



[7590-01-P]

NUCLEAR REGULATORY COMMISSION

[Docket Nos. 050-616 and 050-617; NRC-2026-0265]

SMR, LLC; Palisades SMR, LLC;

Pioneer Units 1 and 2;

Environmental Assessment and Finding of No Significant Impact

AGENCY: Nuclear Regulatory Commission.

ACTION: Notice; issuance.

SUMMARY: The U.S. Nuclear Regulatory Commission (NRC) is issuing an environmental assessment (EA) and finding of no significant impact (FONSI) for an exemption requested by SMR, LLC on behalf of Palisades SMR, LLC (Palisades SMR), associated with certain excavation support activities for the proposed dual-unit SMR-300 plant, Pioneer Units 1 and 2, at the Palisades Energy Center in Covert, Michigan. Specifically, Palisades SMR is requesting an exemption, pursuant to NRC regulations, to allow for construction of support of excavation (SOE) walls during SMR-300 excavation and prior to issuance of a Limited Work Authorization (LWA), if approved. Based on the analyses presented in the EA, the NRC staff determined that there would be no significant environmental impacts associated with granting the requested exemption.

DATES: The EA and FONSI referenced in this document are available on August 24, 2026.

ADDRESSES: Please refer to Docket ID NRC-2026-0265 when contacting the NRC about the availability of information regarding this document. You may obtain publicly available information related to this document using any of the following methods:

- **Federal Rulemaking Website:** Go to <https://www.regulations.gov> and search for Docket ID NRC-2026-0265. Address questions about Docket IDs in Regulations.gov

to Bridget Curran; telephone: 301-415-1003; email: Bridget.Curran@nrc.gov. For technical questions, contact the individual listed in the “For Further Information Contact” section of this document.

- **NRC’s Agencywide Documents Access and Management System**

(ADAMS): You may obtain publicly available documents online in the ADAMS Public Documents collection at <https://www.nrc.gov/reading-rm/adams.html>. To begin the search, select “Begin ADAMS Public Search.” For problems with ADAMS, please contact the NRC’s Public Document Room (PDR) reference staff at 1-800-397-4209, at 301-415-4737, or by email to PDR.Resource@nrc.gov. The ADAMS accession number for each document referenced (if it is available in ADAMS) is provided the first time that it is mentioned in this document.

- **NRC’s PDR:** The PDR, where you may examine and order copies of publicly available documents, is open by appointment. To make an appointment to visit the PDR, please send an email to PDR.Resource@nrc.gov or call 1-800-397-4209 or 301-415-4737, between 8 a.m. and 4 p.m. eastern time (ET), Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Robert Hoffman, Office of Advanced Reactors, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001; telephone: 301-415-1107; email: Robert.Hoffman@nrc.gov.

SUPPLEMENTARY INFORMATION:

I. Introduction

By letter dated December 31, 2025 (ADAMS Package Accession No. ML25365A983), SMR, LLC, submitted the first part (Part 1) of a phased construction permit (CP) application to the NRC on behalf of Palisades SMR for a dual-unit SMR-300 plant, Pioneer Units 1 and 2, which would be co-located with the Palisades Nuclear Plant at the Palisades Energy Center in Covert, MI. The NRC determined that Part 1 of the

phased construction permit CP application was acceptable for docketing on February 13, 2026 (ADAMS Accession No. ML26041A223).

Part 1 of the phased CP application includes a LWA request pursuant to paragraph 50.10(d) of title 10 of the *Code of Federal Regulations* (10 CFR), "Request for limited work authorization," three exemption requests, and a comprehensive environmental report. The NRC is currently developing an environmental impact statement (EIS) to address the environmental impacts of construction, operation, and decommissioning of Pioneer Units 1 and 2, and expects to publish the draft EIS for public comment in the fall of 2026.

Part 1 of the phased CP application includes an exemption request from 10 CFR 50.10(c) to allow for construction of SOE walls, which would remain in place after construction is complete. The proposed exemption would allow Palisades SMR to proceed, prior to issuance of an LWA, if approved, with this limited construction activity. Palisades SMR has requested that the NRC consider and approve the exemption independently of, and prior to, completion of the NRC's review of the remainder of Part 1 of the phased CP application. Granting this exemption request would not constitute a commitment by the NRC to issue an LWA or CP for Pioneer Units 1 and 2, and Palisades SMR would perform the excavation support activities assuming the risk that its CP application may later be denied.

