

Starefos, Joelle

From: Starefos, Joelle
Sent: Thursday, October 20, 2011 5:09 PM
To: 'Spink, Thomas E'
Cc: Magruder, Stewart
Subject: Email from Member of the Public
Attachments: ML11293A146.pdf

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Tom,

Please find attached an email received from a member of the public. On October 13, I held a teleconference with representatives from several public interest groups to discuss the NRC's activities associated with small modular reactors. Many of the questions related specifically to TVA's Clinch River site future application. I would encourage you to carefully review the attachment and consider opportunities for engagement with your stakeholders interested in the Clinch River site.

This email to you will be placed in ADAMS and be publicly available consistent with our release criteria. The attached email has already been placed in ADAMS (Accession No. ML11293A146) and is pending public release consistent with our release process timeline.

Thank you for your attention to this matter.
Joelle

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Starefos, Joelle

From: garry morgan [gmorg50@hotmail.com]
Sent: Thursday, October 13, 2011 1:57 PM
To: Tom Clements; Don Safer; Sara Barczak; Mandy at Clean Energy; Morgan Pinnell; gmorg50@hotmail.com; bpaddock@twlakes.net; Louise Gorenflo; Starefos, Joelle; apaine@tennessean.com; bredl Enviromental Defense League; Gretel Johnston; Sandy Kurtz
Subject: Concerns of Garry Morgan, BEST/MATRR, Relating to the TVA Small Modular Reactor, SMR, Project Discussion on Oct 13, 2011

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Many thanks from the members of the Bellefonte Efficiency and Reliability Team, Mothers Against Tennessee River Radiation, BEST/MATRR, a local chapter of the Blue Ridge Environmental Defense League, BREDL, are extended to the Nuclear Regulatory Commission, NRC, for this opportunity to speak on this matter of urgent importance concerning TVA and the SMR project.

1. Authority, Secrecy and Legal Requirements: (A) The Tennessee Valley Authority, TVA, Act provides the authority for the TVA to build electrical generation facilities approved by the TVA Board. The construction of nuclear power reactors certainly falls under the TVA's legal authority. However, the TVA does not have the authority to circumvent its mandated \$30 billion Congressional debt cap nor the authority to participate in the development of schemes and plans to circumvent the procurement laws of the United States for the benefit of a single source provider when another government agency should be the funding authority for the project.

(B) The allowance for decision making by TVA Committees outside of public scrutiny allows for the TVA to expend funds in secret outside the requirement of the Federal Sunshine Act. TVA Executives are making decisions in which the TVA Board has not approved and when the approval does occur it appears to be a mere formality, a rubber stamp action of the committee process. The SMR project is such an operation.

The NRC as a regulatory agency must insist the TVA follow all laws applicable to a government operation where nuclear power is involved, not develop schemes or connive plans to violate laws such as the Atomic Safety Act, Environmental Protection Act, in the Bellefonte Nuclear Plant project case, and in this case for the purpose of financial benefit of the sole source provider concerning the SMR project in possible violation of the Federal Procurement Integrity Act (<http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr;sid=d4812e7bb422294faec449a0dc93b5df;rgn=div5;view=text;node=48%3A1.0.1.1.3;idno=48;cc=ecfr>) or the Federal Antitrust Act (http://www.ftc.gov/bc/antitrust/antitrust_laws.shtml)

2. Finances, Debt & Legal Concerns: (A) Currently TVA intends on selling part of its power generation assets, Watts Bar. Nuclear Facility and the John Sevier Combined Cycle Gas to afford the continuation of construction of the Bellefonte Nuclear Facility. The TVA's debt is approximately \$25 billion, Bellefonte will cost \$4.9 billion to complete; TVA's interest on its debt is \$25 billion, TVA's long term commitments - debt, debt interest, fuel contracts, leases totals \$68 billion; Congress has established a \$30 billion debt cap mandated by law within the TVA Act. The TVA cannot afford 1 Bellefonte nuclear unit much less afford an experimental nuclear reactor development project not approved by anyone which should be solely a Department of Energy procurement/bid project.

