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UNITED STATES OF AMERICA

U.S. NUCLEAR REGULATORY COMMISSION

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PUBLIC MEETING TO DISCUSS PRELIMINARY SITE-SPECIFIC
RESULTS OF THE LICENSE RENEWAL ENVIRONMENTAL REVIEW FOR
PALO VERDE NUCLEAR GENERATING STATION

+ + + + +

WEDNESDAY,

SEPTEMBER 15, 2010

+ + + + +

TONOPAH, ARIZONA

+ + + + +

The Public Meeting convened in Saddle
Mountain Unified School District Offices at 38201
W. Indian School Road, Tonopah, Arizona 85354 at
2:00 p.m.

Present on behalf of the Nuclear Regulatory Commission:

- JAY ROBINSON
- DAVID DRUCKER
- KEVIN FOLK
- LARA USELDING
- MIKE BAQUERA
- JOE BASHORE

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P-R-O-C-E-E-D-I-N-G-S

2:00 p.m.

JAY ROBINSON: All right. Good afternoon, everybody. Why don't we get started. Thanks for coming. It's nice to be inside now with the air conditioning. I've been standing outside for a while. But welcome.

This is a public meeting of the Nuclear Regulatory Commission, and this meeting is to obtain input on the Preliminary Environmental Impact Statement for the License Renewal of the Palo Verde Nuclear Generating Station.

My name is Jay Robinson. I'm a branch chief from Headquarters. With me today from Headquarters is David Drucker; he's the project manager for the environmental review for Palo Verde. Also, I have Kevin Folk from Headquarters; he's a staff member in the Environmental Review branch. We also have some local people, Lara Uselding is here and we also have the resident inspector, I don't -- can you announce your name?

MICHAEL BAQUERA: Michael Baquera.

JOE BASHORE: Joe Bashore.

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1 JAY ROBINSON: Okay. And they're also here
2 as well.

3 Typically, we refer to the Nuclear Regulatory
4 Commission as the NRC, so if we do say the NRC today,
5 that's what we're referring to.

6 We have a couple of ground rules for the
7 meeting. If you have a cell phone or a pager, just put
8 it on vibrate so it doesn't disturb the meeting. If
9 you do get a call and you need to take it, just please
10 take the call outside, okay. If you want to make
11 comments between yourselves, please also take those
12 outside to not disturb the meeting.

13 We also have a transcriber here, so the
14 meeting is being transcribed. So if you are going to
15 make comments, please, I have a wireless microphone
16 that I'll give you. Please state your name and your
17 affiliation before you make your comment and please
18 speak slowly and clearly.

19 We do have an agenda and we're going to sort
20 of run through the beginning fast, because we do want
21 to leave the majority of the time for comments. So
22 after me, David Drucker will do overview of the license
23 renewal process and he will also do an overview of the
24 environmental review, then we'll talk about how
25 comments can be submitted. And then we've devoted an

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1 hour for public comments, and then we have about five
2 minutes for closing.

3 So the meeting is scheduled to go to 3:45.
4 If we get through all the comments before then, we'll
5 keep the meeting open for a while after that just like
6 I said, just because of the address issue and just to
7 make sure everybody gets here and can make a comment if
8 they need to.

9 Let me see if there's any other things I have
10 to go over. Right now we have three people that have
11 signed up to make a comment. If anybody else wants to
12 make a comment, please see Kevin on the back table and
13 sign a sheet. And if any of you haven't known,
14 recently we switched over; we distribute all the
15 correspondence for license renewal electronically now,
16 so we don't give paper hard copies. So if you want to
17 do that you can get with one of us and we can tell you
18 how to sign up for the listserv. It's for the
19 Operation Reactor listserv and it gives you all the
20 correspondence that we send out electronically. So all
21 we need is your email address and we can do it for you,
22 or can point you to a website and you can sign up
23 yourself. And you can actually do that for all the
24 operating reactors if you're interested in any of the
25 other ones.

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1 Okay. I don't think there's anything else
2 for me to go over, so right now we'll have David
3 Drucker.

4 DAVID DRUCKER: Thank you, Jay.

5 Well, the NRC was established to regulate
6 civilian uses of nuclear materials, including
7 applications that produce electric power. The NRC
8 conducts license renewal reviews for plants whose
9 owners wish to operate them beyond their initial
10 license period. NRC license renewal reviews address
11 safety issues related to managing the effects of aging
12 and environmental issues related to an additional 20
13 years of operation. In all aspects of the NRC's
14 regulation, our mission is threefold: protect the
15 public health and safety, promote common defense and
16 security, and promote the environment.

