Energy Northwest Considers More Nuclear Power

SHANNON DININNY Associated Press Writer - June 3, 2009
RICHLAND, Wash. (AP) — A quarter century after its ambitious plan to build five nuclear plants crumbled into a punch line for government incompetence, a regional power consortium in the Pacific Northwest is quietly shopping the idea of building another reactor.

Energy Northwest, which is already expanding its wind, solar and biomass electricity generation, aims to satisfy increasing demand for carbon-free power in one of the country's most environmentally conscious regions.

In a May 27 letter obtained by The Associated Press, the consortium asked each of its 25 member public utilities and municipalities to pitch in $25,000 for further research into building one or more small reactors. Those who pay would have first rights to any power produced if a plant is built.

But turning to nuclear power could be politically risky: Last time the agency went down this path, it successfully built just one of five proposed plants, spawning what was then the largest municipal bond default in U.S. history. Unused cooling towers still loom over the landscape, and consumers are still paying for the project's collapse in their power bills. The fiasco forced Energy Northwest to change its name from the Washington Public Power Supply System, or WPPSS, which came to be known as "whoops."

Nuclear power already has proven to be valuable for the region, CEO Vic Parrish said in an e-mail. Recent national polls suggest the public supports nuclear energy development, he said, especially at locations where nuclear plants already exist.

Energy Northwest has spent the past year researching its nuclear options, including a 1,600-megawatt plant that would power more than 1 million homes, before deciding to gauge interest in a small project where 40-megawatt reactors can be added as needed.

The utility also recognizes the public relations problem new nuclear generation could pose. In the letter, vice president Jack W. Baker said public and political support would be key to any project's success.

"It can be done but it will require effort," Baker wrote.

Tyson Slocum, energy program director for Washington D.C.-based Public Citizen, opposes such a plan. The high financial and environmental costs — combined with Energy Northwest's spotty nuclear history — make such a project too burdensome for consumers when compared with renewable energy like wind and solar power, he said.

"There's just too many hurdles to overcome for nuclear power," Slocum said.

For decades, the Pacific Northwest has relied on relatively cheap power from hydroelectric dams, which produce about half the electricity for the region. But regional utilities have been working to broaden their electricity generation both to meet increasing demand and renewable energy standards.

Energy Northwest abandoned its last proposed project, a coal-gasification plant west of the Cascades, after the state passed a tough new carbon-emissions law. In February, the utility announced plans to develop wood waste biomass power plants in four Northwest states.

The Richland-based utility already operates hydro, wind and solar projects, as well as the 1,150-megawatt Columbia Generating Station, the only working nuclear plant to survive the WPPSS collapse, which produces 3 percent of the region's power.

The plant is one of more than 100 nuclear plants currently operating in 31 states. Licenses are being sought for more than 30 new plants nationally.

The plant has been an excellent resource for 25 years and plays a very important role in the regional power supply, said John Harrison, spokesman for the Northwest Power and Conservation Council, which was created after the WPPSS collapse to develop and maintain a regional power plan.

However, more sophisticated and reliable electricity demand forecasts today point to energy conservation, then renewable supplies such as wind power, as the best ways to meet increasing demand in the years ahead, he said.

The federal agency that sells electricity wholesale to public utilities in the region, Bonneville Power Administration, must follow the council's guidelines for buying power.

BPA still owes roughly the full $6.4 billion for construction of Columbia Generating Station and two unfinished plants. However, those bonds have been refinanced so that BPA could pay off other debt and borrow from the federal treasury for specific needs, such as new transmission lines, keeping rates lower for ratepayers, BPA spokesman Michael Milstein said.

About 30 percent of its standard wholesale power rates go toward paying the nuclear debt.

Milstein said any exploration of new carbon-free power options is positive. Nuclear power is in BPA's mix of potential resources, he said, but low on the priority list.

Decades ago, the city of Seattle directed its utility to pursue conservation measures rather than participate in the failed nuclear project, Seattle City Light spokesman Scott Thomsen said.

The utility, which serves 1 million people in the Seattle metropolitan area, wouldn't support a nuclear proposal today either, he said. Nuclear power isn't included among the options for meeting long-term energy needs, and conservation still comes first.

The Grant County Public Utility District, another Energy Northwest member, is still reviewing the request, but nuclear power is something it would consider, spokeswoman Sarah Morford said.

"We're looking at all options," she said. "Our commission has passed a pro-nuclear position in the past."

The problem with nuclear power 30 years ago was cost, waste and safety. Today, the problems are at least cost and waste, said Jim Lazar an economist and private energy consultant.

Lazar was the research director for the Don't Bankrupt Washington Committee, the group that successfully pushed a 1981 voter-approved initiative requiring voter approval for public financing of power plants that generate 350 megawatts or more.

A federal repository for spent nuclear fuel remains uncertain. Energy Northwest stores its spent fuel in dry canisters on site, with room for expansion.

Instead of costly large plants, the small reactors are promising, but unproven, Lazar said.

"I don't want to prejudge new technology. We need new technology to help us meet the challenges we're facing. We need electricity and we need to reduce our carbon emissions," Lazar said. "We should remain skeptical, but that doesn't mean it's a bad idea."

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