(B) Expecting TVA's ratepayers to foot DOE's bill in a scheme to circumvent procurement law is appalling. TVA ratepayers can ill afford to further accept TVA's Executives forays into ill advised nuclear projects, much less experimental nuclear projects which appear to circumvent U.S. procurement law and possibly the Antitrust Act favoring a specific single source provider.

(C) The SMR project and budget have not been approved by the TVA Board. Authority for new power generation projects costing billions of dollars must be approved by the TVA Board. A process which hides the expenditures of ratepayer money in a secretive committee process, hidden from public view is not acceptable. The secretive committee process involved in this project appears to be a scheme concocted to circumvent law and cost TVA's ratepayers billions of dollars for a project not needed but benefits one specific nuclear construction corporation.

(D) "The cost of a [small modular] nuclear reactor per unit of electrical generating capacity declines with increasing size. This is because, contrary to intuition, larger reactors use less material per unit of capacity than smaller reactors. When the size of given type of reactor is reduced from 1,000 to 100 megawatts, the amount of material used per megawatt will more than double." <http://thehill.com/blogs/congress-blog/energy-a-environment/166609-the-problems-with-small-nuclear-reactors>

3. What & Who: What is the purpose of the SMR Project? Are TVA ratepayers now expected to pay for a Department of Energy, DOE, experimental reactor development project for power generation in which the TVA Board of Directors has not approved and the TVA does not require? Who is the beneficiary of this SMR nuclear development project, ratepayers, the taxpayer funded DOE or the nuclear construction industry? It has not been demonstrated the TVA ratepayers will receive any benefit from this experimental nuclear reactor scheme, but we will pay for the SMR scheme in our electric bills!

4. The Appearance of Impropriety: Looking at this project from the position of the ratepayer who pays TVA's bills we must require accountability of our government's corporation, The tVA. The intentional use of TVA secret committees by TVA Executives and 2 or 3 TVA Board members circumvents the Federal Sunshine Act. There is the apparent circumvention of the Federal Procurement Integrity Act and possibly the Antitrust Act in the fact a single source provider, Babcock & Wilcox, B&W, has been assigned the contract to develop and build this experimental nuclear reactor. TVA should not be participating in this project, this is DOE's responsibility. TVA's participation seems to be for the sole purpose of circumventing law, the TVA is not required to adhere to Federal Bid requirements nor the Anti-Deficiency Act, DOE must abide by those laws. The TVA citizen ratepayer must not be required to pay for experimental projects not authorized by the TVA Act nor the TVA Board.

5) Summary: The SMR project is not needed, there have been no substantiating proof this project is needed by TVA to generate power now or in the future. The TVA nor its ratepayers can afford further TVA debt.

The SMR project appears to usurp law, its plans and financial expenditures are conducted in secret, intentionally circumventing the requirements of Open Government required of the Federal Sunshine Act; the inclusion of the TVA in this project appears to circumvent bid requirements of the Procurement Integrity Act and possibly violates the Antitrust Act by utilizing TVA's exemptions from procurement law and the Anti-Deficiency Act.

The Members of BEST/MATRR strongly urge the NRC to disapprove TVA's unwise venture into this SMR project scheme. The TVA does not have the money nor the authority to circumvent its budget cap. We also request the NRC refer TVA's involvement in this project to proper authority for investigation to determine if the Procurement Integrity Act or the Antitrust Act have been violated by the awarding of a contract to Babcock & Wilcox by the TVA, with no TVA Board Approval or TVA Act authority for an experimental non-approved SMR development project; Department of Energy should be the governmental agency conducting this project instead of TVA ratepayers which are being forced to fund that which normally is a DOE process and venture in an apparent scheme to circumvent federal law.

*Have a nice day,
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