

NRC Hears Arguments Against Early Site Permits

On June 21 and 22, lawyers for Public Citizen, Nuclear Information and Resource Service, and several state-based organizations (the “petitioners”) argued before the NRC reasons why challenges to the three Early Site Permit applications should be admitted to hearings on those licenses. Three judges heard oral arguments from lawyers Diane Curran, of Harmon, Curran, Spielberg & Eisenberg, and Shannon Fisk, of the Environmental Law and Policy Center, on issues ranging from environmental justice to conversation and water use.

In only limited aspects of one contention—the effects of thermal pollution on the striped bass in Lake Anna, the effects on fisheries downstream of the North Anna dam, and impacts on recreation—did the NRC staff support admission of any of the 10 contentions. Even if any contentions are admitted by the judges, who work for the industry-friendly NRC, the hearing process will be abbreviated under new rules that were applied retroactively to the process. Discovery of evidence will be limited, as may be cross-examination of witnesses. A decision on admission of contentions is expected in mid-July.

Eye on Yucca Mountain

On June 25, the House passed its 2005 Energy and Water Appropriations bill with \$131 million allocated to the Yucca Mountain Project, although DOE requested \$880 million. The DOE budget request wrongly assumed that the Nuclear Waste Fund (which comes from nuclear power ratepayer fees) would be taken “off-budget” – not sub-

DID YOU KNOW...?

The Power of the Public Utility Holding Company Act

Prior to enactment of the Public Utility Holding Company Act of 1935, companies that controlled the stock of public utilities were free to use dependable utility revenues to invest in potentially more profitable (and therefore riskier) ventures. Fifty-three utility holding companies went bankrupt and 23 more defaulted on bank loans. Millions of Americans lost their life savings, which were invested in “safe” utility stocks. This can happen again if PUHCA is repealed, as the current energy bill proposes.

ject to budget caps. The House Energy and Commerce Committee passed Rep. Joe Barton’s (R-TX) bill (H.R. 3981) that offsets the fees paid into the Nuclear Waste Fund for the next five years. However, thanks to strong opposition from Nevada Reps. Jon Porter (R) and Jim Gibbons (R), supporters of the bill were not able to get approval to offer it as an amendment to the appropriations bill.

Meanwhile, the Senate Energy and Water Development Subcommittee has not yet marked up its version of the 2005 Energy and Water Appropriations bill. Sen. Pete Domenici (R-NM) has proposed to increase by 60% next year the fees paid by nuclear power ratepayers into the Nuclear Waste Fund. Call your Senators (Capitol Switchboard 202-224-3121) and urge them to oppose this plan and any efforts to offset the Nuclear Waste Fund!

According to NRC regulations, all documents relating to the DOE’s forth-

coming Yucca Mountain license application must be posted on the Internet six months before DOE can submit its license application to the NRC. Documents are available at (<http://search.lsnx.us/search/docsearch>). But the database is incomplete and currently inaccessible because it is extraordinarily difficult to navigate. Many of the documents are only referenced, but not actually posted, or posted in a virtually unreadable format. The NRC has 30 days from June 30 to post its documents; other interested parties (including Public Citizen) have 90 days.

Update on LES petition

On June 14, the Atomic Safety and Licensing Board (ASLB), the NRC’s judicial arm, held a pre-hearing conference in Hobbs, New Mexico, to hear oral arguments on whether Public Citizen and NIRS’ contentions about LES’ proposed uranium enrichment plant in southeastern New Mexico would be admitted and given a hearing. Santa Fe-based attorney Lindsay Lovejoy presented our case to the ASLB. Among our contentions: impacts upon groundwater and water supplies in the Eunice/Hobbs area; radioactive and hazardous waste storage and disposal; and the need for the facility, as well as its impact on national security. The ASLB’s decision on which contentions will be admitted are expected in mid-July.

On the day of the pre-hearing conference, PC and NIRS delivered a letter signed by more than 60 groups to the governor of New Mexico, Bill Richardson, urging him to “stand firm” and oppose the project. The ASLB’s decision on which contentions will be admitted is expected in mid-July.

