

**FINDING OF NO
SIGNIFICANT IMPACT**

Palisades Nuclear Plant Reauthorization of Power Operations Project

**Rural Utilities Service
U.S. Department of Agriculture**

**Prepared by:
Environmental and Historic Preservation Division
Rural Utilities Service**

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A. INTRODUCTION

Wolverine Power Supply Cooperative, Inc. (Wolverine) and Hoosier Energy Rural Electric Cooperative, Inc. (Hoosier) have submitted financing requests to the U.S. Department of Agriculture (USDA), Rural Utilities Service (RUS) for Power Purchase Agreements (PPA) they have entered into with Holtec Decommissioning International, LLC (HDI) and Holtec Palisades, LLC (Holtec or Seller). Holtec's Palisades Nuclear Plant is located in Covert Township, along the shoreline of Lake Michigan, Van Buren County, Michigan. Through the PPAs, Wolverine and Hoosier (Purchasers) will purchase power generated from the Palisades Nuclear Plant.

RUS is considering this financing request. Prior to taking a federal action (i.e., providing financial assistance), RUS is required to complete an environmental impact analysis in accordance with the National Environmental Policy Act of 1969 (NEPA: 42 United States Code [U.S.C.] § 4321–4347), and USDA's NEPA implementing regulations, Environmental Policies and Procedures (USDA-2025-0008).

In compliance with USDA-2025-0008, and 7 CFR 1b.3, RUS is *Relying* on the previous decision by the Nuclear Regulatory Commission (NRC) and Final Environmental Assessment for reauthorizing power operations at Holtec's Palisades Nuclear Plant. Specifically, the EA considered an exemption request, a license transfer request, and license amendment requests (LARs) that, if approved, would collectively support reauthorizing power operations, and refueling of the reactor under the existing Palisades Renewed Facility Operating License (RFOL) No. DPR-20.

The Department of Energy (Loan Programs Office/ LPO) was a cooperating agency on the final EA.

B. PROJECT DESCRIPTION

The Palisades Nuclear Plant is an 800 megawatts electric (Mwe) nuclear generating plant that was licensed under Entergy Nuclear Operations, Inc (Entergy) for operation on March 24, 1971. Entergy ceased its operations on May 20, 2022 and submitted the certifications for permanent cessation of operations and permanent removal of fuel from the reactor vessel to NRC in June 2022. Since that time, Entergy transferred the Palisades license to HDI and Holtec Palisades, LLC. HDI submitted a request to NRC to refuel and repower the Palisades Plant and resume power operations through March 24, 2031. The environmental review that NRC and DOE conducted was for:

- a set of licensing and regulatory requests submitted by HDI in support of the reauthorization of power operations at Palisades Nuclear Plant through March 24, 2031
- HDI's loan application to DOE to finance the refueling and resumption of power generation activities at the Palisades Nuclear Plant

C. PURPOSE AND NEED

USDA, Rural Development, RUS, is a mission area that includes three federal agencies: (1) Rural Business–Cooperative Service; (2) Rural Housing Service; and (3) RUS. The agencies offer more than 50 programs that provide financial assistance and a variety of technical and educational assistance to eligible rural and Native American Tribal populations, eligible communities, individuals, cooperatives, and other entities with a goal of improving the quality of life, sustainability, infrastructure, economic opportunity, development, and security in rural America. Financial assistance can include direct loans, guaranteed loans, and grants in order to accomplish program objectives.

In September 2023, Palisades Energy, LLC, and Wolverine formalized a power purchase agreement

(PPA) under which Wolverine agreed to purchase up to two-thirds of the output from Palisades. Hoosier also formalized a power purchase agreement with Palisades Energy LLC for the balance of the output from Palisades. This PPA is the economic impetus for Holtec's request to NRC to restart Palisades. The PPA also provides the option to include expected power output from the planned small modular reactors (SMRs) at Palisades (Holtec 2023-TN10540). Palisades offered rare strategic alignment of State of Michigan support, and a stable source of carbon-free energy, and a good fit to fill Hoosier and Wolverine's long-term power portfolio needs. In November of 2023 the Michigan legislature passed a comprehensive clean energy standard and the partnership with Palisades will prove vital for Wolverine Power and Hoosier Energy to comply with the new clean energy requirements.