17 In this meeting I'll discuss the potential
18 site-specific impacts of license renewal for Palo Verde
19 Nuclear Generating Station. The site-specific findings
20 are contained in the Draft Supplemental Environmental
21 Impact Statement the NRC published on August 12th, 2010.
22 This document contains analyses of all applicable site-
23 specific issues, as well as a review of issues common
24 to many or all nuclear power plants. Issues for which
25 the environmental impacts are the same across all or

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1 most nuclear power plants are discussed in the Generic
2 Environmental Impact Statement. NRC staff reviewed
3 these issues to determine whether the conclusions in
4 the Generic Environmental Impact Statement are valid
5 for Palo Verde.

6 The NRC staff also reviewed the environmental
7 impacts of potential alternatives to license renewal.
8 We considered ways to replace Palo Verde's electric
9 generation capacity to determine whether the impacts
10 expected from license renewal are unreasonable in
11 comparison to other power generation options.

12 An earlier part of the environmental review
13 was the scoping period. And during this period, the
14 NRC solicited comments concerning what to focus our
15 review on. Comments received during the scoping period
16 and responses to those comments are addressed in
17 Appendix A of the Draft Environmental Impact Statement.
18 Comments were grouped into the categories shown in the
19 second bullet on the slide and many of the comments
20 voiced support for the continued operation of Palo
21 Verde.

22 This slide lists the environmental issues NRC
23 staff reviewed for Palo Verde. The staff's preliminary
24 conclusion is that all site-specific impacts related to
25 license renewal are small.

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1 Air quality in the vicinity of Palo Verde is
2 regulated by the Maricopa County Air Quality Department
3 and they recently reissued the Palo Verde air permit in
4 August 2010.

5 Groundwater at Palo Verde is primarily
6 regulated by the Arizona Department of Environmental
7 Quality, and Palo Verde pumps groundwater at rates well
8 below what it's authorized.

9 Concerning surface water, Palo Verde does not
10 draw directly from any natural surface water body;
11 instead it uses treated waste water effluent from the
12 Phoenix area. Palo Verde does not release water to any
13 natural surface water body. Instead, cooling water is
14 discharged to man-made line evaporation ponds with no
15 outlet and no hydraulic connection to any natural
16 surface water body.

17 Concerning aquatic and terrestrial resources,
18 NRC staff contacted the U.S. Fish and Wildlife Service
19 and the Arizona Game and Fish Department, and
20 determined that the impact of these resources would be
21 small.

22 The review of human health included noise,
23 radiation exposure, and electromagnetic fields.

24 Socioeconomic addressed housing impacts,
25 public services, off-site land use, transportation,

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1 historic and archeological resources and environmental
2 justice.

3 The detailed analyses of each of these areas
4 are presented in chapter four of the Draft
5 Environmental Impact Statement, and waste management is
6 covered in chapter six.

7 When reviewing the potential cumulative
8 impacts of license renewal on the environment, NRC
9 staff also looked at the effects on the environment
10 from other past, present, and reasonably foreseeable
11 human future actions. The NRC staff preliminarily
12 concluded that the cumulative impacts associated with
13 the issues shown above would be small, and this
14 analysis is addressed in Section 4.11 of the Draft
15 Environmental Impact Statement.

16 A major step in determining whether license
17 renewal is reasonable or not is comparing its likely
18 impacts with the alternatives, including other methods
19 of power generation and not renewing the Palo Verde
20 operating licenses. In the draft environmental impact
21 statement, NRC considered coal-fired generation,
22 natural gas generation, nuclear generation, and as part
23 of a combined alternative that included conservation
24 and energy efficiency, natural gas generation and solar
25 power.

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1 The NRC staff initially considered a number
2 of additional alternatives for analysis as alternatives
3 to license renewal and these were later dismissed due
4 the technical, resource availability, or commercial
5 limitations that currently exist and that are likely to
6 exist when the existing Palo Verde licenses expire.

7 Finally, the NRC staff considered what would
8 happen if no action is taken and Palo Verde shuts down
9 at the end of its current licenses without a
10 replacement alternative. The staff found that impacts
11 from energy alternatives would vary widely based on the
12 characteristics of the alternatives. In most cases,
13 construction of new facilities created significant
14 impacts. Overall, NRC staff concludes that continued
15 operation of Palo Verde is the environmentally
16 preferred alternative.

17 So based on a review of likely environmental
18 impacts from license renewal as well as potential
19 environmental impacts of alternatives to license
20 renewal, the NRC staff's preliminary recommendation is
21 the environmental impacts of license renewal for Palo
22 Verde Nuclear Generating Station are not so great that
23 license renewal would be unreasonable.

