



Leadership is our business

Associated Industries of Massachusetts

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November 18, 2013

Original by Email chairman@nrc.gov

Allison M. Mcfarlane, Chairman
US Nuclear Regulatory Commission
Mail Stop 16G4
Washington DC 20555-0001

Dear Ms. Mcfarlane:

Unfortunately, I was not able to attend the recent briefing you had in Plymouth, Massachusetts concerning the Plymouth Nuclear Power Station. However, Associated Industries of Massachusetts (AIM) believes it is important for you to understand the importance of this station to Massachusetts.

AIM is the largest nonprofit, nonpartisan association of Massachusetts' employers. AIM's mission is to promote the well-being of its thousands of members and their employees and the prosperity of the Commonwealth of Massachusetts by improving the economic climate, proactively advocating fair and equitable public policy, and providing relevant, reliable information and excellent services.

The continued operation of Pilgrim Station is vital to the Massachusetts economy for four major reasons: its positive impact on electricity prices, its importance to the diversity of our power generation fleet, its contribution to reducing total greenhouse gas emission impacts from our power plants, and its financial impact in the local economy.

ELECTRICITY PRICES:

According to the Federal Department of Energy Energy Information Administration (EIA) the Commonwealth currently has the highest or near the highest electricity rates in the continental United States, significantly higher than the national average and significantly higher than our competitor states – Arizona, North Carolina, etc.¹ AIM members continually mention electricity and energy costs as issues they consider when expanding or locating here. Our electric rates have continued to rise even though natural gas prices have dropped considerably.

This is not good for Massachusetts. If industrial and commercial businesses are not expanding or are leaving Massachusetts due to high costs, the impact on jobs and tax revenues will be felt in

¹ See http://www.eia.gov/electricity/monthly/epm_table_grapher.cfm?t=epmt_5_6_a

all corners. It is not just manufacturers who are impacted – biotech and others are also impacted. Even non-profit institutions such as hospitals and universities and even municipalities are all struggling under high electricity and energy costs. Because Plymouth Station provides reliable base load capacity, if Plymouth Station were to close the power would have to be replaced at the highest rates further causing energy costs to increase.

DIVERSITY OF OUR POWER FLEET:

Currently, Massachusetts is almost 50% dependent on natural gas for our power, with some days near 60% – a dangerously high level of dependence that has significant ramifications regarding price and supply. Despite warnings, we expect this trend to continue as greenhouse gas regulations become even more pronounced. In fact, during a few days in January and February of last year, Massachusetts experienced huge price spikes in the cost of natural gas and electricity due to congestion on the natural gas lines. This year, electricity and gas prices during those months are expected to be significantly higher, representing the risk premium that suppliers build into their prices. Therefore, it is important that Plymouth Station, as the only nuclear power plant in Massachusetts, remain operating as it serves as an important hedge for power supplies.

GREENHOUSE GAS CONCERNS:

As you may know, Massachusetts is a signatory to the Regional Greenhouse Gas Initiative, which reduces greenhouse gases over time through an auction process. Since nuclear power produces no greenhouse gas emissions, if Plymouth Station were not operating plants which would fill the void would be required to purchase greenhouse gas allowances, further increasing the cost of these allowances to every other generator. Therefore, the costs of meeting the Regional Greenhouse Gas Initiative carbon reduction program would be another burden to Massachusetts' businesses.

LOCAL ECONOMIC IMPACTS:

Finally, Plymouth Station provides over 650 good-paying jobs and it also conducts business with more than 75 Massachusetts-based companies with an economic output of over \$145 million dollars.

In sum, the Plymouth Nuclear Power Station produces clean, dependable, base load power that is crucial to Massachusetts' energy portfolio. We support the Plymouth Nuclear Power Station because it will help Massachusetts sustain businesses, lower greenhouse gases, and help provide cost-effective electricity prices.

Should you have any questions please do not hesitate to contact me.

Sincerely,



Robert A. Rio, Esq.
Senior Vice President and Counsel

Joosten, Sandy

From: Bob Rio <rar@aimnet.org>
Sent: Monday, November 18, 2013 1:50 PM
To: CHAIRMAN Resource
Subject: AIM letter in support of Plymouth Nuclear Station
Attachments: Letter to NRC concerning Plymouth Nuclear Station.pdf

Chairman Mcfarlane:

Attached please find a letter in support of Plymouth Nuclear Power Station. A hard copy will be sent in the mail.

Please do not hesitate to contact me if there are any questions.



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