Maine Yankee Community Advisory Panel on
Spent Nuclear Fuel Storage and Removal
Meeting Minutes
May 27, 2010

<table>
<thead>
<tr>
<th>Member</th>
<th>Attendance</th>
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<tr>
<td>The Honorable Marge Kilkelly, Chair</td>
<td>Yes</td>
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<td>Dr. Don Hudson, Vice Chair</td>
<td>Yes</td>
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<td>Mr. Steve Jarrett</td>
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<td>Mr. Ralph Keyes</td>
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<td>Mr. Wayne Norton</td>
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<td>Mr. Jay Hyland</td>
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<td>Mr. Don Schuman</td>
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<td>Mr. Dan Thompson</td>
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<td>General Lewis Curtis</td>
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<td>The Honorable David Trahan</td>
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<td>Mr. Scott Houldin</td>
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Introduction

Chair Kilkelly called the meeting to order at 6:00 p.m. and welcomed everyone. She noted that former Boothbay area State Representative Ken Honey has resigned from the CAP after serving since 2003. She thanked Mr. Honey for his service and circulated a card for CAP members to send to him. The CAP then approved without discussion or changes the minutes of the June 25, 2009 CAP meeting.

Maine Yankee Independent Spent Fuel Storage Installation Update

Maine Yankee Vice-President and ISFSI Manager Jim Connell provided the CAP with an update on the ISFSI and other issues related to the Maine Yankee site since the last CAP meeting. He spoke from slides contained in the CAP meeting package.

Mr. Connell said the ISFSI has operated safely and routinely this past year and that last August’s U.S. Nuclear Regulatory Commission security inspection report was positive with no adverse findings. That report is on the Maine Yankee website at MaineYankee.com. Later this year the NRC is expected to conduct an inspection of all programs other than security such as operations, radiation protection, emergency planning, and fire protection. Future inspections will likely
be security in odd numbered years and other programs in even numbered years. Security is a separate inspection because there is such a concentration in that critical area.

This fall Maine Yankee will conduct an emergency plan exercise as opposed to a drill. The exercise is more inclusive of local emergency and law enforcement agencies and is conducted every two years. Mr. Connell noted that last year’s emergency drill went very well as did the recent annual fire drill with Wiscasset and Westport. Mr. Connell praised the fire companies for their professionalism.

Mr. Connell briefed the CAP on the ongoing issue of the revised NRC security rule. Because Maine Yankee is licensed under NRC Part 50 regulations, as written the revised section 73.55 of the new security rule for operating plants applies to stand-alone Part 50 facilities like Maine Yankee. The NRC does not intend for the new rule to apply to ISFSIs, and Maine Yankee is working with the NRC to resolve the issue. Maine Yankee is seeking an exemption to operate under the old 73.55 while the NRC sorts this out.

NRC is revising the security rule for ISFSIs but the new rule will not become effective for several years.

Mr. Connell explained that following 9/11 the NRC issued new security orders for operating plants and stand-alone ISFSIs. The new security rule bundles the individual security orders into one package.

Chair Kilkelly asked Mr. Connell if Maine Yankee is the only ISFSI site affected by the new security rule. Mr. Connell said that according to the NRC there are 14 others and that he looks forward to a successful resolution of the issue.

Mr. Connell briefed the CAP on this summer’s project to reconfigure part of the ISFSI security fence. General Curtis asked if the security operations building would be inside or outside the reconfigured fence. Mr. Connell said the building will be outside the fence which is basically being squared off and that this is being done to improve reliability and performance of the intrusion detection system. Building access security will remain intact, and as has been noted the security of the fenced area will be improved.

Mr. Connell spoke about Maine Yankee’s involvement with the industry as the Yankee companies continually strive to be on the cutting edge of best practices. In March a group of Japanese utility executives visited Maine Yankee to learn about the dry cask storage system and to discuss industry issues.

