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January 28, 2009

Letter sent by facsimile

The Honorable Steven Chu
Secretary of Energy
United States Department of Energy
Washington, D.C. 20585-1000

Dear Mr. Secretary:

The Nuclear Waste Strategy Coalition (NWSC) welcomes your appointment as Secretary for the Department of Energy (DOE). The NWSC is an ad hoc group of state utility regulators, state attorneys general, electric utilities and associate members representing 47 member/affiliate organizations in 31 states, committed to reforming and adequately funding the U.S. civilian high-level nuclear waste transportation, storage, and disposal program.

Given the energy challenges facing our nation, it is important to implement policies that provide long-term solutions that will move America closer to energy independence. As stated in the White Paper to which you were a co-signor, *A Sustainable Energy Future: The Essential Role of Nuclear Energy*, "... nuclear power must play a significant and growing role in our nation's – and the world's -- energy portfolio." The paper further acknowledges, "... that even with recycling, a geologic repository will be required." Therefore, the NWSC urges you to guide DOE's actions in a manner that is consistent with the message that a permanent repository for nuclear waste will be needed regardless of the nuclear waste management policies ultimately implemented.

As President Obama stated during his Inaugural Address, "... our time of standing pat, of protecting narrow interests and putting off unpleasant decisions – that time has surely passed."

In the NWSC's view, the development of new nuclear power plants cannot be separated from the continued progress of the nuclear waste disposal program. In that regard, the submittal of the license application in June 2008 by the DOE to the Nuclear Regulatory Commission (NRC) was a major milestone in the history of site investigations, scientific analysis, and repository facilities design for the permanent disposal of spent nuclear fuel and high-level radioactive waste.

The geologic repository at Yucca Mountain is probably the most scientifically studied piece of real estate in the history of mankind. The license application contains results of more than 20 years of safety evaluations based on studies of the geologic, hydrologic, and geochemical environment and evaluations of how conditions might evolve over time. As you know, some of the scientific studies were carried out by the well-respected Lawrence Berkeley National Laboratory that you previously headed.

The State of Nevada alleges that the science in the license application is flawed. If the Yucca Mountain scientific work is flawed, then allowing a full and thorough review of the license application by the NRC as required by the Nuclear Waste Policy Act of 1982, as amended (NWPA), would be the best way to proceed. We will find out once and for all if questions about the technical suitability and safety of the Yucca Mountain permanent repository have been adequately addressed over the 20 years of scientific study.

Failing to allow the license application to proceed could cast the whole process into political chaos and uncertainty since Congress directed DOE to submit the licensing application through the NWPA. In addition, a decision to stop or redirect the Yucca Mountain program means stranding indefinitely spent nuclear fuel and high-level radioactive waste throughout this nation. As you stated during your confirmation hearing, DOE has a legal obligation and will use the best scientific analyses to provide safe disposal of spent nuclear fuel.

It has been reported that fiscal year (FY) 2009 funding for civilian nuclear waste disposal will be reduced by approximately \$100 million from the Nuclear Waste Fund (NWF) and funding for defense waste disposal may also be reduced. Funding below the requested levels by DOE (\$494.7 million) will continue to have an adverse impact to the overall progress of the disposal program, including:

- Jeopardizing interactions between the DOE and NRC with respect to the license application and review process;
- Delaying the scheduled 2020 start-up date;
- Forcing DOE to reduce its workforce at the Yucca Mountain site and elsewhere;
- Delaying repository site engineering and infrastructure, as well as the Nevada rail construction and related transportation capital acquisitions; and
- Disrupting the DOE clean-up program in Hanford, Idaho and Savannah River, as well as agreements with states that currently store defense material.

For these reasons, we ask that the FY 2010 budget request from the NWF and for defense nuclear disposal be taken into consideration for the continued progress of the nuclear waste disposal program. Adequate funds are available in the NWF to implement the federal policy for permanent disposal of spent nuclear fuel and high-level radioactive waste. Since 1983, ratepayers from 41 states have paid more than \$30 billion, including interest, into the NWF, which Congress established for development of a permanent repository for spent nuclear fuel and high-level radioactive waste. In addition:

- a) The nation's ratepayers continue to pay annually approximately \$758 million into the NWF for the removal of spent nuclear fuel and high-level radioactive waste from existing nuclear plants sites and this amount will increase with the construction of new nuclear power plants.
- b) The nation's ratepayers will incur additional costs for the indefinite stranding of spent nuclear fuel and high-level radioactive waste at existing and future commercial nuclear power plants.
- c) The nation's taxpayers will be burdened with the ongoing and increasing liability, currently estimated to be \$11 billion, associated with the DOE's failure to fulfill its statutory and contractual obligations to remove spent nuclear fuel and high-level radioactive waste from commercial and decommissioned plant sites.

Therefore, a safe and cost-effective option for managing spent nuclear fuel and high-level radioactive waste from decommissioned power plants and other facilities would be moving it to a centralized interim storage facility. The storage facility should be authorized and funded for the near-term while the license application for a geologic repository is being reviewed by the NRC.

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In conclusion, the NWSC believes that an effective disposal program should consist of a permanent repository; an integrated transportation plan; and centralized interim facilities that advance and complement the permanent repository while addressing near-term needs.

On behalf of the NWSC, I thank you for your consideration.

Respectfully yours,



David Wright
Commissioner, South Carolina Public Service Commission and
Chairman, Nuclear Waste Strategy Coalition

C: The President of the United States.

The Honorable Nancy Pelosi, The Speaker of the House.

The Honorable Robert Byrd, Chairman, Senate Appropriations Committee.

The Honorable Thad Cochran, Ranking Member, Senate Appropriations Committee.

The Honorable Jeff Bingaman, Chairman, Senate Energy and Natural Resources Committee.

The Honorable Lisa Murkowski, Ranking Member, Senate Energy and Natural Resources Committee.

Governors of 41 States - Ratepayers Pay into the Nuclear Waste Fund.

The Honorable David Obey, Chairman, House Appropriations Committee.

The Honorable Jerry Lewis, Ranking Member, House Appropriations Committee.

The Honorable Peter Visclosky, Chairman, House Appropriations Energy and Water Development Subcommittee.

The Honorable Rodney Frelinghuysen, Ranking Member, House Appropriations Energy and Water Development Subcommittee.

Mr. Peter Orszag, Director, Office of Management and Budget.

Mr. Chris Kouts, Principal Deputy Director, DOE/Office of Civilian Radioactive Waste Management.