



## MICHIGAN STRATEGIC FUND

### MEMORANDUM

**DATE:** September 30, 2024

**TO:** The Honorable Sarah Anthony, Chair  
Senate Appropriations Committee

The Honorable Jon Bumstead  
Minority Vice Chair  
Senate Appropriations Committee

The Honorable Mary Cavanagh, Chair  
Senate Appropriations Subcommittee on  
Labor and Economic Opportunity/MEDC

The Honorable Mark Huizenga  
Minority Vice Chair  
Senate Appropriations Subcommittee on  
Labor and Economic Opportunity/MEDC

The Honorable Angela Witwer, Chair  
House Appropriations Committee

The Honorable Sarah Lightner  
Minority Vice Chair  
House Appropriations Committee

The Honorable Will Snyder, Chair  
House Appropriations Subcommittee on Labor,  
Economic Development, and Lifelong Learning

The Honorable Greg VanWoerkom  
Minority Vice Chair  
House Appropriations Subcommittee on Labor,  
Economic Development, and Lifelong Learning

**FROM:** Quentin L. Messer Jr., President  
Michigan Strategic Fund

**SUBJECT:** Section 616 – Targeted Energy Investment Status Report

Section 616 of Public Act 119 of 2023 requires the department to provide a status report on the targeted energy investment to restart the Palisades Nuclear Plant, a Michigan-based nuclear power generation facility capable of producing less than 1,000 megawatts that was in service as of January 1, 2022, but is not currently producing electricity.

Overall, the Palisades Nuclear Plant restart project is on track both in terms of schedule and budget. Key areas of focus include managing long lead time materials, ensuring the training program stays on schedule, and monitoring critical and near-critical path activities closely as well as evaluating improved project cost estimates that are being received. Risks are being managed effectively and being fully evaluated and managed, as well as opportunities for cost savings are being identified and tracked. The project is well positioned to achieve its milestones and objectives as planned.

Key accomplishments and upcoming milestones include:

- a. Chemical decontamination of the system - Complete
- b. Reactor Pressure Vessel (RPV) disassembly - Complete
- c. Reactor Vessel Inspections - Complete
- d. Steam Generator primary and secondary side inspections -Complete
- e. Uranium shipped for fabrication fuel assemblies - Incomplete

The system is expected to be ready to receive fuel in Q3 of 2025. The target completion/in service date is Q1 of 2026.

Today, the U.S. Department of Energy announced the closing of a loan guarantee of up to \$1.52 billion to Holtec Palisades, LLC to help finance the retired nuclear generating station's restart under the Inflation Reduction Act's [Energy Infrastructure Reinvestment](#) (EIR) program. A total of \$150 million in state funding has also been allocated towards the project. Currently, a total of \$75 million has been disbursed to Holtec Palisades, LLC.

Please contact our Office of Legislative Affairs at [medcgovrelations@michigan.org](mailto:medcgovrelations@michigan.org) if you have any questions. In addition, please do not hesitate to contact me at [messerq@michigan.org](mailto:messerq@michigan.org).

cc: Members, Senate and House Appropriations Committees  
Members, Senate Appropriations Subcommittee on Labor and Economic Opportunity/MEDC  
Members, House Appropriations Subcommittee on Labor, Economic Development, and Lifelong Learning  
Jen Flood, State Budget Director  
Kathryn Summers, Director, Senate Fiscal Agency  
Mary Ann Cleary, Director, House Fiscal Agency