

Support Senate Bill 42: Ensure Nuclear Power is Brought to Utah Responsibly

In these dire economic times, Utahns need energy that is affordable and won't saddle our state with future economic hardships. So nuclear power should be part of Utah's energy mix only when it can be developed at a cost Utahns can afford and when the waste problem has been solved. Senate Bill 42: Nuclear Power Distribution and Generation, ensures just that.

SB 42 brings nuclear power to Utah as long as Utahns can afford it.

If the current financial crisis has taught us anything, it is the importance of spending within your means. So it is alarming that in 2007 alone, estimates for the cost of a single new reactor jumped from \$2 billion to \$8 billion (see graph).

Clearly, that is a lot of money. But what does it mean for the average citizen? In Florida, if you are a customer of Progress Energy, it means seeing your electricity bills increase 11% this year¹ and 3-4% every year for the next decade² to finance two new reactors. Because of a law passed by the Florida State Legislature, this increase will happen well before the proposed plant comes online and even if it never comes online.

Industry consultant Jim Harding estimates that electricity from a new nuclear plant will cost 30 cents per kilowatt-hour for at least the first decade of operation³. That is quadruple what most Utah residents pay today.

It is precisely because of escalating costs that MidAmerican, the parent of Rocky Mountain Power, halted plans for an Idaho nuclear power plant last year, saying that because its customers expect affordable power, "it does not make economic sense to pursue the project at this time." SB 42 brings nuclear power to Utah, when Utahns can afford it.

SB 42 prevents Private Fuel Storage, Part 2.

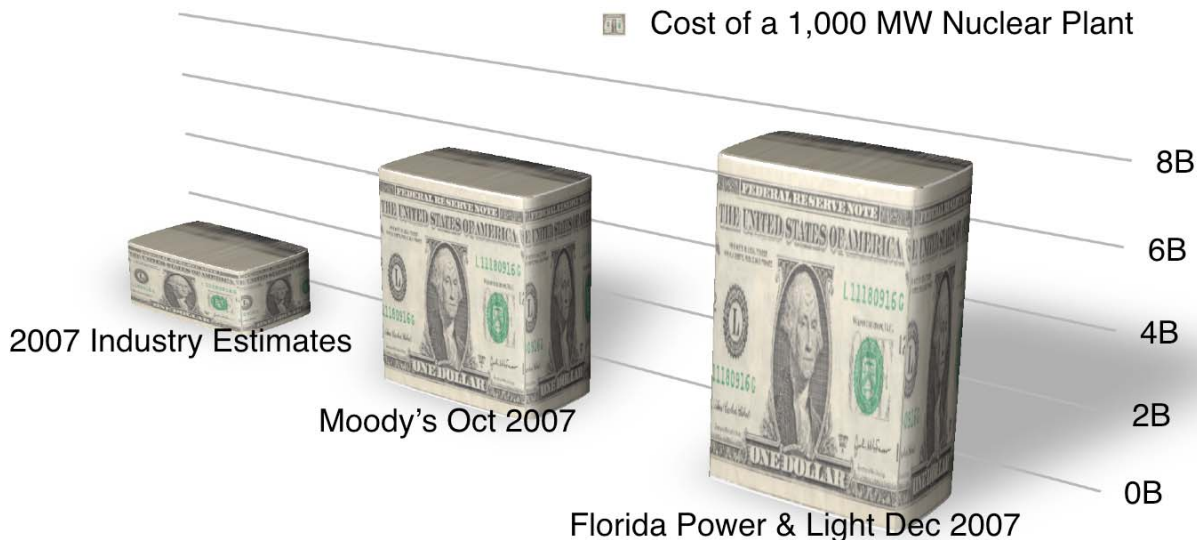
The state of Utah spent 6 years fighting a plan that would have put 44,000 tons of high-level nuclear waste generated by 8 of the country's utility companies indefinitely on the Skull Valley Goshute reservation, 45 miles west of Salt Lake City. Utah's leaders joined together to prevent risking our land for high-level waste we didn't produce and didn't benefit from.

