SFA BILL ANALYSIS

Senate Fiscal Agency • Lansing, Michigan 48909 • (517) 373-5383

House Bill 4040 (as reported without amendment)
Sponsor: Representative James M. Middaugh
House Committee: Conservation, Recreation, and Environment
Senate Committee: Natural Resources and Environmental Affairs

Date Completed: 4-12-89

RATIONALE

Public Act 113 of 1978, which regulates the disposal and storage of radioactive wastes, requires that spent (used) nuclear power plant fuel rods be stored in aboveground storage "pools" on the plant site. Reportedly, the storage pool at Consumers Power Company's Palisades Nuclear Power Plant near South Haven will be filled to capacity with spent nuclear fuel by mid-1992. Some people feel that storage of spent nuclear fuel rods should be allowed in aboveground dry storage facilities (commonly referred to as "dry cask" storage).

CONTENT

The bill would amend Public Act 113 of 1978 to allow the safe and secure storage of spent fuel rods in aboveground storage located at or near a nuclear power facility. The bill also specifies that the storage would be allowed, with the approval of the Nuclear Regulatory Commission (NRC), while the facility's NRC operating license was in effect or until a date consistent with the facility's decommissioning plan. Spent fuel rods could not be transported from one nuclear power facility to another for storage.

MCL 325.491

BACKGROUND

Reportedly, aboveground pools originally were intended for short-term storage until the spent fuel could be transferred to long-term storage facilities. No operating storage facility is now accepting high-level radioactive waste, however, since those that did are full. In addition, the proposed national repository (which reportedly will be sited in Nevada) is not scheduled to open until after the turn of the century.

As a result of these circumstances, nuclear power plant storage pools are quickly filling up. Power plants reportedly have considered several options for storage, including fuel consolidation (which would result in a more condensed storage in the existing pools), fuel pool "reracking" (which would result in more fuel assemblies' being stored in the existing pools), additions to the original pools, and dry cask storage. According to Consumers Power, consolidation and reracking are only temporary measures and would provide only a short-term solution to its storage needs, delaying by a few years the need to develop a dry cask storage program.

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

ARGUMENTS

Supporting Argument

Within the next decade, the nuclear power industry in Michigan will be faced with a lack of storage space for spent nuclear fuel. Consequently, alternatives to present practices

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of pool storage are needed. There are several advantages to dry cask storage. Dry cask storage reportedly is the least costly technology for the utility companies, lowers worker exposure to radiation, and, unlike the consolidation or expansion of the existing pools, does not produce additional quantities of low-level radioactive waste.

In addition, dry cask storage has been used at licensed facilities in other states for the past several years. The NRC has authorized or is reviewing dry cask storage at plants in Virginia, North Carolina, Georgia, Maryland, and Minnesota, while the United States Department of Energy reportedly expects to license 40 to 50 nuclear plants to allow dry cask storage facilities over the next 10 years. Further, dry cask storage also is commonly used in Canada and Western Europe.

The timely passage of the bill would allow utility companies time to go through the process of Federal licensing (which would still be required by the bill), as well as the process of designing, procuring, and constructing the casks.

Opposing Argument

Although the utility companies clearly need storage for their nuclear power plants' spent fuel, the bill should go farther and require that nuclear power plants also serve as the sites for the storage of low-level radioactive waste. This would be particularly appropriate, since the highest contribution of such waste, both by volume and toxicity, reportedly comes from commercial nuclear power plants. These two issues should be addressed together.

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