

Private equity group considers Utah for nuclear plant site

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A private equity group plans to announce on Oct. 17 that it is considering Utah as the site for a new nuclear plant, a principal in the group, called Transition Power Development, said Oct. 10, acknowledging that the group has signed an agreement to secure water rights.

"We're in the very preliminary stage of looking at resources, [and] water is one of those resources," said Aaron Tilton, one of the principals in the group, and a state representative who is vice chair of the legislature's Public Utilities and Technology Interim Committee.

Transition Power Development signed an agreement with the Kane County Water Conservancy District on Sept. 19, and will pay the water district \$1 million per year for water supply after the plant comes into operation. For the first five years until construction begins, the water district would receive \$100,000 a year. Then, the payment increases to \$500,000. The water district received \$10,000 immediately upon signing the agreement, the district's counsel, Ed Robbins, said.

The agreement with the water district is contingent upon the Utah state engineer approving a change application to relocate the water rights of the district from southeastern Kane County to elsewhere, possibly along the Green River, said water district director Michael Noel, who is also a state representative.

"We'll deliver nearly 30,000 acre-feet of water a year somewhere along a tributary of the Colorado River," Noel said. An acre-foot of water is a foot of water spread over one acre, or 326,000 gallons of water. The plant could take around 10 billion gallons a year under that agreement. The rights to the water were given to the water district by the Andalex Coal Co. for tax benefits around six years ago and the district would be leasing those rights to Transition Power Development, Noel said.

"Utah has some attributes that would make a plant work," Tilton said, adding, "It also has some challenges." Tilton previously worked as a consultant to the developers of two coal-fired power plants in Utah and Wyoming.

State's largest utility needs more power resources

MidAmerican Energy Holdings Co. subsidiary PacifiCorp which through its operating unit Rocky Mountain Power serves 725,000 customers in Utah, has been supporting nuclear power as an option for meeting increasing electricity demand in the state and lowering its carbon footprint.

"By 2014, an additional 1,700 MW of baseload power" will be needed in Utah, PacifiCorp spokesman David Eskelsen said. Nuclear power had not been an active option in recent planning, but "it's not excluded from the future," he said.

In the company's integrated resource plan, PacifiCorp said that nuclear was "considered a valuable option in the service territory of PacifiCorp, the parent of Rocky Mountain, on or after 2018." A nuclear power plant can take 10 years or longer to come into service from the time of its proposal.

Currently, there are four operating nuclear power plants in the western United States, none of which are in the Rocky Mountain region.

The Public Utilities and Technology Interim Committee of the Utah Legislature has held two hearings and is planning another on proposed legislation provide assurance to nuclear

developers, such as provided in Florida, said Noel, who sponsored the bill and is co-chair of the interim committee.

The proposed legislation was put out for discussion, and while Noel had originally thought passage was assured, the sponsors are now reconsidering the measure. "The enviros didn't like it — they considered it a giveaway to the companies," he said. The feeling was that companies can use a nuclear reactor design approved by the U.S. NRC, let the market cover costs and not provide incentives, he said.

Utah blue ribbon panel completes climate change report

Utah Gov. Jon Huntsman Jr. has been cautiously supportive of nuclear power as a potential energy source for the state, and a panel appointed to look at ways to reduce global warming released a report Oct. 9 including nuclear power among the options to consider.

The Blue Ribbon Advisory Council on Climate Change said that strategies for obtaining energy supplies with the greatest potential to reduce greenhouse gas emissions are to encourage renewable energy and develop carbon capture and sequestration technologies.

While nuclear energy should be considered among the ways to substantially reduce carbon emissions, "the questions about waste disposal and safety make it unlikely that nuclear energy development will result in near-term reductions in CO₂," the panel said.

Recent attempts by a private company to increase the amount of storage of radioactive waste at its site in Utah eventually were not carried out.

"There's a lot of public opposition" in Utah to nuclear power, said Kelly Francone, a consultant to the Utah Association of Energy Users. In addition to the concern over all the toxic materials now in the state, "we're an earthquake state," she said, noting the potential combination of earthquakes and nuclear power is not appealing to anyone.

The Healthy Environment Alliance of Utah would "absolutely" oppose a nuclear plant, the group's executive director, Vanessa Pierce, said. "We find it incredibly hypocritical and inconsistent that people would consider a nuclear power plant and they fight against nuclear waste," she said.

"We've got to have a substitute for coal," Noel said. Coal fuels about 90% of the electricity consumed in Utah.