Mr. Connell said he serves on committees at the Nuclear Energy Institute and NAC, the vendor that provided Maine Yankee’s dry cask storage system. The NAC Users Group is beginning the relicensing process for the containers in use at Maine Yankee. An important factor being looked at is the influence of salt
water on the stainless steel canisters. It is anticipated this will be more of an issue for west coast ISFSIs that are subject to the prevailing winds off the Pacific.

Mr. Connell said there are lots of issues to look at in advance of the 2020 relicensing date, especially with spent fuel likely to be stored in the canisters for longer than originally anticipated.

Mr. Connell informed the CAP that the June sampling marks the end of the five year radiological groundwater monitoring program agreed to between the State and Maine Yankee assuming the sample results are as expected. All wells but one show only trace amounts of radioactivity. The one well with tritium content higher than the others is well below the 2 mRem limit, and the level of tritium continues to trend down.

Following Mr. Connell’s presentation, Mr. Thompson asked if there has been a study of the security of dry cask storage facilities since there will likely be more and more of them with spent nuclear fuel being stored in dry casks longer. Mr. Connell said he didn’t know of a study specific to dry cask storage other than one showing that having fuel stored in one place rather than in scattered locations may make the fuel more vulnerable to a terrorist attack. Mr. Connell went on to say that Maine Yankee receives regular threat update advisories from federal agencies and that Maine Yankee officials met recently with the FBI for an annual update. Mr. Thompson asked if Homeland Security is cognizant of this activity. Mr. Connell said absolutely. There is regular communication between Maine Yankee and federal and state security agencies.

**State of Maine Update**

Radiation Control Program Manager and CAP member Jay Hyland presented the State of Maine Update. Mr. Hyland used the 2009 Report of Oversight Activities and Funding of the Interim Spent Fuel Storage Facility Oversight Fund as the basis of his presentation. This report is submitted annually to the Joint Standing Committee on Utilities and Energy. It is included with the CAP material for this meeting. State Nuclear Safety Inspector Pat Dostie, who usually presents the State update with Mr. Hyland, was at a Department of Energy Spent Nuclear Fuel Transportation conference in Chicago.

Mr. Hyland said that most of what he had to report can be found at the Radiation Control website in the SNSI’s monthly reports. The last Monthly report was three pages on the Maine Yankee site and 57 pages of attachments regarding the national status of the spent nuclear fuel management and disposal program. This is a reflection of the amount of activity in that area.

Mr. Hyland said the Annual Report is the product of quarterly meetings of the State oversight agencies and Maine Yankee. He described the process as very collaborative and a very good exchange of ideas. He said the one thing the
State has not done that is called for in the legislation is hire an independent radiation expert with a nuclear engineering background. Mr. Hyland said experts don’t usually have both those disciplines and hiring someone with those qualifications would be expensive. He said the expertise is not needed now but it is good to know the legislation gives the State the authority to hire this expert should a time come when that would be needed for State oversight.

Mr. Hyland said the $220,000 annual fee Maine Yankee pays the State for oversight is sufficient. That is expected to continue to be the case even when monitoring equipment needs to be replaced.

Mr. Hyland said the Radiation Control Program is working to get more information about the Maine Yankee environmental monitoring program on its website. He also said the State is reviewing the environmental monitoring program to decide which aspects to continue for long term monitoring of the ISFSI.

SNSI Pat Dostie is finalizing the State report confirming that the Maine Yankee decommissioning met the State standard for clean up of the site. In the near future that report and numerous others regarding the decommissioning project will be completed by Mr. Dostie.

Mr. Hyland briefed the CAP on the New England Governors’ Conference letter that was drafted just after Labor Day and sent to DOE Secretary Chu in December. Governor Baldacci as Chair of the NEGC took the lead. The letter went through several drafts before agreement was reached by the governors. The language in the final letter was not as strong as the original draft for decommissioned reactor sites but it still made the two central points: Permanently shutdown plants should have their spent nuclear fuel removed first; and an expert should be appointed to the Blue Ribbon Commission who has experience managing spent nuclear fuel at a decommissioned reactor site.

