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U.S. Chamber of Commerce

RESOURCES POLICY DEPARTMENT

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October 10, 1990

OFFICE OF SECRETARY
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Secretary of the Commission
U.S. Nuclear Regulatory Commission
Washington, DC 20555

Dear Secretary of the Commission:

The U.S. Chamber of Commerce would like to take this opportunity to express its support for the Nuclear Regulatory Commission's (NRC) proposed rule to establish the requirements for nuclear power plant license renewal beyond the current 40 year license term. The business community has a huge stake in the availability of clean, safe, dependable and affordable electricity. License renewal will contribute significantly to this goal.

Under the proposed rule, in order to qualify for license renewal, a nuclear power plant would be required to perform a detailed, systematic examination of all systems, structures, and components, and identify those with safety significance that are subject to age-related degradation. The applicant must then demonstrate that this degradation would not affect safety over the renewal term, or would be mitigated by repair, refurbishment, or replacement. The NRC will approve the application if it determines that the applicant has identified all measures to prevent any impact on plant safety due to age deterioration. Under the proposal, licenses may be renewed for up to 20 years.

The rule is necessary because of the importance of nuclear energy in meeting electricity demand in the United States, the imminent expiration of operating licenses issued to utilities during the 1960s, and the urgent need for additional electric generating capacity to meet anticipated electricity demand in the coming decade.

The 112 nuclear power plants in operation today supply 20 percent of total U.S. electricity generation. A number of states rely on nuclear power for over 50 percent of their electricity generation. Licenses for 36 nuclear power plants accounting for over 35,000 megawatts of capacity are scheduled to expire between 2000 and 2010. Furthermore, an average of 5,000 megawatts of capacity will be retired every year between 2010 and 2030. In the absence of nuclear power plant license renewal, this capacity will be lost, and must be replaced. Compounding this electric supply problem, it is estimated that an additional 100,000 megawatts of electric generating capacity must be constructed over the next 10 years. Without nuclear plant license renewal, it will be exceedingly difficult for suppliers to meet growing electricity demand.

In addition, there are substantial economic benefits to license renewal, in that the generating costs from a refurbished nuclear power plant are less than those from alternative sources. It has been estimated that savings from license renewal could rise as high as nine cents per kilowatt hour. However, for these savings to be realized, applicants must have a reasonable assurance that license approval will not be dependent upon major capital additions

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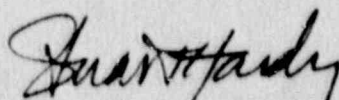
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to the power plant to maintain safety standards. At present, it appears that the proposed rule would provide a sound basis for license renewal without requiring major capital additions.

The electricity supplied from the nation's nuclear power plants provide a major contribution to U.S. energy supply, economic growth, energy security, energy efficiency, consumer well-being, and environmental protection. The Chamber urges the NRC to act without delay in finalizing this proposed rule.

Thank you for this opportunity to comment on nuclear power plant license renewals.

Sincerely,

A handwritten signature in cursive script, appearing to read "Stuart Hardy".

Stuart B. Hardy
Manager
Energy, Food and Natural Resources
U.S. Chamber of Commerce