UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Holtec Palisades, LLC	)	Docket No. ER 25-1083-000
	)	
	)	

NOTICE OF INTERVENTION AND COMMENTS OF THE MICHIGAN PUBLIC SERVICE COMMISSION

The Michigan Public Service Commission (Michigan PSC) respectfully submits the following notice of intervention and comments in response to the Petition filed by Holtec Palisades, LLC (Holtec) in the above-referenced proceeding to waive certain provisions of the Midcontinent Independent System Operator's (MISO) Open Access Transmission, Energy and Operating Reserve Markets Tariff (Tariff) to facilitate Palisades' return to commercial operation. The Michigan PSC provides these comments in support of the Commission's grant of Holtec's Petition.

I. Notice of Intervention

The Michigan PSC is a legislatively established agency in the State of Michigan, created by 1939 Public Act 3, Mich. Comp. Laws Ann. § 460.1 et seq. The Michigan PSC is the Michigan regulatory agency having jurisdiction and authority to control and regulate rates, charges, and conditions of service for the retail sale of natural gas and electricity in Michigan. The Michigan PSC is also a "state commission" as defined in 16 U.S.C. § 796(15) and 18 CFR § 1.101(k) and has an interest in this proceeding that cannot be adequately represented by another party.

As a state commission, the Michigan PSC enters this Notice of Intervention. Copies of all pleadings, correspondence, and other communications concerning this proceeding should be directed to:

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II. **Background**

Petitioner is the current owner of the Palisades Nuclear Plant, located in Van Buren County, Covert Township Michigan. Holtec Decommissioning International (HDI) is the Nuclear Regulatory Commission (NRC)-licensed operator of the Palisades Nuclear Plant. HDI oversees the recommissioning processes for the Palisades Nuclear Plant. Power supply operations at the Palisades Nuclear Plant ceased in May of 2022, wherein the plant entered suspended status under MISO's Attachment Y. Attachment Y requires MISO to terminate interconnection service if a plant does not return to operation within 36 months.

Holtec filed the present Petition to request a waiver and extend its suspension period under Attachment Y on January 28, 2025. Pursuant to the Petition, Holtec explained it also has authorization to indicate that MISO supports this Petition. Given the reasons outlined below, the Michigan PSC also supports

Holtec's Petition for waiver of the 36-month period set to end on May 20, 2025, and supports an extension of the deadline for an additional 22 months, thus delaying the suspension period to terminate on March 1, 2027.

III. Comments

The Michigan PSC acknowledges the importance of MISO's Attachment Y process, which regulates how suspended generation resources maintain interconnection devices. Specifically, as highlighted by Holtec in the instant Petition, Sections 38.2.7(k) and 38.2.7(n); which govern interconnection termination and the setting of suspension limits respectively, clearly establish timelines in which plants are expected to comply with FERC regulations. While honoring the import of specific deadlines as described in Attachment Y, the Michigan PSC agrees with the arguments raised by Holtec, and supported by MISO, as described in the present Petition and similarly concludes that an extension of the mandated deadline is necessary in order for Holtec to recommission the Palisades Nuclear Plant.

A. The recommissioning of the Palisades Nuclear Plant is key to improving Michigan's resource adequacy.

The Michigan PSC has an undeniable interest in the reliability and safety of energy generation and distribution within Michigan and the relevant MISO regions. The expected energy generation from the Palisades Nuclear Plant is key to meeting resource adequacy needs in Michigan and within this MISO region. Michigan

executive and legislative efforts have clearly outlined the import of these needs from a public policy and legislative perspective. For example, under the current gubernatorial administration, a sum of approximately $150 million of State support for the recommissioning of this plant has been appropriated in both PA 121 of 2024 and PA 119 of 2023, for a total of $300 million.[1] These sums are in addition to the expected $1.52 billion to be furnished through a US Department of Energy loan. There is also additional support obtained through additional federal funding by efforts from the Wolverine Power Cooperative, who received a $650 million U.S. Department of Agriculture grant to offset customer rates and support this historic project.[2] Michigan has invested significant resources in the safe and reliable success of this project as the power that the Palisades Nuclear Plant is expected to again provide will be key to meeting resource adequacy needs and public policy objectives in Michigan and the MISO region for decades to come. The Michigan PSC supports a waiver that ensures recommissioning is effectuated properly.