Along with the NEGC letter, Mr. Hyland brought to the CAP’s attention the list of Statements Emphasizing the Need to Address the Spent Fuel Storage Issues at Decommissioned Nuclear Power Reactors 2007-2010 found on page 17 of the 2009 Oversight report. This list was compiled by Bob Capstick, public and government affairs director for Yankee Atomic and Connecticut Yankee. As more statements are made, Mr. Capstick adds them to the list.

Mr. Hyland said that he and Mr. Dostie briefed Public Utilities Commission Chairman Sharon Reishus on the spent nuclear fuel issue. He also noted that earlier this year the National Association of Regulatory Utility Commissioners approved a resolution that basically asks why ratepayer money is being collected when we aren’t licensing a repository for spent nuclear fuel? Chairman Reishus participates in NARUC for the State of Maine.
Mr. Hyland used the analogy of a car to talk about the importance of transportation planning as policy is developed for the spent nuclear fuel management and disposal program. The car can take many different shapes but no matter what it looks like it will still need wheels. We can’t neglect transportation planning while focusing on other aspects of the issue.

Mr. Hyland gave an overview of the status of the Yucca Mountain program, the Department of Energy’s efforts to terminate it, and the opposition to DOE in the license application process and the courts. He noted that much of what is going on is precedent setting, will take a long time to work out, and as someone said recently, “the Administration is going to do what the Administration is going to do.”

Mr. Thompson asked if the State has been approached about small, packaged nuclear reactors which have been the subject of recent articles. Mr. Hyland said the State has not been contacted but that the Radiation Control Program is doing some research into the topic to learn more about it.

Spent Nuclear Fuel Removal/Disposal Update

Eric Howes, Maine Yankee public and government affairs director, presented the Spent Nuclear Fuel Removal/Disposal Update using slides included with the CAP meeting material.

Chair Kilkelly noted that there was no local media coverage for the CAP meeting. Mr. Howes said he had sent an e-mail notice to the local papers and had spoken with reporters at the Wiscasset Newspaper and the Lincoln County News. Chair Kilkelly asked if Mr. Howes would provide information on the meeting to the local media. (Later in the meeting Lincoln County News Editor Sherwood Olin arrived and wrote a story for the following week’s paper that was distributed to the CAP.)

Mr. Howes said that much of what he planned to present had been covered by Mr. Hyland and that he would try to add to rather than duplicate what Mr. Hyland had said. He noted that most of what has occurred in this area since the last CAP meeting has taken place since the beginning of the year – appointment of the Blue Ribbon Commission on America’s Nuclear Future and DOE’s application to withdraw with prejudice (i.e., may not be resubmitted later) its license application for Yucca Mountain.

While there has been some pushback by members of Congress on the DOE’s efforts to terminate the Yucca Mountain project, there is not a groundswell of opposition. There is a House resolution expressing disapproval but so far it has only 14 cosponsors. A bill introduced by Senator Voinovich of Ohio would create an entity like the Tennessee Valley Authority which would assume responsibility for the spent nuclear fuel management/disposal program. This idea was
supported by several speakers at the second Blue Ribbon Commission meeting held on May 25 and 26.

Mr. Howes said that while it was disappointing that no one appointed to the Blue Ribbon Commission is from a shutdown reactor site, Maine Yankee is pleased that a number of Commissioners and presenters to the Commission have spoken in favor of early focus and movement of spent nuclear fuel from shutdown sites to interim storage. This point was made by the National Conference of State Legislatures and the National Association of Regulatory Utility Commissioners among others.

Mr. Howes reported that the Blue Ribbon Commission appointed three subcommittees including one on storage and transport. That subcommittee will be the focus of efforts to bring Commissioners to Maine to learn first hand about a decommissioned reactor site. Mr. Howes thanked Senator Collins for sending a letter to the Co-Chairs of the Commission in support of the CAP’s March invitation. He also thanked the Yankee Rowe Fuel Storage Advisory Committee and the Connecticut Yankee Community Advisory Board for their letters in support of the Maine Yankee CAP’s invitation. Mr. Howes said that the Commission Co-Chairs wrote to Chair Kilkelly on April 30 that the CAP’s invitation will be given full consideration.