Yet, a nuclear reactor built in Utah poses the exact same risk. That's because new nuclear power is so expensive that a plant built here

FACT: Florida residents saw their bills rise 11% this year and will see increases of 3-4% every year for the next decade to finance a pair of new reactors

FACT: New nuclear power will cost 2 - 4 times as much as most Utahns pay today

New Nuclear Power Cost Estimates Keep Rising



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would most likely have to sell to electricity markets like California, where rates are higher. That means high-level waste would be produced and stored indefinitely in Utah, and our precious water depleted, so that California can turn on its lights.

SB 42 keeps Private Fuel Storage Part 2 from happening by ensuring that any reactor built in Utah has space available in a federally licensed repository for its high-level waste. First find a place for the waste, then find a place for the plant.

SB 42 has two simple requirements

The Public Service Commission may not certify a new nuclear power plant unless:

- (1) *The proposed nuclear power plant is economically advantageous to ratepayers*
- (2) *There is a federally licensed facility with adequate capacity to dispose of high-level waste from the plant*

SB 42 is about responsible power generation.

As things stand now, any reactor built in Utah will produce electricity that is too expensive for Utahns to afford, and will create and store indefinitely the high-level waste we fought for a decade to keep out--all to provide electricity for higher priced energy markets like California.

Endnotes

- (1) "Large Rate Hike Inspires Legislation" *The Sun Coast News*, 1/14/09
- (2) "Price Triples for Progress Energy's Proposed Nuclear Plant in Levy" *St. Petersburg Times*, 3/11/08
- (3) "Prices are Rising: Nuclear Cost Estimates Under Pressure" *EnergyBiz*, May/June 2008

SB 42 makes sure that Utah's land and water resources are used to produce power that Utahns can afford.

FAQ

But won't this prevent large numbers of construction and electrical jobs coming to Utah?

Actually, a nuclear power plant takes so long to permit and build that construction jobs wouldn't be expected for at least three years, and jobs to run the plant for at least 10 years. Energy efficiency and renewable energy development like wind, geothermal, and solar, can create jobs now.

Haven't the French already figure out how to get rid of the high-level waste?

No. Instead of storing high-level waste at each nuclear plant site, as the US does, the French store their high-level waste at a central reprocessing site. Reprocessing only re-uses 1% of the high-level waste and the French still need a permanent geologic repository--something that no country in the world has succeeded in doing.

Won't we need this power?

No. Utah has cheaper power options than nuclear that can be brought online much more quickly. And expensive nuclear power would likely be sold to California, anyway.

Preventing a nuclear power mess in Zion

Imagine high-level nuclear waste sitting in your community with no place to go. The reactor that produced it has been shut down for 10 years, taking with it the majority of your town's jobs and tax base. Now, money has run out to decommission the plant, there is no place to put the waste, and you're having trouble attracting new businesses to your town.

For residents of Zion, Illinois, this situation is all too real. In the 1960s, the town welcomed with open arms two nuclear reactors, which began operation in 1973. However, the plants were taken off line in 1997 after a particularly egregious operator error, and in 1998 workers were told that the generators would remain offline forever.

Zion did experience a boom during construction and peak operation of these reactors. However, these high times only intensified the pain when ComEd and Exelon abruptly pulled the plug. The reactors shed 2,000 out of state contractors and 860 full-time locals when operations ceased. It now employs only 48 people securing the site and regulating power flows through the grid.

Furthermore, the loss to the tax base damaged Zion's ability to provide services. The Zion Elementary School District now has the highest tax rate in the county to compensate for the lost income. Ten years on, Zion has finally started attracting the type of development needed to keep its citizens employed, but one estimate holds that

they have only replaced about half of the tax revenue from the reactors.

Now the locals are left wondering what to do with the reactor site. Exelon had hoped to let Energy Solutions handle the decommissioning, but recent economic downturns have adversely affected both companies' abilities to complete the work. The city would like to demolish the buildings and redevelop the land either as a park or as lakefront property. In the meantime, spent fuel rods sit in a cooling pond a few hundred feet away from Lake Michigan.

The best way to handle such intractable problems may be to avoid creating them in the first place.