[1] Pub Act 119 of 2023, Section 616; Pub Act 121 of 2024, Section 811.

[2] *Gov. Whitmer Applauds Biden-Harris Administration Support for Reopening Palisades, Protecting 600 Union Jobs and Powering 800,000 Homes*, Governor Gretchen Whitmer (Sep. 30, 2024), https://www.michigan.gov/whitmer/news/press-releases/2024/09/30/gov-whitmer-applauds-bidenharris-administration-support-for-reopening-palisades#:~:text=The%20U.S.%20DOE%20finalized%20a,million%20grant%20to%20Wolverine%20Power.

B. Extension of the Palisades Nuclear Plant's 36-month suspension period is needed in order to complete necessary regulatory milestones as the plant is recommissioned.

As described in the Petition by Holtec, the present deadline without waiver and extension of Sections 38.2.7(k) and 38.2.7(n) would require the termination of the Palisades Nuclear Plant's interconnection service on May 20, 2025.[3] The extension, if granted, would provide Holtec an additional 22 months to complete necessary improvements that it has identified as essential to return the plant to power operations. As described in the Petition, Holtec is working to meet an in-service date of May 30, 2026. Holtec has indicated this timeline is reasonable and appropriate because:

> This timeline is dependent on regulatory reviews by the Nuclear Regulatory Commission ("NRC") and completion of active and ongoing inspections and physical site work to return the plant to service and ensure that all NRC safety inspections and preconditions to resuming operations are met. The requested extension aligns with the power purchase agreement ("PPAs") which allow for an effective restart as late as March 1, 2027.
> [Petition, p 2.]

The Petition further indicates that the earliest anticipated return to service for the Palisades Nuclear Plant is October 15, 2025.[4] The waiver is important for the restart process.[5]

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[3] Petition, p 6.

[4] *Id.* at p 12.

[5] Petition, p 12.

C. Significant progress has been achieved in the recommissioning of this plant, and there is ample evidence of good faith to continue to accomplish the same.

The Michigan PSC acknowledges that in order to request a limited waiver of MISO Tariff Module C Sections 38.2.7(k) and 38.2.7(n), four conditions must be met. These requirements are outlined in the Petition as: (1) the applicant acted in good faith; (2) the waiver is of limited scope; (3) the waiver addresses a concrete problem; and (4) the waiver does not have undesirable consequences, such as harming third parties.[6] The Michigan PSC agrees that these conditions have been established in the present Petition, but specifically seeks to address the good faith efforts prong.

In addition to the outlined information provided by the Petitioner in the instant action, MISO has also filed in Docket No ER25-1151-000 a Second Amended and Restated Generator Interconnection Agreement (GIA) wherein changes to the initial GIA are identified to reflect requirements driven by the NRC. The appendices, perhaps most significantly C and J, describe the unique circumstances of the Palisades Nuclear Plant, as well as address additional nuclear-specific operating requirements and identifies the operational, maintenance, and emergency protocols necessary to maintain reliable off-site power and manage the plant.[7] This filing, in conjunction with the information included in the present filing and robust

[6] Petition, pp 7-8; *see also Southern Illinois Power Cooperative,* 190 FERC p 61, 002, pp 14-18 (2025).

[7] Docket No. ER25-1151-000, Midcontinent Independent System Operator, Inc. Tariff Filing, at p 4.

engagement at the state and federal level, meets and exceeds this prong in regard to the waiver request.

IV. Conclusion

The Michigan PSC acknowledges the import of time-related deadlines in the safe and effective regulation of the energy market. The historical and in many ways unique circumstances involved in the recommissioning of the Palisades Nuclear Plant in Michigan merits a Tariff waiver as requested by the Petitioner. The Michigan PSC believes that a waiver is appropriate to ensure safe and efficient recommissioning of this important facility, and it offers the aforementioned comments in support of the extension of the Attachment Y cut-off date for an additional 22 months to March 1, 2027.

Respectfully submitted,

THE MICHIGAN PUBLIC SERVICE COMMISSION

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Dated: February 12, 2025

CERTIFICATE OF SERVICE

I hereby certify that I have this day served, via electronic mail or first-class mail, the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Lansing, Michigan this **12th** day of **February 2025.**

/s/Cherie A. R. Shea
Cherie A. R. Shea

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