel management costs) would be paid many years before decommissioning activities, and thus not necessarily available unless recovered funds were segregated and could not be

⁹⁸ Exhibit MICH001, p 13.

⁹⁹ Exhibit MICH001, p 13.

¹⁰⁰ Mem. and Order, CLI-22-08, slip op. at 76, fn 258.

withdrawn for other purposes.¹⁰¹ Second, Mr. Capik notes that “a sizeable portion of the projected spent fuel management costs (specifically related to transfer of spent fuel to DOE) may not be recovered from DOE or could be subject to an offset that significantly reduces recovery.”¹⁰²

Mr. Capik explained that for several other nuclear decommissionings, some of which Holtec is involved with, the company performing the decommissioning has provided financial assurances.¹⁰³ For example, Mr. Capik explained that for the Vermont Yankee, NorthStar’s financial assurance included a parental support agreement of \$140 million, escrow accounts of at least \$55 million, performance bonds of approximately \$400 million, a \$25 million letter of credit, retained DOE proceeds, and a commitment not to withdraw funds for any task exceeding the allocated cost in a schedule provided.¹⁰⁴ For Indian Point, which has \$2.4 billion in the NDT, Holtec agreed to minimum NDT balances of \$400 million at 10 years and \$360 million at Partial Site Release (PSR), when the operating license footprint is reduced to the ISFSI and return of 50 percent of the DOE recoveries to the NDT.¹⁰⁵ For Pilgrim, Holtec agreed to minimum NDT balances (\$193.3 million 2019 dollars at PSR adjusted as decommissioning proceeds, as well as a minimum balance until all fuel is removed from the site), use of DOE recoveries if needed to maintain the minimum balances, performance bonds, \$30 million of insurance, and additional financial

¹⁰¹ Exhibit MICH001, p 13.

¹⁰² Exhibit MICH001, p 14.

¹⁰³ Exhibit MICH001, p 14.

¹⁰⁴ Exhibit MICH001, p 14.

¹⁰⁵ Exhibit MICH001, p 14.

reporting requirements.¹⁰⁶ These financial assurances were in addition to starting with a NDT balance of approximately \$1 billion, which is significantly more than for Palisades.¹⁰⁷

Mr. Capik further elaborated on why additional financial insurance is important for Palisades by examining the six plants (Oyster Creek, Pilgrim, Indian Point (3 plants on a single site), and Palisades) that Holtec purchased from Entergy to decommission.¹⁰⁸ He explained that each power plant had a different NDT fund as well as a different estimated license termination costs as follows:

- a. Oyster Creek - \$848 million NDT with \$618 million estimated for license termination;
- b. Pilgrim - \$1,030 million NDT with \$593 million estimated for license termination;
- c. Indian Point Unit 1 - \$534 million NDT with \$485 million estimated for license termination;
- d. Indian Point Unit 2 - \$654 million NDT with \$469 million estimated for license termination;
- e. Indian Point Unit 3 - \$916 million NDT with \$583 million estimated for license termination; and
- f. Palisades - \$552 million NDT with \$443 million estimated for license termination, including approximately \$45 million for a ten-year dormancy period (for a comparable license termination cost of \$398 million).¹⁰⁹

The importance of this comparison is that the “estimated cost to remediate and dismantle Palisades is less than every other plant owned by Holtec” and “there is less

¹⁰⁶ Exhibit MICH001, p 15.

¹⁰⁷ Exhibit MICH001, p 15.

¹⁰⁸ Exhibit MICH019, p 1.

¹⁰⁹ Exhibit MICH019, pp 1–2 (citations omitted).

funding available for this work at Palisades compared to every other Holtec plant.”¹¹⁰ In calculating the funding available for license termination (separate from spent fuel management and site restoration), Mr. Capik used the projected NDT fund balance plus projected earnings and subtracted estimated fuel management and site restoration costs.¹¹¹ He explained that although detailed activities will vary from plant to plant, the decommissioning projects have to comply with the same regulations and thus have similar organizational structures (and departments).¹¹² The plants also have similar waste disposal volumes (1.13 million cubic feet for Palisades compared to 0.956 million cubic feet for Oyster Creek, 1.42 million cubic feet for Pilgrim, and 1.365 million cubic feet for Indian Point 2).¹¹³ Thus, Mr. Capik explains that he would expect similar costs for Palisades to these other Holtec units, but instead there are wide and unexplained differences.¹¹⁴

For example, to maintain the on-site ISFSI there is a wide difference on estimated costs, “even though the activities at the various ISFSIs are the same and the regulations applying to those facilities are the same.”¹¹⁵ As Mr. Capik states, “Holtec has provided no explanation for why the estimated costs to maintain the Palisades ISFSI are markedly less than its other ISFSIs, given that the same requirements apply.”¹¹⁶ An even more significant but unexplained difference exists

¹¹⁰ Exhibit MICH019, p 2.

