



June 23, 2015
DPG 15-174

Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, D.C. 20515

Attention: John Shimkus, Chairman

**RESPONSE TO ENERGY AND COMMERCE, SUBCOMMITTEE ON
ENVIRONMENT AND THE ECONOMY MEMBER QUESTIONS**

Dear Chairman Shimkus,

Attached please find responses to the questions submitted for the record following the hearing entitled "Update on the Current State of Nuclear Waste Management Policy".

For myself, and on behalf of the Sacramento Utility District (SMUD) and the Decommissioning Plant Coalition, thank you for the opportunity to provide testimony to you and the members of the Subcommittee on this important topic.

SMUD and the Decommissioning Plant Coalition would be happy to provide additional information from our perspective, should you or other members of the Subcommittee wish more information in the future.

Sincerely,

A black rectangular redaction box covers the signature of Einar T. Ronningen.

Einar T. Ronningen
Manager, Rancho Seco Assets

(ETG/BG)
Enclosure
CC: DPC

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Response of Einar Ronningen
On Behalf of Decommissioning Plant Coalition
Additional Questions for the Record
May 15, 2015 Hearing
Before the Subcommittee on Environment and the Economy
“Update on the Current State of Nuclear Waste Management Policy”

Questions from The Honorable John Shimkus

1. There are currently numerous sites throughout the country which store commercial spent nuclear fuel from shutdown nuclear reactors at just an Independent Spent Fuel Storage Installation (ISFSI). Additionally, there are additional reactor sites which are going through the decommissioning process with more units shutting down in coming years.

A. How can Congress create a structure to assure these sites can be redeveloped and save taxpayer funding, while treating all spent nuclear fuel in an equitable fashion?

Response: In order for the sites of permanently shutdown reactors to be made available for unrestricted use and redevelopment, the stranded used nuclear fuel (and Greater-Than-Class-C (GTCC) waste at certain sites) needs to be removed as stipulated in the contracts between the owners of those facilities and the federal government. We believe there is a general consensus that the nuclear waste disposal program should focus on consolidating the material now present at shutdown sites across the country, recognizing that doing so will go a significant way towards alleviating taxpayer liabilities for damage payments from the federal Judgment Fund (now in excess of \$21 billion) and demonstrate the capability of the federal government to meet its obligations to safely manage this material – something important from the standpoint of current and future generations’ confidence in the use of nuclear energy for the production of electricity.

As mentioned in the following response, the Nuclear Waste Policy Act recognizes stranded fuel priority as equitable.

B. What are the proper potential mechanisms to address stranded sites?

Response:

The Department of Energy (DOE) currently has the authority it needs under the Nuclear Waste Policy Act of 1982, as amended, and the Standard Contract, to ensure that the necessary priority attention is given to the permanently shutdown plants. What DOE needs is direction to develop an interim consolidated storage program in parallel with progress towards an operational repository, as called for in the report of the Blue Ribbon Commission on America’s Nuclear Future. The DPC, which actively participated in the hearings held by the BRC, endorses that element of the final report.

2. As Congress moves forward to address the logjam associated with nuclear waste management policy, how can we protect the taxpayer to assure that total lifecycle system costs, including transportation, are not increased? What are some key principles to consider?

Response:

Empirically, taxpayers have been penalized billions of dollars because of the continued storage of used nuclear fuel at former power reactor sites as a consequence of lack of progress under the Nuclear Waste Policy Act, as amended. This unnecessary cost can be eliminated without further consequence to the taxpayer through legislative action supporting the development of consolidated interim storage of used nuclear fuel while the Congress works in parallel towards an operational geologic repository at Yucca Mountain (or other agreed-upon location).

It should be evident that the cost of developing a transportation infrastructure capable of supporting the disposition of the nation's current and projected inventory of stored nuclear fuel is fundamental to any solution (be it temporary placement into consolidated interim storage or a one-time transport to a repository). The development of a consolidated interim storage facility and continued oversight of the material until it is moved to a geologic repository can be funded from within the interest generated by the Nuclear Waste Fund without impacting the availability of funds for development and operation of a geologic repository.

Compare this "no cost to the taxpayer" option with the billions of dollars in unnecessary penalties taxpayers are bearing because the federal government has yet to take possession of any used nuclear fuel and let the economic impact to the taxpayer drive the discussion.

3. Two private companies announced their intention to pursue an NRC license to serve as a consolidated interim storage site. However, as you know, Private Fuel Storage (PFS) pursued, and received, an NRC license for this purpose, and they are now releasing the license. What differentiates the recent announcements from the PFS experience?

Response:

The PFS effort, begun at a time when DOE was delayed, but not yet determined by the courts to be in partial default of its contractual obligations to utilities, was designed to provide a "pressure release valve" for those utilities that had not yet had to make a resource commitment to construct and operate on-site dry cask storage, or those that had, but were coping with state and/or local opposition to such. It is our understanding that contract holders would retain title to the material shipped to the PFS facility, or would be transferred to the PFS operators, until such time as DOE accepted the material for disposal. In addition, state officials in Utah opposed the PFS license application, although

it was consented to by the Goshute Tribe on whose land the facility would have been located.

Almost 20 years later, the situation has dramatically changed. DOE has been found in partial default of its contractual obligations and utilities, not without the expenditure of legal resources in some cases, are now receiving damages from the government (paid for by taxpayers out of the Judgment Fund).

As we understand the two recent proposals, private entities are proposing to construct storage facilities licensed by the NRC and anticipate that DOE would perform under its contract with utilities, beginning in the first instance with those contract holders of shutdown sites who are storing used nuclear fuel and GTCC waste by accepting title to the material and shipping that material to the site(s) as the customer. In addition, we understand that both efforts have received support from both their state and local stakeholders.

4. The Eddy Lea Energy Alliance recently proposed constructing an interim storage facility in Southeastern New Mexico. New Mexico Senator Martin Heinrich said, “I cannot support establishing an interim storage facility until we are sure that there will be a path forward to permanent disposal.”

A. Is the lack of progress on Yucca Mountain hampering our ability to move forward on interim storage?

Response: We believe that the issue of linkage between progress on Yucca Mountain and any other repository site and interim storage is a question that should be left to the potential host state and local community. We note that the linkage in current law between the licensing of Yucca Mountain and storage is one reason why storage capacity does not yet exist.

B. Would an expeditious review of the Yucca License application provide more certainty for interim storage stakeholders?

Response: As noted above, the matter of the linkage between the Yucca Mountain license application and interim storage is best handled as a matter between the potential hosts of the interim storage facility and the federal government. As such, there are likely differing views that would emerge from differing stakeholders. However, to address concerns, such as Senator Heinrich’s, we support a strong permanent disposal program and continuation of the Yucca Mountain licensing process.