



Entergy Nuclear Operations Inc.
Palisades Nuclear Power Plant
27780 Blue Star Memorial Highway
Covert, MI 49043
Tel 269 764 2568

February 10, 2015

Michigan Department of Environmental Quality
Kalamazoo District Office
Air Quality Division
Attn: Dorothy Bohn
7953 Adobe Road
Kalamazoo, MI 49009-5026

Re: Palisades Nuclear Power Plant Response to Violation Notice dated January 9, 2015
regarding SRN: B2934

Dear Ms. Bohn:

This letter is Entergy Palisades Nuclear Power Plant's (Palisades) written response to the Violation Notice (Notice) dated January 9, 2015. Although the Notice requires a written response by January 29, 2015, in our meeting on January 20, the Michigan Department of Environmental Quality (MDEQ) granted an extension until February 12, 2015 for the written response. Palisades would like to thank you for taking the time to meet with us to discuss the Notice and this Response. The Notice cites the following violations of the administrative rules and conditions of Renewable Operating Permit (ROP) No. MI-ROP-B2934-2013:

Process Description	Rule/Permit Condition Violated	Comments
EUGEN3	ROP EUGEN3 VI.2	The Facility has not installed a device to monitor and record fuel use.
EUGEN3	ROP EUGEN3 VI.5	The Facility is not keeping 12 month rolling time period fuel use records.
FGGENS1&2	ROP FGGENS1&2 VIII	The stacks for these generators emit horizontally, instead of vertically.

As we discussed during the January 20 meeting, these violations stem from a failure of the ROP to reflect Palisades' systems and operations accurately and our failure to understand fully all the terms of the ROP rather than Palisades' failure to operate pursuant to the permit terms.

In fact, the errors have existed in the permit since it originally was issued. However, this oversight has not degraded the site's ability to track and report fuel usage and subsequent emissions to the State of Michigan. Reporting of fuel usage has been far below established use limits and methods of measurement have been conservatively high.

Since the ROP does not accurately reflect plant conditions and configurations these violations are ongoing. It is impractical and cost prohibitive to alter present plant configuration to meet the ROP's conditions. Consistent with our investigation into these issues and our subsequent conversations with MDEQ staff, the best course of action is to modify the permit consistent with past and present practices.

Palisades' plan to address the above findings is as follows and shall be completed per proposed schedule or sooner. Any deviation to this plan will be communicated to the Department and mutually agreed upon.

Violation 1:

Non-compliance with ROP EUGEN3 VI.2: The permittee shall install, calibrate, maintain and operate in a satisfactory manner a device to monitor and record the fuel use for EUGEN3 on a monthly basis. (R336.1205(1)(a), R336.1220, R336.1224, R 336.1225, R 336.1702(a), 40 CFR 52.21(c) & (d)).

Proposed Corrective Action 1:

A Permit to Install (PTI) will be generated for EUGEN3 to request changes to previous PTI 183-06. Specifically it will request a run hour limit (500 hours) instead of a fuel use limit and request monitoring be completed by notation of stop and start times. Fuel usage will be calculated by multiplying run time by engines maximum fuel use under full load. This will give a conservatively high value for later reporting. This application shall be submitted on or before March 31, 2015.

Proposed Due Date:

03/31/2015

Violation 2:

Non-compliance with ROP EUGEN3 VI.5: The permittee shall keep, in a satisfactory manner, monthly and 12-month rolling time period fuel use records for EUGEN3. The records must indicate the total amount of fuel used in EUGEN3. All records shall be kept on file for a period of at least five years and made available to the Department upon request. (R 336.1205(1)(a), R 336.1220, R 336.1224, R 336.1225, R 336.1702(a), 40 CFR 52.21(c) & (d)).

Proposed Corrective Action 2:

Palisades will update current spreadsheet to include the measuring and recording of the EUGEN3 fuel usage over a 12 month rolling time period.

Proposed Due Date: This action was completed 1/19/2015

Violation 3:

Non-compliance with ROP FGGENS1&2 VIII: The exhaust gases from the SVGEN1 and SVGEN2 stacks shall be discharged unobstructed vertically upwards to the ambient air unless otherwise noted.

Proposed Corrective Action:

Upon completion of proposed corrective action (1.) and receipt of new PTI, Palisades shall within two months submit a requested revision to Palisades' Renewable Operating Permit MI-ROP-B2934-2013 to incorporate changes to EUGEN3 in accord with the new PTI, editorial changes to reflect stack positioning of FGGENS1&2, and changes to appendix 3 to address exhaust monitoring.

Proposed Due Date:

New PTI date + 2 months

Discrepancy 1:

Requirements of the Facility's Preventative Maintenance (PM) Plan in Appendix 3 of the ROP are not being met. Submit a revised PM Plan for AQD's review with the response to NOV letter. Any changes to Appendix 3 will require a modification of the ROP

Proposed Corrective Action:

Revise the Preventative Maintenance Plan required by Appendix 3 of the ROP to read as follows:

- a. Record the results of a non-certified 6-minute visible emissions observation noting exhaust color clarity (Clear, White, Gray, Blue, Black, or variation thereof: light or dark)
- b. Notify the Environmental Coordinator if abnormal visible emissions are observed other than clear to light gray.
- c. Environmental Coordinator and Preventive Maintenance Manager shall evaluate the equipment and determine if appropriate maintenance and/or repairs are needed within 24 hours of the abnormal visible emissions observation. Maintenance and/or repairs shall be completed within 48 hours, or the equipment shall not be operated until repairs are complete.
- d. The cause of any abnormal visible emissions and maintenance and/or repairs performed shall be recorded.

Proposed Due Date:

New PTI + 2 months

Sincerely,

Steve Andrews

Environmental Coordinator

Palisades Nuclear Plant, Entergy

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