

Rep. John Proos Nuclear Waste Resolution
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Good morning, my name is Bill Schalk, I am Communications manager for Indiana Michigan Power's Cook Nuclear Plant in Bridgman, Michigan.

On behalf of I&M, we appreciate the opportunity to provide input about nuclear waste storage, and we are glad that the Michigan legislature is taking the time to consider this very important issue.

Analyses of the climate change issue by almost all independent organizations show that reducing carbon emissions and meeting our electricity needs will require a portfolio of technologies and that nuclear energy must be part of the portfolio.

The Cook Nuclear Plant is owned and operated by Indiana Michigan Power. I&M is a unit of American Electric Power, one of the largest utilities in the United States. With both units at full power, Cook generates more than 2,100 megawatts of electricity, enough for more than 1.5 million homes. That's a lot of homes, but still only six percent of AEP's total generation – the majority of which is coal fired. Cook has the lowest fuel cost on the entire AEP system. National production costs of electricity in 2007 show production costs for nuclear of 1.76 cents/kw, Coal 2.46, Gas 6.79 and petroleum 10.26.

It is clear from President Obama's 2010 budget plan that the administration may not support opening the Yucca Mountain repository even if it receives a license from the Nuclear Regulatory Commission. The administration indicated that the Energy Department's budget will be scaled back to a level necessary to answer questions from the NRC regarding the repository license application.

Since Congress passed the Nuclear Waste Policy Act in 1982, our nation has been pursuing a path for the ultimate disposal of used nuclear fuel using a once-through fuel cycle. This is an opportune time to re-evaluate our nation's policy.

Given the clear need for expansion of nuclear energy programs in the United States and worldwide, the nuclear industry proposed two years ago that our nation should revisit the decision to use a once-through fuel cycle and instead pursue a closed fuel cycle that includes recycling.

This integrated approach includes at-reactor storage, private sector or government-owned centralized storage, research and development on recycling technology and continued development and licensing of a federal repository.

Given that the Nuclear Waste Policy Act remains the law of the land, and recognizing the legal and binding obligation that the government has to fulfill its responsibility under that law, we believe the NRC's review of the Yucca Mountain license application should continue.

In parallel, the administration should convene an independent panel of the best scientific, environmental, engineering and public policy leaders to fully investigate the critical issues and make a recommendation to President Obama and Congress on how best to proceed with

managing used nuclear fuel.

Our approach to developing an integrated nuclear fuel management program includes the following concepts:

First, we recognize that since used nuclear fuel can be safely and securely stored for an extended period of time, interim storage represents a strategic element of an integrated program. Therefore, we can continue on-site storage of used reactor fuel while candidates are identified for volunteer private or government-owned sites for consolidation of used nuclear fuel.

DOE must take title to and consolidate used fuel at private or government centralized storage facilities to begin meeting the federal government's legal commitment. Initially, centralized facilities should provide storage for reactor fuel from power plants that have been shut down. DOE also needs to address its obligation for the removal and disposal of high-level radioactive waste from government sites.

Second, the federal government should collaborate with the private sector and other countries on a research and development and demonstration program to recycle reactor fuel in a way that is safe, environmentally acceptable, enhances the worldwide nonproliferation regime and makes sense economically. Other countries are looking at recycling as part of their used nuclear fuel management program and the United States should be constructively engaged in this technology development.

Through recycling, we can reclaim and reuse a significant amount of energy that remains in uranium fuel and reduce the heat, volume and toxicity of radioactive byproducts that ultimately will be placed in a repository.

Third, even with a closed fuel cycle, a geologic repository will be needed for the ultimate disposal of the waste byproducts. Licensing of the Yucca Mountain repository should continue, but the characteristics of the waste form requiring disposal will influence the design of the repository. The results of an independent commission's strategic assessment of the overall approach to used fuel and defense waste management can provide direction in that regard.

If the administration unilaterally decides to abandon the Yucca Mountain project without enacting new legislation to modify or replace existing law, it should expect a new wave of lawsuits seeking further damage payments as well as likely requests for refunding of at least \$22 billion already collected from consumers that has not been spent on the program from the Nuclear Waste Fund. Further, given the uncertain path forward for the Yucca Mountain project and the difficult economic times facing American families and businesses, Energy Secretary Steven Chu should reduce the fee paid by consumers to cover only licensing costs incurred by DOE, NRC and local Nevada government units that provide oversight of the program.

During his Senate confirmation hearing, Secretary Chu said his agency has an obligation to provide a plan that allows for safe disposal of used nuclear fuel. Nuclear energy should be part of our energy mix, he said, and "in going forward with that, we do need a plan on how to dispose of that waste safely over a long period of time."

So in effect – they agree with the resolution before us – but let's go ahead and pass this resolution today and remind them one more time.