

Rulemaking1CEm Resource

From: RulemakingComments Resource
Sent: Thursday, November 07, 2013 11:16 AM
To: Rulemaking1CEm Resource
Subject: FW: Docket ID: NRC-2012-0246

DOCKETED BY USNRC—OFFICE OF THE SECRETARY SECY-067

PR#: PR-51

FRN#: 78FR56775

NRC DOCKET#: NRC-2012-0246

SECY DOCKET DATE: 11/5/13

TITLE: Waste Confidence—Continued Storage of Spent Nuclear Fuel

COMMENT#: 00137

From: Tom Buchanan [mailto:emailtombuchanan@gmail.com]

Sent: Tuesday, November 05, 2013 4:49 PM

To: RulemakingComments Resource

Subject: Docket ID: NRC-2012-0246

To: Rulemaking.Comments@nrc.gov

Docket ID: NRC-2012-0246

I am writing in response to a proposed rule change to the NRC Waste Confidence Rule regarding the long term on-site storage of Spent Nuclear Fuel (SNF), as published in the Federal Register, Vol. 78, No. 178, September 13, 2013. I am writing as an individual, and not as a member or representative of any organization.

The environmental impact statement for at-reactor continued storage of SNF appearing on page 56785 of the Federal Register entry identifies the land use and socioeconomic impacts of short-term, long-term, and indefinite storage as “small.” There is no reasonable basis for these conclusions; therefore the rule change should be rejected.

The proposed changes to the Waste Confidence Rule appear to assume that long-term storage of SNF will be in casks, and that the effects of long-term storage should be based upon this assumption. However, the NRC has no rule or policy that requires movement of SNF from wet storage to dry storage, and thus any analysis of long-term storage should analyze the possibility of SNF remaining in a densely configured elevated spent fuel pool (such as the pool at the Vermont Yankee Station) for at least fifty years after cessation of operations, and perhaps longer because the NRC allows a licensee to request an extension of the period of SAFSTOR beyond 60 years. Absent a clear regulatory mandate from the NRC for movement of SNF from wet to dry storage, there is no basis for limiting analysis of the effects of the rule change to dry storage options.

Even if fuel is moved to dry storage in casks, there are pronounced local, regional, and state-wide economic and land use impacts that are not adequately addressed by the proposed changes, and the effects are not small.

When SNF is stored at the site of a nuclear plant, the site must be secured and is not available for alternate economic development. Some nuclear plants occupy large tracts of land, and others occupy small tracts. The same is true for spent fuel pads at decommissioned reactors. The NRC offers no guidance or regulation regarding how much land is needed to store and safeguard SNF, and thus there is no means of determining how much land must be or will be committed to the maintenance of on-site SNF storage and security, rather than made available for an alternative higher economic use. Without a specific rule or regulation that defines the space needed for technical management and security of SNF it is not possible to determine generically or specifically what the land use impacts might be at more than 100 reactor sites around the country, and it is certainly not possible to determine that the land use impacts are “small.”

The storage of SNF at a reactor site necessarily ties up the land and decreases its availability for higher uses that might generate additional property tax revenue and employment, and it reduces the appraised and use value of surrounding land that is affected by radiological effects, security requirements, or visual impacts of the storage of SNF. The costs of managing SNF at the site of a nuclear reactor or a decommissioned reactor are generally reimbursable by the Department of Energy (DOE), but costs that are not reimbursable must be paid from another source such as a limited decommissioning trust fund or the ratepayers of a regulated utility. The DOE has not made any determination regarding a generic level of property taxes that will be reimbursable for the short-term, long-term, or indefinite storage of SNF. Without a clear determination as to how SNF storage facilities can be taxed or what level of reimbursement the DOE will allow for tax payments, it is not possible to evaluate economic value of the use of a generic site for SNF storage relative to the value of alternative uses. Without an ability to make an economic determination regarding relative tax benefits it is not possible to determine the socioeconomic impacts will be “small.”

Please consider the following passage regarding economic development from a brochure produced by Maine Yankee (<http://www.maineyankee.com/public/MaineYankee.pdf>): *“As long as the spent nuclear fuel is stored at the Bailey Point ISFSI, this valuable piece of property is unavailable for productive reuse. Among other attributes Bailey Point has a rail line to the site, a barge slip with deep water access, a 345 and 115 Kv switchyard, transmission lines, and municipal water and sewer.”* The same can be said of many other nuclear plants with ISFSI installations, and for plants that will be decommissioned in the future leaving behind just an ISFSI. While the Maine Yankee ISFSI occupies a licensed area of just 8 acres, it sits within an undeveloped 180 acre buffer zone (according to the Maine Yankee brochure). The entire 180 acre site remain undeveloped, and is not producing tax revenue equivalent to its value as developed industrial land in large part because of the presence of the ISFSI.

