



EYE ON ENERGY

A Monthly Newsletter from the Public Citizen Energy Team

News Update: January 2004

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Energy bill in Gridlock

Last November, the Senate failed to invoke cloture - that is, to limit debate and have a final vote - on the energy bill (H.R.6, "The Energy Policy Act of 2003"), thereby making it more difficult for the bill to be brought back for a vote in the second session of the 108th Congress. Supporters of the bill needed 60 votes, but could only muster 58. This is a great victory in round one of the energy bill! H.R.6 would give away a staggering \$31 billion in tax breaks, most of which would go to the oil, gas, coal, and nuclear industries. One of the most egregious provisions would repeal the Public Utility Holding Company Act, a long-standing law designed to protect consumers from corporate abuse of electricity markets. If passed into law, the energy bill would be a windfall for these industries, but a disaster for consumers, taxpayers, and the environment. Send your senators a fax urging them to sustain the filibuster at our [web site: http://www.citizen.org/cmep/energy/enviro_nuclear/electricity/energybill/articles.cfm?ID=10479](http://www.citizen.org/cmep/energy/enviro_nuclear/electricity/energybill/articles.cfm?ID=10479).

Davis-Besse Still Inactive

The almost accidental discovery of a gaping hole in the nuclear reactor vessel head at the Davis-

Besse nuclear power station near Toledo, Ohio, almost two years ago—which left less than 3/8 of an inch of bulging stainless steel covering the reactor core—has yet to be resolved. As of Dec. 20, the NRC again delayed the re-start of FirstEnergy's 883-megawatt plant, citing safety concerns. A team of NRC inspectors during the past two weeks found that the plant operators did not consistently follow proper procedures. Examples included workers not being fully made aware of issues in pre-job meetings, a shift manager not knowing the plant's operating status, and a worker going into an area without required permission. Separately, FirstEnergy's own employee survey found that safety culture and performance have dropped compared to a similar survey taken earlier in 2003, according to the NRC.

DID YOU KNOW...?

The Power of the Public Utility Holding Company Act

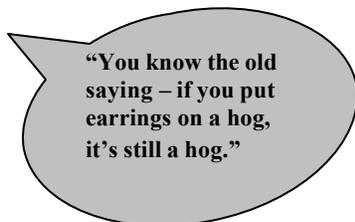
In the six years preceding PUHCA, 53 utility holding companies went bankrupt (along with 16 loan defaults). But since PUHCA was enacted in 1935, there has not been one single PUHCA-regulated U.S. electric utility holding company bankruptcy in the past 68 years.

North Anna Early Site Permit Application Challenged

As part of a coalition led by the Blue Ridge Environmental Defense League (BREDL) out of North Carolina, Public Citizen, along with the Nuclear Information and Resource Service (NIRS) filed a petition to intervene in the early site permit (ESP) process for the North Anna nuclear plant site in Louisa County, Va., (about 40 miles northwest of Richmond). Already the site of two reactors, Dominion Energy has filed an application with the NRC to "bank" the site for the next 20 years. The permit is not necessarily a guarantee that Dominion will later pursue actual construction of new reactors at the site, but it is a strong indication. The window for public intervention lasted only 30 days, even though crucial documents such as a draft environmental impact statement and the safety evaluation report will not be available for months. The cost of preparing the early site permit application is being shared equally between Dominion and the DOE as part of a pilot project to test the new ESP system. Also participating in the pilot project are Entergy, which filed for an ESP for the Clinton site in Illinois, and Exelon, which

filed an ESP application at the Grand Gulf site in Mississippi.

QUICK QUOTE:



Sen. Byron Dorgan (D-N.D.)

Nov. 6, 2003, on special interests in the energy bill.

Eye on Yucca Mountain

On Nov. 19, Congress passed the Energy & Water Development Appropriations Act of 2004, which included an allocation of \$580 million for work on the proposed Yucca Mountain waste repository. While this figure was \$11 million below the President's request, it still marks the highest annual appropriation in the project's history and an increase of 27% from FY2003.

December marked one year until DOE's deadline to file its Yucca license application. Facing a worsening time crunch and increased criticism of its plan to leave the most difficult issues until after the license application is filed, DOE released an accelerated schedule for addressing outstanding key technical issues (KTIs) on Nov. 28, the day after Thanksgiving. This plan threatens to throw sound science by the wayside (again) as more work is done in less time.

On Jan. 14, the U.S. Court of Appeals for the D.C. Circuit will hear oral arguments on a slate of lawsuits filed against the Yucca

Mountain project. The six cases have been consolidated and deemed "complex," allowing more than the usual amount of time for judges to ask questions. Summaries of the main arguments can be found at: http://www.citizen.org/cmep/energy/enviro/nuclear/nuclear_waste/hi-level/yucca/articles.cfm?ID=10882.

NRC Bows to Industry Pressure to Weaken 'Environmental Justice' Policy

Yielding to pressure from the Nuclear Energy Institute (NEI)—the nuclear industry's lobbying arm—the U.S. Nuclear Regulatory Commission (NRC) has announced its intention to revise its policy for evaluating matters of "environmental justice" (EJ) in licensing and other regulatory actions. The proposed revisions would severely hinder interveners' ability to cite disproportionately high and adverse human health and environmental effects on low-income or minority populations as legal grounds for opposing NRC licenses or regulations.

The policy change, which is now open for public comment, comes in response to a scathing letter from the NEI condemning the agency for its treatment of environmental justice in its licensing actions. In the letter, the NEI asserts that the NRC has misinterpreted the 1994 executive order that charged government agencies with achieving environmental justice as part of their respective missions. The

NEI further demands that the NRC establish a clear articulation of its EJ policy such that its legal weight would be diminished. Finally, the powerful industry lobby recommends, rather brazenly, that "any contentions related to environmental justice currently being adjudicated should be dismissed, and no contentions related to environmental justice should be admitted in any future licensing proceedings."

NEI represents Louisiana Energy Services (LES) and Private Fuel Storage (PFS), two industry consortiums whose license applications have been stalled or denied because of EJ contentions. LES is seeking a license for a uranium enrichment facility, and PFS is seeking a license for a high-level nuclear waste storage facility.

The NRC is accepting comments on its EJ policy through Feb. 4, 2004. Comments may be submitted by hard copy to the Secretary, U.S. Nuclear Regulatory Commission, Washington, D.C. 20555-0001, Attn: Rulemakings and Adjudications Staff. Comments may also be uploaded via the NRC's rulemaking Web site at <http://ruleforum.llnl.gov>.

Corporate Corner

\$56,000:

What it will cost you for 'a seat at the table' on energy bill negotiations, according to an internal memo by Kansas-based Westar.