ENERGY & ENVIRONMENT NUCLEAR WASTE:

Texas company rolls out plan for private spent-fuel storage site

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A Dallas-based company has unveiled plans to build the nation's first private, temporary storage site for spent reactor fuel in the arid western corner of Texas with hopes that the Department of Energy will be its No. 1 customer.

Waste Control Specialists LLC will ask the Nuclear Regulatory Commission next year for a license to build an interim storage site on 1,000 acres in Andrews County, about 350 miles west of Dallas, according to a <u>letter</u> the company sent to the commission Friday.

Rod Baltzer, the company president, said in an interview today that Waste Control Specialists isn't seeking federal funds to build or operate the site. But WCS could enter into an agreement under which DOE would pay the company to store used reactor fuel -- and ultimately remain liable for the waste. The cost and amount of material to be stored, he said, is not yet clear.

President Obama included \$5.7 billion in his fiscal 2016 budget proposal for work on a nuclear waste storage pilot project and the search for a repository. The Obama administration has scuttled work on the planned repository at Yucca Mountain, Nev.

"We're not interested in a federal handout. What we really want is to provide an outside-the-Beltway solution," Baltzer said. "We're a commercial, privately owned company. We think we've got the ability to do this.

"We're the only [company] sited as a low-level waste facility," he continued. "This is new, but this isn't something that's so far outside what we've done and accomplished."

WCS -- a subsidiary of Valhi Inc. -- grabbed headlines in recent years in the political realm, as it was formerly led by Harold Simmons, a billionaire majority owner who died in December at age 82. Simmons once called Obama the "most dangerous man in America" and ranked as a top contributor during the 2012 presidential cycle, giving millions of dollars to a super political action committee backing former Republican presidential nominee Mitt Romney.

Simmons' daughters now run WCS's day-to-day operations, Baltzer said.

WCS says its waste storage site could serve as a destination by 2020 for an increasing amount of spent reactor fuel being stored at or near reactors at 70 U.S. sites held now in dry, concrete- and steel-lined vessels called "casks." The company currently stores low-level waste -- everything but spent reactor fuel -- at its 14,000-acre site in Andrews County. Ultimately, Baltzer said, the temporary site would be built to house spent fuel from all closed reactors in the United States while reserving room for generators in Texas, he said.

WCS is touting the proposal as a lifeline for DOE -- one that aligns with recommendations from Obama's Blue Ribbon Commission on nuclear waste.

With the Yucca Mountain repository at a standstill, DOE has for decades failed to comply with 1980s agreements to dispose of spent nuclear fuel from the nation's approximately 100 nuclear plants and could face \$13 billion in lawsuits by 2020.

Ratepayers who bear the brunt of lawsuits could save up to \$500 million a year, according to WCS. Such a project could also dovetail with legislation taking shape on Capitol Hill for finding short- and long-term waste

solutions, including the now-abandoned repository under Yucca Mountain, said Lake Barrett, a former DOE official turned energy consultant.

"For nuclear waste progress, the country needs multiple avenues of redundant and diverse solutions that can work together in harmony to solve our growing waste management problems," Barrett wrote in an email.

Questions

WCS has served as the only domestic company accepting low-level radioactive waste from nuclear power plants, as well as from hospitals and research centers, and depleted uranium from DOE at its facility in western Andrews County. The material is isolated there in a 1,200-foot-thick red-bed clay formation within a 7-foot-thick, steel-reinforced concrete liner system.

Baltzer said the new facility would be separate from the current WCS operations, and the company wouldn't take a "huge" amount of spent reactor fuel at the outset.

WCS appears to have support in the Lone Star State. Last month, Andrews County commissioners unanimously passed a resolution in support of WCS's efforts. House Agriculture Chairman Michael Conaway (R-Texas), whose district includes the site, said WCS offers the "ideal workforce, geography and geology" for an interim solution that could lead to an ultimate resolution.

But not everyone is on board. Environmental groups and consumer advocates continue to raise questions about the site's hydrogeology.

Cyrus Reed, conservation director of the Lone Star Sierra Club, said he's concerned about the project's impact on aquifers, including the Dockum aquifer in eastern New Mexico. And although the proposal is far from approval, Reed said WCS's proposal is another step in the company expanding what types of material it will accept.

"The company arrives saying they'll take care of one issue, and suddenly now we're being asked to take on low-level radioactive waste, depleted uranium and now high-level waste," he said. "It's gone from one defined source of dangerous waste, and now we're being asked to carry the load for the whole nation without the necessary studies and training."

Tyson Slocum, director of the energy program for the consumer advocacy group Public Citizen, said he favors the continued hardening of on-site waste storage instead of supporting a "plan B" just because Yucca Mountain has been shut down.

"It's clear Yucca Mountain won't and shouldn't happen. ... Congress needs to revisit the underlying statute that's given rise to these lawsuits," he said. "We need a measured, methodical approach to high-level radioactive waste."

But Baltzer said the Andrews County site benefited from past environmental reviews and has shown it's not a threat to groundwater in the region.

The upcoming NRC licensing process, he said, will allow the company to duplicate that work and once again show the site is safe.

"One of the benefits of our site is that we did go through this low-level process; everybody who was opposed came out and gave us their best shot," he said. "We proved we're not over Ogallala Aquifer, we don't have water issues, the site is seismically stable."

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