Mr. Norton who is president of the other two Yankee companies said that with Maine Yankee issuing the invitation first, the other two community advisory boards understood it only made sense to support the Maine Yankee invitation rather than advocate for their own since the point is to encourage Commission members to visit a shutdown site in New England.

Mr. Howes reported that the Yankee Companies hope for a decision this year in their phase 1 litigation with the DOE. For Maine Yankee the time period is from the end of January 1998 through 2002. Maine Yankee is seeking $82 million in damages resulting from DOE’s failure to remove the spent nuclear fuel. Once the judge rules in the phase 1 case, the Yankee Companies are hopeful the phase 2 cases will move to trial quickly. Phase 2 for Maine Yankee is from January 1, 2003 through January 31, 2008. In that case Maine Yankee is seeking about $43 million in damages.

Mr. Norton pointed out that for Maine Yankee the phase 1 damage claim is a good deal more than phase 2 primarily due to the cost of constructing the ISFSI. He also said the DOE Standard Contract anticipated taking shutdown fuel first, that the 1987 Acceptance Rate is the basis for the damages, and that the Court has ruled that utilities can only claim actual damages, not estimated damages.

Chair Kilkelly said that in August she would bring up the spent nuclear fuel issue with the Council of State Governments as they finalize planning for their conference in Portland. She said it is disturbing that funds from tax payers pay
for the government to contest the utility lawsuits while funds from ratepayers pay only for the ongoing storage of the spent nuclear fuel.

Mr. Thompson said there is no social or political progress unless there is a negative hit in the pocket book. He also wondered if there is money to be made from spent nuclear fuel. Can you sell it?

Mr. Howes said there is useable uranium in the spent nuclear fuel and the Blue Ribbon Commission has created a subcommittee to study recycling.

There was then a general discussion about Yucca Mountain and why the Administration would choose to abandon it after decades of study. Mr. Norton said in his opinion the Administration has a fundamental belief that Yucca is the wrong direction, that it is shortsighted to simply put the spent fuel in the mountain. Mr. Norton said the long term trend appears to be toward interim storage perhaps linked to reprocessing with everyone agreeing we will still need a geologic disposal facility for the remaining waste.

Mr. Howes said there are communities willing to host an interim storage facility but State support is needed as well. Mr. Norton cited Private Fuel Storage in Utah as an example of a proposed interim dry fuel storage facility that enjoyed local support but was stopped by the federal government even after a federal agency – the Nuclear Regulatory Commission – issued a license for it.

Chair Kilkelly mentioned Nevada as an example where Yucca Mountain has local support but not from the State. She said Nevada is somewhat unique in that a majority of the state’s population lives in urban areas far removed from the rural area where the site is located. Politically the state is dominated by the urban areas, and, of course, the U.S. Senate Majority Leader is from Nevada.

Mr. Keyes said the early returns on the work of the Blue Ribbon Commission seem favorable for decommissioned reactor sites like Maine Yankee.

Mr. Howes and Mr. Norton agreed. Mr. Norton said that through their work with elected officials and others Mr. Howes and Mr. Capstick are making our message resonate. Also as utilities begin looking to build new plants they want the decommissioned reactor sites cleaned up.

Vice-Chair Dr. Hudson asked about the status of European initiatives on reprocessing. Mr. Norton said it is all over the map with different countries taking different approaches.

Chair Kilkelly said she hopes the Blue Ribbon Commission will study and learn from international experience. Mr. Howes said this was agreed to at the first Commission meeting. It is likely Commission staff will be tasked with gathering information on the international experience.
Public Comment

No members of the public were at the meeting.

Committee Discussion

Chair Kilkelly said a lot has gone on in the last 12 months and we need to pursue our invitation with the Blue Ribbon Commission’s Storage and Transport subcommittee. They can learn from us about the broader issues of lost opportunity from the ongoing storage of spent nuclear fuel at the Wiscasset site. The next step is more than getting them here. We need to tell them why it is important to come to closure on the issue of decommissioned reactor sites. We should plan a half day event to give them a flavor of how this affects the local community.

