



N A R U C
National Association of Regulatory Utility Commissioners

Responses to Questions for the Record

From

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**On Behalf Of
The National Association of Regulatory Utility Commissioners
For The Hearing**

**Before the House Energy & Commerce Committee
Subcommittee on Environment and the Economy**

**Entitled
“The Nuclear Waste Fund: Budgetary, Funding, and Scoring Issues”**

Held December 3, 2015

From Congressman John Shimkus

At a May Environment and the Economy Subcommittee hearing, Greg White, then with the Michigan Public Service Commission and now NARUC’s Executive Director, stated consolidated interim storage proposals must be fully vetted from a cost perspective to determine whether it would actually reduce the long-term financial burden on the ratepayers you represent. To your knowledge, has there been a thorough and credible lifecycle analysis that would support an interim storage facility? What sort of factors would be part of a study?

There has not been such a study, in my opinion. The most comprehensive study I could find is somewhat dated and was commissioned by the Blue Ribbon Commission on America’s Nuclear Future (BRC). It is titled [Spent Nuclear Fuel Management: How Centralized Interim Storage Can Expand Options and Reduce Costs](http://cybercemetery.unt.edu/archive/brc/20120620222955/http://brc.gov/sites/default/files/documents/centralized_interim_storage_of_snf.pdf), by Hamal, Carey and Ring (May 16, 2011) and is available online at: http://cybercemetery.unt.edu/archive/brc/20120620222955/http://brc.gov/sites/default/files/documents/centralized_interim_storage_of_snf.pdf. Page 14 of this analysis lists eight other “studies” completed between 1985 and 2010.

NARUC has not taken a position on the merits of any of these studies.

I have been unable to locate more recent studies. Of course, none incorporate possible/probable interim storage scenarios/sites that have emerged in the last two or three years. Moreover, even a cursory review of the BRC study suggests some additional analysis might be appropriate.

For example, on page 54, the BRC Study, referencing the costs of duplicative transportation associated with interim storage, concedes the obvious: “There will be substantial cost savings if the centralized facility can be located at the permanent repository. If a modest delay could make the difference to assure this location, it probably would be worthwhile from a cost perspective.” The study also concedes that (i) estimates of the actual overall transportation costs associated with a new facility “are very uncertain” (page 37) and (ii) uncertainties with transportation costs might create differences in possible savings that consolidated storage (under the listed conditions) might provide – specifying that if “transportation costs are very high (driving up the relative cost of centralized storage when fuel has to be moved twice), future decision makers could modify the centralized [interim] storage option. They need not stay on a high-cost path.” Id. at page 17.

I do not have a comprehensive list of the specific factors that must be covered in any updated study. Certainly, the BRC study raises many of the crucial issues that must be considered. Some issues would benefit from additional analysis – including an examination of a range of updated transportation scenarios, as well as a determination of the “amount, basis of need, and duration” for any interim storage. See, NARUC’s February 6, 2013 Resolution Regarding Guiding Principles for Management and Disposal of High-Level Nuclear Waste, online at: <http://www.naruc.org/Resolutions/Resolution%20Regarding%20Guiding%20Principles%20for%20Management%20and%20Disposal%20of%20High.docx>.

Logically, to take this path, Congress would want to be certain there is an enforceable timeline as well as unavoidable requirements to assure completion of a permanent disposal site. Any other approach is irresponsible. Without some reasonable projection on when and where permanent disposal sites may open, it will be impossible to provide any useful projection of the likely costs of interim storage. Even the Blue Ribbon Report, at xii, specifies that “efforts to develop consolidated storage must not hamper efforts to move forward with the development of disposal capacity. To allay the concerns of states and communities that a consolidated storage facility might become a *de facto* disposal site, a program to establish consolidated storage must be accompanied by a parallel disposal program that is effective, focused, and making discernible progress in the eyes of key stakeholders and the public.” {emphasis added}

The conclusions, beginning on page 55, of the BRC study do not sugar coat the difficulty of the analysis or its use as a decision making tool. It clearly “involves complicated issues and tremendous uncertainty.” Ratepayers should not bear additional costs unnecessarily just to shift the costs of interim storage from one federal billfold (the judgment fund) to another (the NWF or other federal funding). The NWF targets a permanent repository. NARUC is on record in a 2013 resolution as specifying that “[t]he Nuclear Waste Fund must be used only for purposes intended in the Nuclear Waste Policy Act and Congress should not divert the fund to other uses.” The same resolution also specifies: “The BRC Report recommendations for consolidated interim storage represent a new use for the Nuclear Waste Fund that should be authorized only after consideration of the costs and benefits involved.”

From Congressman Bill Johnson

Your organization is on record supporting reasonable economic benefits and incentives for host States and communities. Would you explain the nature of those benefits and the role of Federal-State partnerships?

Like Congress, NARUC as an association cannot define particular level of benefits (and burdens) as “reasonable” without examining specific proposals. Context matters. The nature and scope of the various benefits are constrained by social and political context, as well as the needs and requirements of host communities. It appears that at least some in States like Nevada and Texas are willing to consider such proposals. The range of incentives that might be included is wide.

One report from 2010, captioned International Benchmarking of Community Benefits related to Facilities for Radioactive Waste Management (Commissioned by EDRAM – the International Association for Environmentally Safe Disposal of Radioactive Materials – online at: http://www.edram.info/uploads/media/2010-01_EDRAM_Com_Benefits_Final_ENG.pdf, lists actual (and expected) benefits to communities of local disposal facilities. NARUC in no way endorses this white paper. However, it does raise as one possible “economic benefit” extra “funds for local-socio-economic development.”