

## Holtec and Wolverine Ink Historic Power Purchase Agreement for the Palisades Power Plant

We are pleased to report that the repowering of the 800-megawatt Palisades Power Plant in Covert Township, Michigan took a giant step forward this week with the signing of a long-term power purchase agreement (PPA) between Holtec's Palisades Energy, LLC and Wolverine Power Cooperative, a not-for-profit energy provider to the rural communities across Michigan. The signing of this business agreement is a significant milestone to ensure assured operation of the facility and an enhanced carbon-free energy future for Michigan.

"We thank Governor Whitmer, the Michigan legislature, the U.S. Department of Energy led by Secretary Granholm, and the people of Michigan whose enthusiasm to render Palisades into a bastion of new clean energy generation has encouraged us to launch the odyssey of restoring Palisades energy generation," says Dr. Kris Singh, CEO of Holtec International. "We are well aware that, although we see no real obstacles ahead, re-powering of a dormant plant such as Palisades would be a feat that has never been achieved before. Hopefully, the Palisades revival would encourage our allies, Germany and Japan, who have many dormant nuclear plants, to adopt a similar course."

The foundation of this partnership is a long-term, multi-decade PPA, with Wolverine committing to purchase up to two-thirds of the carbon-free power generated by Palisades for its Michigan-based member rural electric cooperatives. Wolverine's non-profit rural electric cooperative project partner, Hoosier Energy, will purchase the balance.

"We are thrilled to enter into this partnership," said Mr. Kelly Trice, President of Holtec Nuclear Generation and Decommissioning. "The executed power purchase agreement represents a significant milestone in our journey towards reopening the plant, a historic moment for Michigan and the country. The repowering of Palisades ensures Michigan has sufficient energy to meet future demand and mitigate the impact of climate change, while creating hundreds of high-paying Michigan jobs, expanding the local tax base, and unleashing economic opportunity within the region and beyond."

Wolverine's member rural electric cooperatives provide electricity to rural homes, businesses, and public schools across more than half of Michigan's lower peninsula. This agreement will further burnish Wolverine and its members' leadership in bringing reliable carbon-free energy to the region. Wolverine and its member rural electric cooperatives are committed to delivering reliable, affordable, and clean power to their communities well into the future.

"Ensuring reliable and affordable electricity in Michigan is crucial," said Mr. Eric Baker, CEO of Wolverine. "The restart of Palisades offers a practical, long-term solution to electric reliability in our state and aligns with Michigan's ambitious goals to reduce carbon emissions."

The agreement between the companies also contains a contract expansion provision to include up to two small modular reactors (SMRs rated at 300 MWe each) that Holtec intends to build and commission at the Palisades site. The addition of two SMRs at Palisades would translate into elimination of nearly 7 million tons of carbon dioxide

each year from Michigan's air, or a whopping 200 million tons of CO<sub>2</sub> over the course of Palisades' projected service life. The prodigious carbon cancellation capacity of the nuclear-powered Palisades site undergirds the strong consensus within Michigan's local communities and the government at both State and Federal levels to revive the de-activated nuclear plant.

Palisades had a distinguished record of safe operation for over 50 years when it had to be shut down for reasons of adverse financial viability, which today's historic agreement remedies. The financial case for Palisades that existed a year ago is now the obverse of what exists today, which is the era of ascendance of clean energy with nations committed to combatting the escalating carbon burden in the environment that threatens continued habitability of our planet.

## **Background**

Following Holtec's acquisition of the Palisades Power Plant in June 2022, after the May 2022 shutdown, the plant is now on track to become the first successfully restarted nuclear power plant in the United States, thanks to the strong support it has received from its community, state, and federal partners. In early 2023, Holtec submitted an application with the U.S. Department of Energy's Loan Programs Office for federal loan funding to repower Palisades. The company is working cooperatively with the Department to move the loan application process forward. Holtec has also participated in several constructive public meetings with the U.S. Nuclear Regulatory Commission staff to discuss the proposed regulatory path to reauthorize operations at Palisades within the agency's existing regulatory framework.

The repowering of the Palisades Power Plant will greatly enhance electric reliability by generating consistent and carbon-free energy in Michigan. It also will decrease Michigan's reliance on energy imports. During operation, 600 Michigan residents were employed full-time at Palisades in highly skilled jobs with an average salary of \$117,000. The plant brought an additional 1,000 specialty workers into the local community every 18 months to support scheduled refueling and maintenance. During operation, Palisades paid more than \$10 million in property taxes every year to support local schools, law enforcement, fire protection, parks, libraries, and other community resources, making it one of the largest taxpayers in Van Buren County. The Economic Growth Institute at the University of Michigan concluded in an economic assessment recently published in August 2023 that the early closure of Palisades resulted in the loss (direct, indirect, and induced) of 739 jobs and over \$259 million in output within Berrien, Cass, and Van Buren counties alone.