

S.1797 (Sen Wolf): An Act establishing a fee on the storage of spent nuclear fuel in pools ; S.1798 (Sen Wolf): An Act establishing funding to provide moneys for postclosure activities at nuclear power stations

WHAT NOT TO SAY

Please do not say one word about health and safety concerns when you explain why you support S 1797 and S. 1798; if you do, the bills will be killed on appeal.

Why? Federal Preemption of health & Safety Concerns

Federal law severely limits the extent to which states can regulate nuclear power. The Supreme Court has expressly held that federal preemption prevents states from regulating radiological health & safety aspects of nuclear power - but economic impacts are allowed. Also, the state has authority to perform environmental assessment & set standards granted by Congress under the Clean Air and Clean Water Act. (Please Se Pilgrim Watch's Testimony in Favor of S. 1797, Attachment B, pg., 8.)

WHAT TO SAY

S.1797 (Sen Wolf): An Act establishing a fee on the storage of spent nuclear fuel in pools (Excerpts from Pilgrim Watch's Testimony, attached)

1. The purpose of the Act is simply to protect the economic interests of the Commonwealth. It does so by giving nuclear power plant owners a strong incentive to reduce the number of spent nuclear fuel assemblies in their spent fuel pool(s), and thus concomitantly reduce what the Massachusetts Attorney General estimated to be the consequences of a spent fuel pool fire at Pilgrim - up to \$488 billion dollars in damages and cause up to 24,000 latent cancers. Cancers have economic impacts on the larger community such as costly medical expenditures for treatment and losses of worker's economic productivity.

A 2013 NRC Study found that a spent pool fire at a Pennsylvania reactor similar to Pilgrim could make an area of 9,400 square miles (more than the entire area of Massachusetts) uninhabitable for decades, and displace as many as 4.1 million people (more than half the total population of Massachusetts).

Also in the event of a spent fuel pool accident, the nuclear industry's liability insurance, does not

cover the costs of cleaning-up after a nuclear accident. Therefore the state and taxpayers will pay, and have every reason to reduce potential risks and costs of doing so. And waste disposal and costs after an accident also are the responsibility of the state and local community.

Whether there will be a spent fuel pool accident at Pilgrim Station is obviously uncertain, but not zero. And it is undeniable that the fewer number of assemblies in the pool means there is a smaller potential radioactive release and smaller economic consequences for the Commonwealth.

2. Giving Pilgrim's owner, for example, an incentive to reduce the number of radioactive spent nuclear fuel assemblies in the pool is within the state's authority to protect its economic interests. Health and safety are pre-empted but not economic impacts which this bill is solely about.

3. Do not feel sorry for owners of nuclear power plants in the Commonwealth. The fee provided by the Act is not unfair to nuclear power plant owners. To ensure their ability to make money, nuclear power plant operations have been willing to pay hundreds of millions of dollars to Indian tribes to store spent fuel on their lands. The Mescalero Apache Tribe in New Mexico was offered \$250 million; the Skull Valley Band of Goshutes and Toole Country, Utah were offered combined payments of \$90-\$300 million; the offer to the Mdewakanton Dakota Tribe and the Minnesota Renewable Energy Development Fund was \$135 million. Likewise the Commonwealth deserves compensation.

Second, Pilgrim's owner, Entergy, likely will recover the cost of any fee from DOE to recoup costs and exact damages for being forced to continue storing highly radioactive spent fuel and not fulfilling the government's promise to open a federal repository no later than 1998. They have successfully sued in the past.

S.1798 (Sen Wolf): An Act establishing funding to provide moneys for postclosure activities at nuclear power stations (Excerpts from Pilgrim Watch's Testimony, attached)

The purpose of the Act is insure that, after Pilgrim shuts down, there will be money available for a complete and timely decommissioning of the Pilgrim site, or any commercial reactor in the Commonwealth, to protect the economic interests of the Commonwealth. The Commonwealth has full authority to enact legislation to protect its economic interests.

The Act would require Pilgrim, and any other commercial nuclear reactor in the Commonwealth, to pay an annual \$25,000,000 post-closure funding fee. The fee will be placed in a trust fund in the office of the State Treasurer. After Pilgrim, or any other commercial nuclear reactor in the Commonwealth, has been completely decommissioned, any excess in the fund will be returned to the plant owner, with interest.

As of December 31, 2014, the last figure available, Pilgrim had \$896.42 million dollars in its Decommissioning Trust Fund (DTF). In 2014 Entergy told the NRC that the estimated cost to decommission Vermont Yankee, a smaller Entergy-owned nuclear power station, would be more than \$1.243 billion.

There is no rational reason that it will cost less to decommission Pilgrim. To the contrary, there is ample reason to expect that, in 2014 dollars, decommissioning Pilgrim will cost at least \$100 million more than Entergy's Vermont Yankee estimate, and there is reason to fear that the cost could be half a billion dollars more.

The bottom line is that **Pilgrim's decommissioning fund now contains at least half a billion, and perhaps more than a billion, dollars less than will be needed** to decommission the Pilgrim site.

The goal of the Act is to insure that Pilgrim will be properly decommissioned, and that money deposited by Entergy into the Commonwealth's trust fund and not Massachusetts tax-payers, will pay for the decommissioning that the Act requires.

If there is not enough money, what will happen?

1. Citizens will be stuck paying the difference. Pilgrim's owner is a limited liability company. There are no other guaranteed assets to pay for cleanup costs if it runs out of money for

decommissioning. Connecticut ratepayers had to pay a \$480 million shortfall for cleanup of CT Yankee. A similar shortfall at Vermont Yankee is likely to result from the discovery of strontium and tritium contamination. There are tritium leaks at Pilgrim.

2. Entergy may “raid” whatever it has in its decommissioning fund to meet expenses that have nothing to do with cleaning-up Pilgrim. Entergy’s Vermont DTF is inadequate to decommission Vermont Yankee. Even so, Entergy wants to use the Vermont Yankee’s DTF to pay \$600,000 in local taxes; to pay security costs to guard the spent fuel on site through 2050’s; to pay for the transfer of the spent fuel from the pool to dry casks; and to pay for worker retirement costs. Massachusetts must assume that Entergy will try to do the same thing with respect to Pilgrim’s DTF fund, and to do so will further diminish a fund that is already insufficient.
3. If Entergy runs out of money and Massachusetts is left holding the bag, there unavoidably will be a temptation to do less to decommission and cleanup to save taxpayer money.
4. Without enough money to decommission, Entergy will put its Pilgrim reactor into “SAFSTOR”- mothball it in place. NRC does not require decommissioning to be completed, dismantlement and clean-up, until 60 years from shutdown. During “SAFSTOR,” workers with specific knowledge of spills and other specific problems will have retired, the workforce is reduced to a skeleton crew; offsite emergency planning is eliminated; and contributions to the state for environmental monitoring likely are eliminated too.
5. Entergy refused to guarantee Vermont that Entergy would be financially responsible for decommissioning after Vermont Yankee’s planned SAFSTOR period. Massachusetts should expect that Entergy will similarly refuse to guarantee financial responsibility for cleaning-up Pilgrim.