Consider the case of Vermont Yankee (VY), a 148 acre site that hosts an operating nuclear station and an ISFSI. The site has access to road, river, rail, and power distribution infrastructure, and is prime industrial real estate of the highest order. Entergy Corporation, the parental owner of Vermont Yankee has announced an intention to cease operation in the fourth quarter of 2014 and to shift all the spent fuel to an ISFSI (or perhaps two separate

ISFSI's). The Decommissioning Cost Analysis produced for the VY site in 2001 identified annual property taxes through SAFSTOR and SNF management of approximately \$1.47 million in 2001 dollars (this report was filed with the Vermont Public Service Board docket 7862 as exhibit PSD-Cross-12). The 2012 Decommissioning Cost Analysis produced for the VY site can be used to calculate the average annual property taxes for the site after shutdown as approximately \$7,614 to \$16,428 in 2011 dollars, based on an assumption the site will be taxed as vacant land (this report was filed with the Vermont Public Service Board docket 7862 as exhibit EN-TLG-2). The extraordinary difference in property taxes as projected by the owner/operator of the plant makes it clear that it is impossible to accurately calculate the generic or specific value of a site that hosts an ISFSI (please see the initial brief of the Windham Regional Commission (WRC) filed with the Vermont Public Service Board on August 16, 2013 in docket 7862, page 52, Section X, findings 132-141 and discussion, available at:

<http://psb.vermont.gov/sites/psb/files/docket/7862relicense5/WRC%20Initial%20Brief%20Dkt%207862.pdf>).

Nor has there been any determination as to the level of property tax payments the DOE will reimburse for storage of SNF, and thus it is impossible to determine the effect of property taxes for an ISFSI upon local or state municipalities that may not be able to collect the difference between the tax value allowed by DOE and the potential tax value for alternative uses. Likewise, it is not possible to determine what unreimbursed costs the ratepayers of regulated utilities will need to absorb in lieu of DOE's failure to completely reimburse all property taxes that a municipality might charge.

Vermont Yankee occupies approximately 148 acres in the small Town of Vernon, in the state of Vermont. On October 28, 2013 the Chair of the Vernon Selectboard testified to a joint committee of the Vermont Legislature that the VY site is the primary area for industrial development in the town (in the State of Vermont a Selectboard is the governing body of a town). The loss of a viable industrial use of the land while the Station sits in SAFSTOR and following eventual decommissioning when development is limited to an ISFSI will have a significant effect on the tax base of the town, and upon the ability of the 2,200 residents to afford municipal services. The loss of the productive use of a large tract of industrial land within a small town is not a "small impact."

In summary, the NRC does not require movement of SNF from wet to dry storage. The NRC does not regulate the amount of land needed to store and secure SNF, and it has made no meaningful effort to calculate the lost value of the land needed to store and secure SNF, or value of land that will be left fallow to buffer an ISFSI. Neither the NRC nor DOE have established a standard property tax assessment for SNF or the surrounding land. Without clear regulatory guidance regarding the required size of an ISFSI and reimbursable property tax it is simply not possible to make a generic or specific determination regarding the land use and socioeconomic impacts of the more than 100 nuclear plants in the United States. Likewise, since the NRC does not require movement of SNF from wet to dry storage it is not possible to make a generic assessment of impact of dispersed on-site storage of SNF by focusing primarily on dry storage. Absent these essential determinations the Waste Confidence Rule is built upon false premise, and should be rejected.

Tom Buchanan
PO Box 261
Londonderry, VT 05148
802-824-4243 (Legacy)
802.451.6097 (Mobile)
[Linkedin.com/in/BuchananT](https://www.linkedin.com/in/BuchananT)

Hearing Identifier: Secy_RuleMaking_comments_Public
Email Number: 149

Mail Envelope Properties (377CB97DD54F0F4FAAC7E9FD88BCA6D00127B37E619E)

Subject: FW: Docket ID: NRC-2012-0246
Sent Date: 11/7/2013 11:15:54 AM
Received Date: 11/7/2013 11:15:58 AM
From: RulemakingComments Resource

Created By: RulemakingComments.Resource@nrc.gov

Recipients:

"Rulemaking1CEm Resource" <Rulemaking1CEm.Resource@nrc.gov>
Tracking Status: None

Post Office: HQCLSTR01.nrc.gov

Files	Size	Date & Time
MESSAGE	9768	11/7/2013 11:15:58 AM

Options

Priority: Standard
Return Notification: No
Reply Requested: No
Sensitivity: Normal
Expiration Date:
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