

Historic Repowering of Michigan's Palisades Power Plant Closer to Reality as Holtec Obtains up to \$1.52 Billion in Conditional Loan Commitment from the DOE

We are pleased to announce that Holtec has received a conditional commitment for a loan guarantee of up to \$1.52 billion from the U.S. Department of Energy's (DOE) Loan Programs Office (LPO) to support the historic repowering of the 800-megawatt Palisades Power Plant in Covert Township, Michigan. This announcement brings Palisades one giant step closer to becoming the first successfully restarted nuclear power plant in the United States. The federal financial backing of the restart is a testament to the critical role that nuclear energy plays in our energy future – delivering safe, reliable, and carbon-free generation. "Nuclear power is our single largest source of carbon free electricity, directly supporting 100,000 jobs across the country and hundreds of thousands more indirectly," said U.S. Secretary of Energy Jennifer M. Granholm. "President Biden's Investing in America agenda is supporting and expanding this vibrant clean energy workforce here in Michigan with significant funding for the Holtec Palisades nuclear power plant."



*Secretary Jennifer Granholm,
U.S. Dept. of Energy*

"Today, Holtec has secured a \$1.5 billion conditional commitment for a loan from the Department of Energy to reopen the Palisades Nuclear Power Plant, protecting 600 good-paying, high-skill jobs and clean, reliable power for 800,000 homes," said Michigan Governor Gretchen Whitmer. "Once open, Palisades will be the first successfully restarted nuclear power plant in American history, driving \$363 million of regional economic impact and helping Michigan lead the future of clean energy. I am so grateful to my bipartisan partners in the Michigan Legislature, the Biden-Harris Administration, Holtec, and labor for coming together to get this done. Together, we are showing the world that Michigan is a place where history is made by hardworking people."



Governor Gretchen Whitmer

"This is a triumph for the United States in our collective pursuit of a clean and dependable energy future. We applaud the visionary leadership of the Biden-Harris administration, Secretary Granholm, Director Shah, and the Department staff for seizing this historic opportunity and once again demonstrating America's role as a global energy leader," said Dr. Kris Singh, Holtec President and CEO, adding, "The repowering of Palisades will restore safe, around-the-clock generation to hundreds of thousands of households, businesses, and manufacturers. It also confers the environmental and public health benefits of emissions-free generation, hundreds of high-paying local jobs with a large union workforce, economic growth, and the social benefits of a strong community partner. We are also appreciative of the strong, unwavering support of Governor Whitmer, bipartisan support from the Michigan legislature and



congressional delegation, and certainly from the local community, all of whom have championed this effort from the very beginning. As one of the country's leading energy innovators, we are grateful and ready to help make history."

Restart History and Federal Loan Guarantee

Following Holtec's acquisition of the Palisades Power Plant in June 2022, the plant, thanks to its superb material condition, is now on track to become the first successfully restarted nuclear power plant in the United States. In early 2023, with strong support from federal, state, and community partners, Holtec applied to the DOE LPO for federal loan funding to repower Palisades. That was followed by a rigorous review of the loan application by the DOE and third-party advisors to consider technical, market, financial, credit, legal, and regulatory aspects, among others. The conditional commitment is subject to final approval, which is dependent on Holtec meeting loan closing conditions. In addition to federal loan funding, the repowering initiative has received critical financial support from the State of Michigan. In addition, Holtec is separately making a substantial out-of-pocket capital investment in the restart program.

Restart Milestones

The DOE conditional commitment for a loan guarantee builds upon other milestones in support of the Palisades repowering program. On July 31, 2023, Michigan Governor Gretchen Whitmer signed into law the State of Michigan's Fiscal Year 2024 budget, which provides \$150 million in funding for the plant's restart. And on September 12, 2023, Holtec jointly announced a multi-decade power purchase agreement (PPA) with two not-for-profit rural electric cooperatives – Michigan's Wolverine Power Cooperative and business partner Hoosier Energy – for the sale of Palisades' power output, which would underpin the plant's long-term economic viability and debt service.

Repowering Benefits: Energy, Jobs, and Environment

The repowering of the Palisades Power Plant will greatly enhance Michigan's carbon-free energy generation and the region's grid reliability as well as decrease the region's reliance on energy imports. Palisades provides more than 800 megawatts of safe, reliable, and GHG-emissions-free electricity to our grid – enough electricity to power 800,000 households with a reliability factor of greater than 90 percent.

The revived plant will employ some 600 full-time personnel (approximately 45 percent union) with a payroll of more than \$80 million, making it one of the region's largest and highest-paying employers. Additionally, the plant brings more than 1,000 additional specialty workers to the area every 18 months for scheduled refueling and maintenance outages, which are supported by the local trades. During operation, Palisades was one of the region's largest taxpayers, supporting critical public resources including local schools, law enforcement, fire protection, parks, libraries, senior and veteran services, and other community resources. The Economic Growth Institute at the University of Michigan concluded in an August 2023 economic assessment that the early closure of Palisades resulted in the loss (direct, indirect, and induced) of more than \$259 million in output within Berrien, Cass, and Van Buren counties alone.



Palisades' carbon-free generation is essential to both Michigan and the United States achieving their clean climate goals while maintaining around-the-clock reliability to meet future demand. The project is anticipated to avoid 4.47 million tons of CO₂ emissions per year – in addition to other noxious greenhouse gases – for a total of 111 million tons of CO₂ over the next 25 years.

A Record of Safety

Palisades has had a distinguished record of safe and reliable operation. Prior to shut-down, Palisades operated in the U.S. Nuclear Regulatory Commission's (NRC's) highest safety category, completed consecutive record-breaking production runs, and was recognized within the industry as a high performing plant. Like all commercial nuclear plants in the United States, a repowered Palisades would continue to operate under the independent federal oversight of the U.S. NRC.

In October 2023, Holtec formally initiated the process with the NRC in seeking federal reauthorization of power operations at Palisades. The company has subsequently made several key filings and has participated in a series of public meetings with NRC staff to lay out the path to reauthorize the repowering of Palisades within the Agency's existing regulatory framework.

