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July 2, 2025

Zachary Turner, Project Manager  
Division of Operator Reactor Licensing  
Office of Nuclear Reactor Regulation  
Nuclear Regulatory Commission  
Washington, D.C. 20555-0001  
Via email only to: [zachary.turner@nrc.gov](mailto:zachary.turner@nrc.gov)

Re: Comments On Proposed Director's Decision Regarding Decommissioning Trust  
Fund Misuse for Palisades Nuclear Plant (EPID L-2023-CES-0008)

Dear Mr. Turner:

On behalf of Beyond Nuclear, Michigan Safe Energy Future, and Don't Waste Michigan, we are submitting the following comments and objections in response to the referenced Director's Decision. It is clear that the inspection and enforcement process on which the Director's decision relies was seriously inadequate because the NRC chose not to follow the money.

Notably, 18 CFR § 35.32(a)(6) warrants that

(6) Absent the express authorization of the Commission, no part of the assets of the Fund may be used for, or diverted to, any purpose other than to fund the costs of decommissioning the nuclear power plant to which the Fund relates, and to pay administrative costs and other incidental expenses, including taxes, of the Fund.

That is, decommissioning funds must be spent on decommissioning. The proposed decision provides no discussion of how it is that expenditures for spent fuel management, costs indisputably incurred during the period following June 2022 during which Holtec actively sought and obtained federal and state assistance commitments for the restart of Palisades, can be deemed "costs of decommissioning." When Holtec acquired ownership and control of Palisades, it assumed not only generating assets but also the liabilities of pre-existing irradiated fuel requiring continuous onsite management throughout the prospective period of renewed operations. During the period of renewed operations, maintaining oversight and security of the irradiated fuel stored onsite is a cost of doing business. Dispensation from the NRC to simultaneously resume operations while "decommissioning" via spent fuel oversight is an anomaly which violates the decommissioning regulations. Holtec implicitly understands this; the company insists, for purposes constructing a "pathway to restart" that Palisades should be analogized to a nuclear plant in the midst of a long-term but temporary shutdown. If the NRC were to be consistent, it must find that Palisades has not been undergoing decommissioning and that irradiated fuel management is simply a cost of doing business in the pathway to restart. Seen

in that light, the Director's scrutiny of this trust fund controversy is quite inadequate.

When we filed our Petition to Intervene on December 5, 2023, the only documentation concerning expenditure of decommissioning trust funds on Palisades Nuclear Plant (PNP) was the March 31, 2023, decommissioning report submitted by Holtec for the period ending December 31, 2022. In that report, Holtec claimed that it spent \$38,000,000 on "license termination," from June 2022, when it acquired Palisades with the intent to restart the reactor. But, as we explained in our Petition, Holtec has consistently stated that it undertook no decommissioning activities at Palisades because it intended to restart the reactor. The 2023 decommissioning report also states that in 2022, Holtec spent \$6,000,000 on spent fuel management. But the fuel has never been removed from the spent fuel pools. Merely moving the fuel from the reactor to the pools does not cost \$6,000,000. The Director's decision provides zero indication of any NRC effort to determine exactly on what the \$44,000,000 was spent.

Holtec's decommissioning report for 2023, filed on March 29, 2024, is even more troubling. According to that report, Holtec spent \$43,000,000 for license termination and \$56,000,000 on spent fuel management, during 2023. The record is clear that by 2023, Holtec was indisputably deep into the process of trying to restart Palisades, and Holtec consistently said it was engaging in no decommissioning activities. Again, the Director's decision fails to reflect any NRC effort to ascertain exactly how the \$99,000,000 was spent.

As the Director's proposed decision states, Holtec's 2023 decommissioning report shows a total of \$143,000,000 in undetailed and unexplained decommissioning expenses. The Director's report further states that only \$23,000,000 of the \$143,000,000 was withdrawn from the DTF. But there is absolutely nothing in the decommissioning report that says only \$23,000,000 has been withdrawn. On the contrary, the report says that in 2022 and 2023, there was a total of \$143,000,000 in decommissioning expenditures. In anyone's lexicon, an expenditure is money that has been spent. There is no indication that the NRC obtained, or even required, Holtec to document where that \$143,000,000 was spent.

The Petitioners' original question still remains unanswered: ***How could Holtec legitimately spend \$143,000,000 from the decommissioning trust fund when Holtec admits that it has never engaged in any decommissioning activity?*** It is rank dereliction of the agency's responsibility for the NRC to have neither asked nor answered that question. The NRC's response to the Petitioners' valid public concerns borders on willful blindness. In legal terms the NRC's conduct is arbitrary, capricious, unreasonable, an abuse of discretion, and violates the agency's statutory duties.

In a nutshell: the public demanded to know what \$143,000,000 was expended on, or encumbered for purposes of decommissioning. The NRC's investigation ignored the obvious dissonance between "decommissioning" and "restarting" while Holtec continued to incur millions of dollars' worth of decommissioning costs for over a year and a half. During that time, Holtec was actively and expensively seeking, not to permanently decommission and dismantle Palisades, but to restart it for decades of prospective operation. To us, it still appears that Holtec was subsidizing the restart from a pot of money forbidden to be used for that purpose. That the agency is satisfied that Holtec will not conclude its suspicious conversion of funds until 2040 doesn't alleviate the fact that \$143,000,000 was improvidently spent on activities other than

decommissioning.

We object and demand full details on what this money was spent for, so that the public can meaningfully judge that the decommissioning trust fund has been protected, or not, by the NRC..

Sincerely,

/s/ Wallace Taylor

/s/Terry J. Lodge

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