24 Well, the environmental review is not yet
25 completed. Your comments today and all written

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1 comments received by the end of the comment period on
2 October 29th will be considered by NRC staff as we
3 develop the final environmental impact statement, which
4 we currently plan to issue this winter.

5 It will contain the staff's final
6 recommendation on the acceptability of license renewal
7 based on the work we've already performed and on input
8 we receive during this comment period. Your comments
9 can help change the staff's finding in the final
10 environmental impact statement.

11 I'm the primary contact for the environmental
12 review, and Lisa Regner is the primary contact for the
13 safety review. Hard copies of the Draft Environmental
14 Impact Statement are available on the table in the back
15 as well as CD's that contain the environmental impact
16 statement. And in addition, Litchfield Park Branch
17 Library and Sam Garcia Western Avenue Library have hard
18 copies available. You can also find electronic copies
19 of the Draft Environmental Impact Statement along with
20 other information about the Palo Verde Nuclear
21 Generating Station license renewal review online at the
22 website shown on the slide.

23 And these are the two methods that you can
24 send in written comments by, to that email address
25 that's shown at the first bullet or you can also send

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1 them in through the conventional mail method shown
2 there on the second bullet.

3 [By e-mail: PaloVerdeEIS@nrc.gov

4 By mail: Chief, Rulemaking and Directives
5 Branch, Division of Administrative Services, Office of
6 Administration, Mail Stop: TWB-5B01M, U.S. Nuclear
7 Regulatory Commission, Washington, D.C., 20555-0001].

8 Inside the DEIS -- and you can look at that
9 both online or the hard copy here -- there is a -- one
10 of the very first pages lists these two ways of sending
11 in your comments. So if you wanted to write that down
12 -- if you don't feel like you're getting the time to
13 write it down now, it's available to you in the back of
14 the room here or you can see anyone from the NRC staff
15 and we'll make sure you get the right address to write
16 in your comments.

17 So with that, I'll turn the meeting back over
18 to Jay.

19 JAY ROBINSON: All right. Thank you, David.

20 Right now we're going to open the meeting up
21 to the public comment period. So first I have Gary
22 Yaquinto.

23 GARY YAQUINTO: Right here.

24 JAY ROBINSON: Okay, Gary.

25 GARY YAQUINTO: You want me to use the mic?

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1 JAY ROBINSON: Yeah, use the mic. State your
2 name and your affiliation and then feel free to make
3 your comment.

4 GARY YAQUINTO: You want me to come up there?

5 JAY ROBINSON: No, you can do it right here.
6 That's fine.

7 GARY YAQUINTO: Are we on?

8 JAY ROBINSON: Yep, uh-huh.

9 GARY YAQUINTO: Great. My name's Gary
10 Yaquinto, it's spelled Y-A-Q-U-I-N-T-O, and I'm
11 president of the Arizona Investment Council.

12 Now, let me tell you just a little bit about
13 the Arizona Investment Council, because I'm sure you
14 don't know anything about it. We're a nonprofit
15 organization with about 6,000 members, many of whom are
16 investors in Arizona utility companies and other
17 Arizona businesses. We advocate on behalf of our
18 investor members and we also work with policymakers to
19 support investment in Arizona's essential backbone
20 infrastructure; infrastructures like Palo Verde.

21 If you bear with me, I'd like to just go back
22 in time a little bit. In a former life, I worked for
23 the Arizona Corporation Commission. I worked for the
24 Corporation Commission from 1984 to 1997 and I was
25 director of the utilities division when units two and

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1 three at Palo Verde were rate based. In fact, it was
2 on my watch and under my direction that the staff
3 negotiated a settlement agreement with APS that led to
4 the rate basing of unit three. And I can tell you that
5 it was not easy, in fact, it was a very, very difficult
6 process.

7 The commissioners were very skeptical about
8 Palo Verde, they were concerned about its costs, they
9 were concerned about its size, they were concerned
10 about the potential for excess capacity, and yeah, they
11 were concerned about the safety as well. But as I
12 stand here today let me say thank our lucky stars that
13 we have Palo Verde. It is and has been a dependable
14 source of power for Arizona residents and for Arizona
15 businesses. In fact, it's arguably our most important
16 and strategic source of power for Arizona people,
17 families, and business.

18 So I think that I agree entirely with the
19 NRC's assessment that extension, renewal, of the
20 license is in order. For Arizona it is an extremely
21 important source of power, as I mentioned. It is also
22 a substantial economic contributor to the State on an
23 annual basis, contributing upwards of \$1.5 million to
24 our State and local economy.