¹¹¹ Exhibit MICH019, pp 2–3.

¹¹² Exhibit MICH019, p 3.

¹¹³ Exhibit MICH019, p 3.

¹¹⁴ Exhibit MICH019, p 3.

¹¹⁵ Exhibit MICH019, pp 3–4 (showing Palisades at \$1.7 million, Indian Point at \$4.8 million (during active decommissioning), Pilgrim at \$6 million, and Oyster Creek at \$8 million).

¹¹⁶ Exhibit MICH019, p 4.

for funds remaining when all radioactive material is removed from the site (except for spent fuel) as follows:

- a. Palisades - \$20 million;
- b. Oyster Creek - \$127 million;
- c. Pilgrim - \$217 million; and
- d. Indian Point - \$450 million.¹¹⁷

Mr. Capik explains that “this number is important because it is a measure of funds available for risk mitigation to address cost increases prior to license termination or when the licensed footprint is shrunk to the ISFSI.” As shown in his testimony, Palisades has the smallest remaining balance and thus the least ability to mitigate any potential cost increases.¹¹⁸

After reviewing these comparisons and unexplained differences in estimated costs, Mr. Capik concludes that “Palisades has the lowest estimated license termination cost, the lowest estimated annual spent fuel management cost for dry storage, the lowest available funding, and the lowest funds remaining following radioactive remediation (partial site release or license termination).”¹¹⁹ Even though Holtec doesn’t explain the differences, the answer is clear when looking at the big picture. Holtec knew the amount available in Palisades’ NDT at the time of the deal with Entergy on the six nuclear plants and Holtec had to alter its analysis on estimated costs for Palisades to fit within the NDT. This explains why Palisades has

¹¹⁷ Exhibit MICH019, p 4.

¹¹⁸ Exhibit MICH019, p 4.

¹¹⁹ Exhibit MICH019, pp 4–5 (emphasis in the original).

the lowest estimated license termination costs, the lowest estimated annual spent fuel management cost for dry storage, the lowest funds remaining following radioactive remediation, and finally the lowest available funding. This also underscores why additional financial assurances are necessary in this case.

Interestingly, in four of the other five plants being decommissioned by Holtec, the states have negotiated additional increased financial assurance due to risk of insufficient funds. Here, with Palisades, this concern is significantly heightened since it has the least amount of funding. Yet, no additional financial assurance has been negotiated for Palisades.

Holtec attempts, in its initial statement, to explain the lower costs for Palisades as lessons learned from the other plants, but Mr. Capik laid out why that is unsupported and inaccurate.¹²⁰ [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] Holtec filed the Palisades DCE in

December of 2020. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

¹²⁰ Exhibit MICH019, p 5.

[REDACTED]

[REDACTED] Mr. Capik explains “[t]hus even looking to a period after the Palisades DCE was generated and submitted, Holtec has not gained sufficient experience to justify a substantial reduction in estimated costs.”¹²⁵

Mr. Capik explains that Holtec has not committed to any additional financial assurance in this case.¹²⁶ Holtec claims that it has multiple avenues for ensuring there will be sufficient funds, but it never provides any new assurance or commitment.¹²⁷ In fact, Holtec’s arguments regarding any additional assurance can be summarized with its statement regarding DOE recoveries when it says “there is no reason to think that those funds would not remain available to cover the shortfall.”¹²⁸ Mr. Capik then summarizes Holtec claims that it has multiple avenues for ensuring there will be sufficient funds and he explains why none of those claims are accurate:

- a. First, Holtec points to “a sufficient cushion” in the NDT resulting from its predicted \$19,788,000 remaining at license termination. As noted above, this “cushion” is only realized if the Palisades costs are significantly less than other Holtec projects (which includes its unreasonable assumptions regarding spent fuel management acceptance dates and annual costs).

[REDACTED]

[REDACTED]

¹²⁵ Exhibit MICH019, p 5.

¹²⁶ Exhibit MICH019, pp 5–6.

¹²⁷ Exhibit MICH019, p 6.

¹²⁸ Applicants’ Initial Statement, p 93.

