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To:

Chief, Rules and Directives Branch

TWB-05-B01M

Division of Administrative Services

Office of Administration

U.S. Nuclear Regulatory Commission

Washington, D.C.

FAX: 1-301-492-3446

Subject:

Point Beach Nuclear Plant Units 1 and 2 Draft Environmental Assessment and Finding of No Significant Impact Related to the Proposed Extended Power Uprate

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Chief, Rules and Directives Branch (RDB)  
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Office of Administration  
U.S. Nuclear Regulatory Commission  
Washington, D.C.  
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To the Chief, Rules and Directives Branch:

The following comments refer to subject matter: Point Beach Nuclear Plant (PBNP), Units 1 and 2 – Draft Environmental Assessment and Finding of No Significant Impact Related to the Proposed Extended Power Uprate (TAC Nos. ME1044 and ME1045).

Please also refer to Federal Register, December 10, 2010, Volume 75, No. 237, pages 77010-77017, Docket Nos. 50-266 and 50-301, NRC-2010-0380.

These comments on the Point Beach Nuclear Plant Uprate Draft Environmental Assessment and Finding of No Significant Impact (DEA/FONSI) are being submitted by Citizens Utility Board of Wisconsin (CUB), a non-profit organization that protects utility customers from unreasonable rate increases; and by Clean Wisconsin (CW), a non-profit organization that protects the natural resources of the State of Wisconsin.

**Point Beach Uprate DEA/FONSI Statement Regarding Energy Need**

Page 3 of the Point Beach Uprate DEA/FONSI states:

**The Need for the Proposed Action:**

The need for the additional power generation is based upon the goals and recommendations of Wisconsin's 2007 Final Report on "Strategic Energy Assessment Energy 2012" for maintaining a robust energy planning reserve margin of 18 percent. In this report, the State of Wisconsin, Public Service Commission, forecasted an annual growth rate of over 2 percent in demand for electricity.

### CUB/CW Comment 1

The primary "need" for the proposed action as described by the DEA/FONSI is outdated and inaccurate. Wisconsin does not require an 18 percent energy planning reserve margin. In fact, the "Strategic Energy Assessment Energy 2012", issued in 2007 states:

#### 18 Percent Reserve Margin -

...The Commission will open a docket to review the 18 percent planning reserve margin to see if the requirement best serves Wisconsin given the implementation of the Day 2 Market and other developments focused on better pooling of generation resources regionally....The Commission will look to see if reliability can be maintained for Wisconsin customers at a lower reserve margin and help to lower costs. (Wisconsin PSC ERF Ref # 69877, p. 10/100)

The Public Service Commission began its investigation of Wisconsin's energy reserve margin issue in Docket 5-EI-141 on February 18, 2008, and issued an Order on October 10, 2008 with the following determinations and conclusions of law:

"The Commission has reviewed the various studies and the comments and has determined that the planning reserve margin of 18 percent set in 1997 is no longer a reasonable reserve margin figure given the immense structural changes in the wholesale electric market that have occurred since 2001. (Wisconsin PSC ERF Ref # 102692, p. 5)

"The effective 18 percent planning reserve margin requirement established in docket 5-EP-8 is eliminated." (Wisconsin PSC ERF Ref # 102692, p. 7)

Docket 5-EI-141 established a new planning reserve margin of 14.5 percent for construction or acquisition of electric resources. (Wisconsin PSC ERF Ref # 102692, p. 7)

### CUB/CW Comment 2

The statement in the DEA/FONSI that the forecasted energy annual growth rate in the State of Wisconsin is over 2 percent is outdated and inaccurate.

The draft Wisconsin "Strategic Energy Assessment Energy 2016" (SEA 2016) states:

"The economic downturn in the past two years coupled with the state's generation construction in the past several years creates a current state of excess capacity." (Wisconsin PSC ERF Ref # 139556, p.8/60); and,

"The recent economic downturn has translated into lower peak demand growth in Wisconsin...peak demand growth has fallen to 1.00 percent per year."  
(Wisconsin PSC ERF Ref # 139556, p. 8/60)

Wisconsin has so much excess electrical generating capacity that the Public Service Commission has opened an investigation to review the matter. In June, 2010, the Commission opened Docket 5-EI-150 to determine Wisconsin's excess electric generating capacity and the potential mothballing or retirement of existing electric generating units in Wisconsin. (Wisconsin PSC ERF Ref # 133008)

The Nuclear Regulatory Commission (NRC) should update the "need" section of the DEA/FONSI to reflect the current electrical energy surplus in Wisconsin.

### **Point Beach Uprate DEA/FONSI Statement Regarding Transmission**

Page 3 of the DEA/FONSI states the following:

#### **The Need for the Proposed Action:**

The proposed action provides the licensee with the flexibility to increase the potential electrical output of PBNP Units 1 and 2 from its existing power station, and to reduce Wisconsin's dependence on obtaining power from Illinois via a congested transmission grid connection.

#### **CUB/CW Comment 1**

The DEA/FONSI statement regarding the proposed PBNP uprate "reducing" Wisconsin's dependence on obtaining power from Illinois via a congested transmission grid connection is outdated. The American Transmission Company (ATC), the entity responsible for providing reliable transmission services in Wisconsin, has invested \$2.2 billion in new and upgraded transmission assets and infrastructure investments. (ATC 10-Year Transmission System Assessment, Summary Report, September 2010) SEA 2016 states that as "...new transmission and generation have come online, many of the (transmission) congestion and loss issues have been relieved." (Wisconsin PSC ERF Ref # 139556, p. 39/60) SEA 2016 also states: "Other states may not be as well-positioned with capacity in their near futures, and Wisconsin utilities may serve as energy exporters...to aid capacity-strapped states." (Wisconsin PSC ERF Ref # 139556, p 25/60)

The NRC should update the DEA/FONSI statements regarding transmission to reflect the current status of transmission in Wisconsin, and that the proposed PBNP uprate is not needed to reduce congestion on Wisconsin's transmission grid connection.

### CUB/CW Comment 2

The DEA/FONSI statement that implementing the PBNP uprate would "reduce...congested transmission grid connection" is opposite of what would happen if the uprate was implemented. The proposed PBNP uprate would actually result in needing to build more transmission in Wisconsin to enable the PBNP licensee to export the uprate power out of state. The PBNP uprate would require a \$173 million investment by Wisconsin ratepayers to pay for the cost of a major 345 kV and 138 kV transmission build-out in and around Manitowoc County, Wisconsin to provide an outlet path for the energy generated by the proposed uprate. (Wisconsin PSC ERF Ref # 142365, p. 17/70)

The NRC should update the DEA/FONSI to address the need to construct transmission to accommodate the energy output from the proposed PBNP uprate and assess the environmental impacts associated with the need to construct transmission facilities.

### **Point Beach Uprate DEA/FONSI Statement Regarding Wisconsin's Energy Goals**

Page 3 of the DEA/FONSI states the following:

#### The Need for the Proposed Action:

The additional 90 MWe provided by each unit would contribute to meeting the goals of the State of Wisconsin to provide efficient and stable nuclear electrical generation.

### CUB/CW Comment 1

The DEA/FONSI's statement regarding Wisconsin's "goals" for "nuclear electrical generation" is inaccurate. Wisconsin law does not promote nuclear power as a supply resource. Nuclear power is not listed as a supply resource in Wisconsin's energy priority law. The NRC should revise its DEA/FONSI to state that Wisconsin does not have a goal of promoting nuclear power.

CUB and Clean Wisconsin respectfully request the NRC to revise the Point Beach Update DEA/FONSI to reflect the above comments and concerns.

Sincerely,

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