D. ALTERNATIVES EVALUATED

Preferred Alternative: In the final EA, the NRC staff considered a range of alternatives to the proposed action and the environmental impacts of the alternatives. The NRC staff determined that there are no alternatives that meet the need for the proposed action that would be environmentally preferable to the proposed action.

No Action Alternative: RD does not *rely* on the analysis from the NRC Final EA. Under this alternative, RUS funding could not be used for the project.

E. SUMMARY OF ENVIRONMENTAL EFFECTS

The analyses in the EA documented that the proposed Project would have no significant adverse effects to existing land use, floodplains, threatened and endangered species, water resources, cultural and archaeological resources, coastal resources, the surrounding community, air quality, noise, transportation, aesthetics, or human health and safety.

F. PUBLIC INVOLVEMENT

The NRC published the draft EA and draft FONSI in the Federal Register [Docket No. 50-255; NRC-2024-0076], on January 31, 2025 for a 30-day public comment period. The public comment period ended on March 3, 2025. After consideration of public comments received, NRC issued their Final EA and Finding of No Significant Impact in May 2025 [Docket No. 50-255; NRC-2024-0076].

G. FINDING OF NO SIGNIFICANT IMPACT

Based on the EA, RUS has concluded that the proposed Project would have no significant effects to existing land use, floodplains, wetlands, cultural resources, threatened and endangered species, water resources, coastal resources, the surrounding community, air quality, noise, transportation, aesthetics, or human health and safety. The proposed Project will have no adverse effects on historic properties listed or eligible for listing on the National Register of Historic Places and no effects to federally listed species or designated critical habitat.

In accordance with the National Environmental Policy Act, and USDA's Environmental Policies and Procedures (USDA-2025-0008), RUS has determined that the environmental impacts of the proposed Project have been adequately addressed and that no significant impacts to the quality of the human environment would result from repowering and operations of the Palisades Nuclear Plant. Any final action by RUS related to the proposed Project will be subject to, and contingent upon, compliance with all relevant federal and state environmental laws and regulations. Because RUS's action will not result in significant impacts to the quality of the human environment, RUS will not prepare an Environmental Impact Statement for its potential federal action associated with the proposed Project.

H. RUS LOAN REVIEW AND RIGHT OF ADMINISTRATIVE REVIEW

This FONSI is not a decision on a loan application and therefore not an approval of the expenditure of federal funds. Issuance of the FONSI and its notices concludes RUS's environmental review process. The ultimate decision on loan approval depends upon conclusion of this environmental review process in addition to financial and engineering reviews. Issuance of the FONSI and publication of notices will allow for these reviews to proceed. The decision to provide financial assistance also is subject to the availability of loan funds for the designated purpose in RUS's budget. There are no provisions to appeal this decision (i.e., issuance of a FONSI). Legal challenges to the FONSI may be filed in Federal District Court under the Administrative Procedures Act.

I. NATIONAL ENVIRONMENTAL POLICY ACT COMPLIANCE

RD used the NEPA process to guide the decision to *rely* on the NRC EA for the refueling and repowering of the Palisades Nuclear Plant. Per USDA guidelines, RD reviewed the impacts of *relying* on the analysis of the NRC EA before making this decision and ultimately, *relied* on the analysis of the NRC EA.

I. APPROVAL

In consideration of the information above, I approve this FONSI with which RD formally *relies* on the analysis of the 2025 NRC EA. I concur with the selection of the Preferred Alternative in the Final EA, as documented by NRC. This Finding of No Significant Impact is effective upon signature.

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Contact information

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