- [REDACTED]
- c. Third, Holtec suggests it can extend the dormancy period to allow the NDT time for further growth. As discussed in my initial testimony, it is not clear that such extended dormancy would result in substantial additional funding. [REDACTED]

[REDACTED] Also, Holtec did not assess any costs that may be incurred to demobilize and place the facility in a storage condition and costs to remobilize for dismantlement should the shortfall be identified after dismantlement begins.

- d. Finally, Holtec points to recovery of SNF management costs from DOE. There are two issues with this assertion. First and most important, Holtec makes no commitment to keep any recovery within Holtec Palisades (as opposed to funds being transferred to the parent entity). If Holtec Palisades does not have a commitment to retain these funds for decommissioning, it is not reasonable to rely on these funds being available. Any recovery for Holtec's initial claim (estimated to be over \$90 million based on Holtec's projected cash flow) is likely to be received no later than 2032 (contrary to Holtec's assertion) based on the statute of limitations requiring a claim to be filed no later than 2028 if all funds from the purchase of Palisades in 2022 are to be recovered, and a typical time from the end of a period of incurred costs to recovery of costs is between three and four years, resulting in a recovery of costs incurred through 2028 by the end of 2032. Thus, the availability of funds recovered from DOE to address a shortfall that may not occur until later in the decommissioning process (2038 or later) is unlikely unless such funds are segregated and preserved.¹²⁹

In summary, Holtec's claims of multiple avenues of ensuring sufficient funds remain unsupported and inaccurate; Holtec refuses to provide any commitment to additional financial assurance, relying instead on statements like "there is no reason to think that those funds would not remain available" in the face of multiple reasons explaining why; and Holtec claims no license conditions are warranted, irrespective

¹²⁹ Exhibit MICH019, pp 6-7 (citations omitted).

of the actual facts in this case demonstrating the need for some license conditions or commitments. Accordingly, Holtec has failed to adequately describe how it will ensure that sufficient additional funding will be available as a means to adjust funding if needed, and thus some license conditions or other forms of assurances are necessary.

CONCLUSION

At base, the application is inadequate to demonstrate that Applicants have the financial qualifications to carry out the activities for which the license is sought. The NRC should hold Holtec and all related entities to a high standard that protects the interests of the state of Michigan, those who live near the Palisades plant, future generations of taxpayers, and all of those who live in the Great Lakes watershed. Giving Holtec a pass here and not requiring that sufficient financial assurances be provided risks the money, health, and wellbeing of millions of Americans for generations to come.

Due to these concerns and on behalf of the People of the State of Michigan, Attorney General Dana Nessel requests that the Commission require the Applicants to provide additional forms of financial assurance as it has in other license transfer cases discussed in the Attorney General's briefs and testimony including, but not limited to, limitations on withdrawals on a line item basis not to exceed the line item value on the DCE submitted as part of the license transfer, a clear commitment to retain DOE recoveries and to have them remain available throughout decommissioning, as well as a parental guarantee, escrow accounts, and/or a line of credit, the three of which combined provide an additional assurance of \$200 million.

Respectfully submitted,

Dana Nessel
Attorney General
State of Michigan

Signed (electronically) by

/s/ Michael E. Moody

Michael E. Moody
Joel King
Assistant Attorneys General
Special Litigation Division
P.O. Box 30755
Lansing, Michigan 48909
MoodyM2@michigan.gov
(517) 335-7627

Dated: January 27, 2023

**STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION**

Before the Atomic Safety and Licensing Board

In the Matter of	)	Docket Nos.	50-255-LT-2
ENTERGY NUCLEAR OPERATIONS,	)		50-155-LT-2
INC., ENERTECH NUCLEAR	)		72-007-LT
PALISADES, LLC, HOLTEC	)		72-043-LT-2
INTERNATIONAL, and HOLTEC)		
DECOMMISSIONING	)	ASLBP No.	22-974-01-LT-BD01
INTERNATIONAL, LLC)		
)		
(Palisades Nuclear Plant and Big)		
Rock Point Site))		

CERTIFICATION OF SERVICE

Pursuant to 10 C.F.R. § 2.305, I certify that I served the Michigan Attorney General's written concluding statements of position on the issues in the above-captioned proceeding via the NRC's Electronic Information Exchange on January 27, 2023.

Signed (electronically) by

/s/ Michael E. Moody

Michael E. Moody
Assistant Attorney General
Special Litigation Division
P.O. Box 30755
Lansing, Michigan 48909
MoodyM2@michigan.gov
(517) 335-7627

Dated: January 27, 2023