QUICK QUOTE:

“We aren’t required to meet the needs of anybody... We aren’t required to do anything, as a matter of fact... All we need to do is generate power and sell it... We don’t even need to show need for power in the State of Illinois...”

- Mr. Steven Franz, a lawyer for Exelon Generation, during the NRC pre-hearing conference on June 21, on early site permits for new nuclear reactors.

Victory For Electricity Consumers In South Korea!

On June 23, Public Citizen made a presentation in Seoul, South Korea, at the International Symposium for Sustainable Development of Electricity. The event was a culmination of a year’s worth of collaboration between Public Citizen and the South Korean Tripartite Committee, the commission assembled by the South Korean government to determine whether the country should privatize its state-owned electricity company and deregulate power markets. The Committee made an official recommendation at the June conference CANCELING the government’s plan to introduce “free markets” into the country’s electricity system. Because the current government pledged to abide by the Commission’s findings, South Korea appears to be the first nation to formally recognize that electricity deregulation and privatization can’t and won’t work.

Public Citizen Urges Gov’t to Revoke Contract With Reliant

Public Citizen is asking the federal government to explain why it awarded a \$35.9 million contract to Reliant Energy after the company was indicted for its role in the California energy crisis.

In a letter sent to U.S. Department of Defense (DOD) officials, Public Citizen asserted that Reliant should not receive a taxpayer-funded contract to provide electricity to several military establishments while it is under federal indictment.

On April 8, the U.S. Department of Justice (DOJ) obtained a criminal indictment against the company, alleging that Reliant literally turned the lights out in California to make more money in 2000-01. The DOJ’s criminal indictment charges the company with conspiracy to commit wire fraud and manipulation of the price of electricity. In addition to the criminal indictment, Reliant Energy agreed to pay \$125 million to government authorities in fines, settlements and refunds for intentionally shutting down power plants to create blackouts that drove up profits.

New Economic Analysis: Coalbed Methane Will Cost Billions

Extracting natural gas from coal beds in Montana and Wyoming is a risky venture and it’s the public who will bear the costs, not the energy companies who do the drilling, according to a new economic analysis released in June by the Science and Environmental Health Network (SEHN). The report notes that the largest risk to coalbed methane drilling is depleting groundwater in the semi-arid region of northern Wyoming and southeastern Montana, commonly known as the Powder River Basin – a loss that could cost taxpayers as much as \$10.1 billion in current market value. To read the report, please go to <http://sehn.org/pdf/cbm.pdf>.

DOE Pushes for Nuclear Hydrogen

On May 26, the U.S. Department of Energy (DOE) announced that it is considering administration of a program to promote development of the “Next Gen-

eration Nuclear Plant,” which would in this case be used to cogenerate both electricity and hydrogen. The U.S. has been a major player on the international scene in promoting the development of Generation IV nuclear technologies, and creation of a hydrogen economy is part of President Bush’s Hydrogen Initiative, which he proposed in his 2003 State of the Union address.

Through July 9, DOE is accepting comments and expressions of interest from stakeholders on all aspects of the project, including necessity; the main focus is (of course) on comments from industry. The major DOE involvement is through funding; DOE has pledged to pay up to 50% of the cost of the program over its lifetime, with up to 100% paid in the first years. The project itself will be headed by a lead company, known as the “project integrator,” and will be supported by a whole consortium of companies. Upon completion of the project, any of the consortium companies will have rights to take the resultant technologies to market, and the new reactor will likely be purchased by DOE and used as a training and testing facility.

The project, if it goes forward, will likely cost taxpayers billions of dollars, though the requisite annual appropriations are the project’s main weakness. It will also spur the creation of a nuclear-based hydrogen economy, which negates the pollution-free potential of hydrogen fuel cells. The U.S. and the world should make development of hydrogen from renewable energy sources a priority, and focus their resources accordingly. Visit <http://www.nuclear.gov> for more information.

Corporate Corner

\$4.6 billion: The amount of fines and settlements levied against energy corporations so far for their roles in manipulating electricity markets in California and natural gas prices nationwide. The estimated costs of companies’ manipulation in California ALONE are \$70 billion.