25 And with that I'd just like to say that it is

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1 my opinion and that of AIC that we'd like to see Palo
2 Verde operating many, many years into the future.
3 Thank you.

4 JAY ROBINSON: Okay. Thank you. Next, we
5 have Jack Arend.

6 JACK AREND: Good afternoon. My name is Jack
7 Arend and I've been in the Valley here since 1940, so
8 I've seen all the changes. I knew the area there when
9 it was desert and after that it was a cotton field for
10 a time before the plant came. And I worked in a coal-
11 fired plant and I've been over to Palo Verde and I see
12 how neat and clean it is. And if you've ever been in a
13 coal-fired plant, it's a lot different. They're not as
14 bad as they used to be, but they're awfully dirty.

15 Palo Verde is reliable, I've found over the
16 years. For four years I was with the Tonopah Valley
17 Community Council and I had an open line to Palo Verde
18 by email and phone; and if anything was going on during
19 overhauls or whatever, they would let us know so we
20 could put out the word that they had dump trucks coming
21 in or concrete trucks, so many every hour and what
22 time, so that if the people here needed to go some
23 other route to go to their jobs we could do that.

24 They've been a good neighbor. There's
25 opportunities there for employment for a lot of people.

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1 And like this gentleman said, I would like to see them
2 be there for a long time to come. Thank you.

3 JAY ROBINSON: Thank you. Next, Gordon
4 James.

5 GORDON JAMES: My name is Gordon James. I'm
6 a third generation Arizonian and in business here in
7 Phoenix. And I was asked by Todd Sanders, the
8 President and CEO of the -- I'm a member also of the
9 Phoenix Chamber of Commerce. I was asked by Todd
10 Sanders, President and CEO of the Greater Phoenix
11 Chamber of Commerce, to read the following statement
12 into the record:

13 "As President and CEO of the Greater
14 Phoenix Chamber of Commerce, I want to
15 express my appreciation for allowing my
16 statement to be read into the record at
17 today's NRC meeting. The Greater
18 Phoenix Chamber of Commerce proudly
19 supports the renewal of the operating
20 license for the Palo Verde Nuclear
21 Generating Plant. We believe Palo Verde
22 operates in a safe and secure manner and
23 is an asset to the community in many
24 ways, particularly in terms of providing
25 abundant clean energy and major economic

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1 benefits to the greater Phoenix area.
2 Records show the ownership and
3 management at the plant has demonstrated
4 this through efforts to reduce emissions
5 over the last two decades.

6 "Additionally, the plant continues to
7 provide significant support to the
8 community by employing nearly 3,000
9 residents, contributing \$50 million a
10 year in property taxes, expending
11 numerous transactions with suppliers
12 and servicers, and investing in
13 Arizona's future through scholarships
14 and educational programs for our
15 students.

16 "The Palo Verde Nuclear Generating
17 Plant is a partner to this community,
18 promoting infrastructure investments
19 and economic opportunities and
20 renewable and efficient energy in
21 Arizona. We appreciate our
22 relationship with our good neighbor and
23 have confidence in their ability to
24 operate the plant efficiently, safely,
25 and to the benefit of the community.

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1 "On behalf of the Greater Phoenix Chamber Of
2 Commerce, thank you for your continued
3 outreach efforts regarding the issues at
4 Palo Verde.

5 "Regards, Todd Sanders, president and
6 CEO."

7 Thank you.

8 JAY ROBINSON: Thank you very much. Is there
9 anyone else who would like to make a comment who didn't
10 sign in earlier?

11 Okay. So what we're going to do now is we're
12 just going to keep the comment period open for a while
13 in case there are any people that come in. So feel
14 free to talk amongst yourselves and if there's anybody
15 who comes in, we'll let them make their comment. And
16 then at a determined point if we feel that nobody else
17 is going to come, we'll then end the meeting. But we'd
18 like to give at least everybody an opportunity to make
19 a comment, so we'll just wait for a while. Thank you.

20 (A brief recess was taken.)

21 JAY ROBINSON: We took a walk around; we
22 didn't see anybody else that was here for comment. So
23 I'll ask one more time if there's anybody here that
24 wants to make any comments regarding Palo Verde
25 Environmental -- Draft Environmental Impact Statement?

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1 Okay. So with that, we will conclude this meeting.
2 The staff will stick around just in case anybody does
3 happen to show up for that but otherwise we'll consider
4 the meeting concluded. Thank you very much.

5 (The meeting adjourned.)

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