Mr. Norton said he thinks there is a strong chance of getting one or two Commissioners here and that we and our consultants with the Decommissioning Plant Coalition will be meeting with subcommittee staff regarding the CAP’s invitation. Mr. Norton said Commissioners and staff are well aware of the invitation.

Chair Kilkelly reminded the CAP that the invitation was first drafted in early July 2009. We were first in line to make this request. Along with the CAP invitation Chair Kilkelly said she hopes the CAP can get on the witness list for an upcoming Blue Ribbon Commission meeting.

Vice-Chair Dr. Hudson said we need to provide hard evidence to the Commission that we are paying attention to this issue and have thought about it for many years.

General Curtis suggested the first paragraph of Mr. Connell’s presentation stating the ISFSI has operated routinely and safely should be deleted as it lends support to those who would leave the spent nuclear fuel where it is.

Chair Kilkelly said we need to make clear what a burden this is on the ratepayers. General Curtis agreed asking, where is the return on investment for the ratepayers?

Chair Kilkelly said we need to present information and ideas and we need to get on the witness list. Vice-Chair Dr. Hudson agreed saying we need to be the squeaky wheel.

Chair Kilkelly thanked Senator Collins for her support and said we need to keep our congressional delegation informed and engaged. They have all shown a willingness to help when asked.
Mr. Thompson asked what we know about the Storage and Transport subcommittee. Who is on it? What would they be interested in?

Mr. Howes named the Storage and Transport subcommittee members - it will be co-chaired by former NRC Commissioner Dick Meserve and former Congressman and current Resources for the Future Director Phil Sharp. Additional members include: Mark Ayers (President, Building and Construction Trades Department, AFL-CIO); Vicky Bailey (Former Commissioner, Federal Energy Regulatory Commission and Former DOE Assistant Secretary for Policy and International Affairs); Al Carnesale (Chancellor Emeritus and Professor, UCLA); Pete Domenici (former U.S. Senator (R-NM)); Ernie Moniz (Professor of Physics at MIT); and John Rowe, CEO of Exelon.

Mr. Thompson suggested the development of a simple 1-2 page fact sheet with facts, history, and a time line. Mr. Norton agreed saying we can provide a script for them to take back with them.

Chair Kilkelly agreed saying the information piece should show the impact of spent fuel storage on the state and community. We need to make it real for them.

Mr. Norton said we need to consider the format. Is it a CAP meeting, a public meeting of the subcommittee, or a roundtable discussion?

Vice-Chair Dr. Hudson said if it is a meeting of the subcommittee then it becomes their meeting. The CAP would have less input if that is the case. However it turns out we need to let them know we can be helpful to them as they think about the problem. We have considerable experience thinking about this. Dr. Hudson stressed this has to be about what we have to offer, not whining because the fuel is still stored in Wiscasset.

Mr. Thompson said this is an opportunity to inject our thoughts into the public and national discourse on the issue.

Chair Kilkelly said we do have a niche – experience in long term fuel storage, providing advice to taking apart a nuclear power plant and restoring the site, and annual planning throughout the decommissioning. The information piece we provide can become part of the conversation. We are a leader in the community experience area.

Vice-Chair Dr. Hudson said it is ironic that the last step is the hardest when it should be the easiest. Fuel has been shipped safely in this country for 60 years. Why is the choice of where to put it so difficult? We will be going through this over 100 times with all the operating plants. The issue has to be resolved.
General Curtis said he anticipates resistance to centralized interim storage from those who will argue that dispersal makes targets harder to attack.

Chair Kilkelly said as long as there is no solution to the spent nuclear fuel issue there will be less opportunity for plants to be built.

Vice-Chair Dr. Hudson agreed there is an economic argument to be made.

Chair Kilkelly said the first step is to understand the subcommittee and pull together and circulate an information piece for CAP members to comment on via e-mail.

Mr. Howes will work on developing the information piece and he and Mr. Norton will work with the Decommissioning Plant Coalition consultants to get feedback from Commission staff on how the CAP can be most helpful to the Commission subcommittee.

The meeting adjourned at 8:00 p.m.