

Pilgrim Legislative Advisory Coalition

Joint Committee on Telecommunications, Utilities and Energy
Senator Benjamin Downing, Senate Chair
Representative Thomas Golden, House Chair

November 3, 2015

**RE: S.1797 (fee on spent fuel assemblies in cooling pools)
S.1798 (annual payment to decommissioning fund)**

Dear Senator Downing and Representative Golden:

The Pilgrim Legislative Advisory Coalition (PLAC) submits the following testimony regarding the above referenced bills scheduled to be heard by the Joint Committee on Telecommunications, Utilities and Energy on November 17, 2015.

The closure of the Pilgrim Nuclear Power Station in Plymouth is no longer a matter of conjecture. According to the licensee, Entergy Corporation, Pilgrim will cease operation no later than June 1, 2019. If not adequately planned for, the closing and decommissioning of Pilgrim could pose a significant economic risk to the Commonwealth of Massachusetts and its citizens. PLAC strongly supports these two bills, which address that economic risk, for the reasons listed below.

The Bills

S.1797 would impose an annual fee of \$10,000 per spent nuclear fuel rod assembly for those assemblies that remain in the spent fuel pools at Pilgrim. The purpose of the Act is to protect the economic interests of the Commonwealth by incentivizing Entergy to rapidly reduce the number of spent nuclear fuel rod assemblies stored in the spent fuel pools, as well as to provide funds to Plymouth and neighboring communities to mitigate potential economic consequences as a result of Pilgrim closing.

S.1798 would require Entergy to pay an annual \$25 million post-closure funding fee into a trust fund in the office of the State Treasurer. The purpose of the Act is to protect the economic interests of the Commonwealth by ensuring that, after Pilgrim shuts down, there will be adequate money available for a complete and timely decommissioning of the Pilgrim site.

Economic Considerations

Spent Nuclear Fuel Rods Pose Economic Risk

Maintaining over 3,000 highly radioactive spent nuclear fuel rod assemblies in a cooling pool requires constant electrical power to run cooling pumps, and constant monitoring and security. If allowed to extend over 60 years, this poses a significant risk to the Commonwealth's economy in the event that Entergy is no longer able to provide these measures. The spent nuclear fuel rod assemblies at Pilgrim must eventually be transferred from pools to dry cask storage. This is a necessary step in the process of decommissioning the reactor and site remediation. It is in the economic interest of the Commonwealth, and the town of Plymouth in particular, to have this process proceed as expeditiously as possible. PLAC urges the legislature to ensure that Entergy is incentivized to conduct the transfer of spent nuclear fuel rod assemblies to dry cask storage promptly in order to mitigate the economic risk to the Commonwealth. PLAC supports S.1797 which incentivizes Entergy to take this action and to provide funding to communities to help mitigate economic consequences should they occur.

Decommissioning Fund is Inadequate

The Pilgrim decommissioning fund contained \$896.42 million dollars as of December 31, 2014. In 2014, Entergy told the NRC that the estimated cost to decommission Vermont Yankee, a smaller Entergy-owned nuclear power station, would exceed \$1.243 billion. There is ample reason to expect that decommissioning Pilgrim will cost between \$100 million and half a billion dollars more than Entergy’s Vermont Yankee estimate. In other words, Pilgrim’s decommissioning fund now contains at least half a billion, and perhaps more than a billion, dollars less than will be needed. PLAC urges the legislature to ensure the adequacy of Entergy’s decommissioning fund for Pilgrim in order to enable timely decommissioning and remediation of the site so it can eventually be used for other purposes. PLAC supports S.1798 which ensures that Entergy meets its obligation to the Commonwealth in this regard.

Conclusions and Recommendation

The full decommissioning of Pilgrim, including the transfer of spent nuclear fuel rod assemblies to dry cask storage and remediation of the site, poses a significant economic risk to the Commonwealth and its citizens if Entergy is not able or willing to meet its obligation to fully fund this process. The cost of decommissioning Pilgrim will likely far exceed the funds that have been allocated by Entergy for this purpose. The NRC has been allowing operators to use decommissioning funds for purposes not originally intended; if this trend is allowed to continue, the Pilgrim decommissioning fund will become even more underfunded.

The longer the transfer of spent nuclear fuel rod assemblies to dry cask storage takes, the more expensive it will become. It is in the economic interest of the Commonwealth, the town of Plymouth and surrounding communities that this process proceeds as rapidly as possible.

These two bills will help to mitigate these economic risks so the citizens of Massachusetts are not left paying for the decommissioning and cleanup of Pilgrim. PLAC recommends that S.1797 and S.1798 be reported favorably out of committee, and that you lend your full support to ensure their passage by the legislature.

Thank you for the opportunity to present this written testimony regarding S.1797 and S.1798.

Respectfully submitted,

Name	Town

