Western Group Submits Proposal for Nuclear Power

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YAKIMA, Wash. (AP) — A consortium of Western utilities and a nuclear reactor designer have submitted a proposal to the U.S. Department of Energy to build a small nuclear reactor to meet future demand for carbon-free power.

The proposal seeks millions of dollars in grant money to walk the project through the vigorous licensing and permitting process, which takes years. The earliest a reactor would be built is likely 2023.

Among those participating: Energy Northwest, a public-power consortium that operates the only commercial nuclear power plant in the Northwest and was once party to the largest municipal bond default in U.S. history over a failed project to build five nuclear reactors in the 1980s.

Energy Northwest has previously floated the prospect of increasing its nuclear power generation among its 27 member public utilities and municipalities. The idea has stalled in the past due to the high financial investment required and the pushback against nuclear power in one of the country's most environmentally conscious regions.

This time around, Energy Northwest has partnered with the Utah Associated Municipal Power Systems and modular reactor designer NuScale Power, based in Corvallis, Ore. The utilities have offered no money up front, but will assist with the permitting process and retain the first rights to build a project should it get approved.

Energy Northwest, which already has experience operating a nuclear facility, also has the first right to operate a reactor if one is built, under the proposal.

The grant proposal is a win-win for the utilities: They're not out a dime but still benefit from the opportunity to learn more about the process, further the development of the modular concept and position themselves to be first, maybe second, to benefit from such a project, said Mike McGough, NuScale Power's chief commercial officer.

At some point, there will need to be additional power generation in the region, and Energy Northwest is trying to be positioned to support that in a technical and financially responsible manner, Vice President Dale Atkinson said.

"We're trying to do what we can to help the advancement of that technology and have the option, should the demand support development in Washington state as part of the energy mix," he said.

Last year, the Energy Department made $452 million available to companies exploring nuclear technology that can be delivered in modules, which cost far less to build than a traditional, full-scale reactor. The department awarded a $150 million grant to Babcock and Wilcox and now is seeking additional proposals.

NuScale Power previously was the recipient of a $3 million Energy Department grant to explore modular technology, where the reactor sits in one container with no coolant pumps, piping or pressurized vessels required.

The new grant money would be used for the permitting and licensing process with the Nuclear Regulatory Commission, McGough said.

Traditional nuclear reactors take 10 years to build and cost more than $10 billion to build, he said, while NuScale's 45-megawatt modular reactor could be built in three years at a price of $2.5 billion.

The proposal lists a preferred location at the Idaho National Laboratory, an Energy Department site in eastern Idaho. However, McGough said the location would ultimately be chosen by the utility, or collection of utilities, that build and own the project.

As participants in the project, Energy Northwest and the Utah Associated Municipal Power Systems will have the first rights to build and own it, if they choose to do so.

The Utah Associated Municipal Power Systems is a state agency that provides wholesale electric energy to community-owned power systems in Utah, Arizona, California, Idaho, Nevada, New Mexico, Oregon and Wyoming.

Energy Northwest, based in Richland, operates hydro, wind and solar projects, as well as the 1,150-megawatt Columbia Generating Station — the only commercial nuclear power plant in the Northwest — for its 27 member utilities and municipalities in Washington.

The nuclear plant generates 3 percent of the region's power, but it didn't come without a struggle. The plant was the only one to survive a proposal for five nuclear power plants in the 1980s — a collapse that spawned what was then the largest municipal bond default in U.S. history. 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."

Consumers continue to pay for the project's collapse in their power bills, though the region has relied on relatively cheap power from hydroelectric dams for decades. Regional utilities have been working to broaden their electricity generation both to meet increasing demand and renewable energy standards.

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