The NRC has prepared an EA (ADAMS Accession No. ML26230A249) as part of its review of the exemption request in accordance with the requirements of 10 CFR 51.21, "Criteria for and identification of licensing and regulatory actions requiring environmental assessments." Based on the results of the EA, the NRC has determined not to prepare an EIS and is issuing a FONSI pursuant to 10 CFR 51.31.

II. Discussion

The proposed Federal action is NRC approval of Palisades SMR's request for an exemption from the NRC regulations at 10 CFR 50.10(c), which would allow construction of SOE walls during SMR-300 excavation and prior to issuance of an LWA, if approved by the NRC. Palisades SMR plans to install three different permanent retaining wall designs: diaphragm walls, soldier pile soil mixed walls, and perimeter cutoff walls. Tieback anchors would be used, as necessary, to support the differing wall designs. To accomplish the proposed Federal action, the reinforced concrete panel diaphragm walls, soldier pile soil mixed walls, and perimeter cutoff walls (all part of the SOE walls) would be installed using traditional construction techniques.

SOE walls would remain in place after construction is complete. Issuance of the exemption would allow Palisades SMR to proceed with SOE wall installation, prior to issuance of an LWA, if approved. Palisades SMR asserts that the SOE wall installation serves no function with respect to structural components of the containment structures (CS), reactor auxiliary building (RAB), or intermediate building (IB) support or radiological health or safety but is needed for construction worker safety during excavation. If excavation is delayed until after the issuance of the LWA, if approved by the NRC, activities for the below grade portions of the CS, RAB, IB and portions of select systems, structures, and components could add a significant time delay and construction costs to the Pioneer Units 1 and 2 project. Delaying the construction of Pioneer Units 1 and 2 could also delay the addition of 680 megawatts of energy and a reliable lower cost energy supply in the State of Michigan. Palisades SMR anticipates that the cost of any delay of the commercial operation of Pioneer Units 1 and 2 would be substantial.

In the EA, the NRC staff evaluated the proposed action to identify resource areas that could be affected and the potential for environmental impacts. This evaluation considered the nature and scope of the proposed activities and site-specific information.

Based on this review, the NRC staff determined that the proposed action would not result in significant impacts to land use, terrestrial resources, aquatic resources, threatened and endangered species, air quality, nonradiological health, nonradioactive waste, socioeconomics, surface water, groundwater, historic and cultural resources, radiological human health and radiological waste management. Additionally, the NRC staff conducted consultation pursuant to Section 106 of the National Historic Preservation Act of 1966, as amended, independent of the NRC staff's National Environmental Policy Act environmental review. The NRC staff determined that the proposed action would result in No Historic Properties Affected, as defined in 36 CFR 800.4(d)(1).

The NRC staff also considered the alternative of denying the exemption request and determined that denial of the exemption request would avoid the environmental impacts discussed in this EA unless the NRC grants the applicant's request for an LWA in Part 1 of the phased CP application, in which case the impacts would then be delayed and incurred during LWA activities, if approved. A denial of this exemption and subsequent delay of the excavation-related activities, if the LWA is approved, could result in project costs and schedule delays to the Pioneer Units 1 and 2 project. Accordingly, the NRC staff determined that there are no alternatives that meet the need for the proposed action and that are environmentally preferable to the proposed action.

III. Finding of No Significant Impact

The proposed action before the NRC is whether to issue the exemption authorizing the construction of permanent SOE walls during excavation activities and prior to issuance of an LWA, if approved. As required by 10 CFR 51.21, the NRC prepared the EA. This FONSI incorporates by reference the EA summarized in Section II of this notice. Based on the analysis presented in the EA, the NRC staff has determined that the proposed action will not have a significant impact on the quality of the human

environment. Accordingly, the NRC staff has determined that the preparation of an EIS is not required for the proposed Federal action and that a FONSI is warranted. This finding and the related environmental documents referenced throughout the EA are available for public review as discussed in the EA and above under ADDRESSES.

Authority: 42 U.S.C. 2011 *et seq.*

Dated: August 20, 2026.

For the Nuclear Regulatory Commission.

Nathan Sanfilippo, Director,
Division of Advanced Reactor Programs,
Office of Advanced Reactors.

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