

HOUSE BILL REPORT

SSB 6427

As Reported By House Committee On:

Energy & Utilities

Title: An act relating to the restoration and redevelopment of an unfinished nuclear energy facility.

Brief Description: Using an unfinished nuclear energy facility.

Sponsors: By Senate Committee on Energy, Utilities and Telecommunications (originally sponsored by Senators Snyder, Hargrove, Sutherland, Owen, Loveland and Newhouse).

Brief History:

Committee Activity:

Energy & Utilities: 2/20/96, 2/21/96 [DP].

HOUSE COMMITTEE ON ENERGY & UTILITIES

Majority Report: Do pass. Signed by 9 members: Representatives Casada, Chairman; Crouse, Vice Chairman; Hankins, Vice Chairman; Patterson, Ranking Minority Member; Poulsen, Assistant Ranking Minority Member; Chandler; Kessler; Mastin and Mitchell.

Staff: Margaret Allen (786-7110).

Background: The Energy Facility Site Evaluation Council (EFSEC) coordinates the evaluation, siting, and licensing of major non-hydroelectric energy facilities in the state. EFSEC also monitors the construction, operation, and eventual decommissioning of those energy facilities, and enforces compliance with site certification conditions. EFSEC actions normally are subject to the State Environmental Policy Act.

EFSEC members include representatives of several state agencies and representatives of the local government in which a proposed facility is to be located.

In the 1970s, EFSEC approved the construction of several proposed nuclear reactors. Two of the reactors, known as WNP-3 and WNP-5, are located at Satsop in Grays Harbor County. Both partially completed reactors are owned by the Washington Public Power Supply System (Supply System). In May 1994, the decision was made

never to complete the reactors, which were in mothball status at the time. Since then, the Supply System (the "certificate holder") has been negotiating with EFSEC regarding demolition of the reactors and restoration of the site.

The permits EFSEC issued to the Supply System to construct and operate the plants at the Satsop site included a substantial grant of water rights. Although water-rights permits generally are within the province of the Department of Ecology, EFSEC can preempt the permitting authority of other state and local agencies for energy facilities within EFSEC's jurisdiction.

It is anticipated EFSEC will approve, shortly, the Supply System's application to build two gas-fired combined-cycle combustion turbines to generate electricity, on 20 acres of the 1,600-acre site. The combustion turbines will be located some distance from WNP-3 and WNP-5.

Grays Harbor County and the Grays Harbor Port District are interested in reusing all or part of the balance of the site for economic development and other public purposes.

Summary of Bill: A policy statement is added to an existing statute stating that a premise in making decisions regarding siting energy facilities will be to avoid costs of complete site restoration and demolition of improvements and infrastructure at unfinished nuclear energy sites, and to use unfinished nuclear energy facilities for public uses, including economic development, under the regulatory and management control of local governments and port districts.

Other substantive provisions of the bill apply only to unfinished nuclear power projects not located on federal property.

The certificate holder for an unfinished project may contract, establish interlocal agreements, or use other formal means to effect the transfer of site restoration possibilities, including economic development activities, to any political subdivision or subdivisions of the state composed of elected officials.

The contracts or other formal means of cooperation may include, among other things, transferring interests in the site and energy facilities from the certificate holder to other political subdivisions of the state, including costs of maintenance and security, capital improvements, and demolition and salvage of the energy facilities and infrastructure.

If the certificate holder transfers all or a portion of a site to one or more political subdivisions located in the same county as the site, EFSEC must amend the site certification agreement to release the transferred portions of the site. Immediately upon release, maintaining the public health, safety, and welfare becomes the responsibility of the political subdivision or subdivisions.

The Legislature finds ensuring water for site restoration can best be accomplished by transferring existing surface water rights, and that such a transfer is best accomplished administratively through existing statutes and rules. But, if a transfer is impossible, the Department of Ecology must, within six months of the transfer of all or part of the site, create a trust water right containing between 10 and 20 cubic feet per second for the benefit of the political subdivision or subdivisions. The trust water right is to be from existing valid water rights within the basin where the site is located.

The political subdivision or subdivisions are to use the water trust to fulfill site restoration responsibilities, including economic development.

EFSEC activities regarding the actual transfer of a portion or all of a site are exempt from the State Environmental Policy Act.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: Earlier concerns about the bill have been addressed. This bill turns a big negative into a big positive for citizens; it allows the local government in an economically depressed area to make use of existing infrastructure to diversify and improve the local economy. Passage of this bill is essential to the health of the coastal area. Tearing down WNP-3 and WNP-5 would be a complete waste of taxpayer money. It is important the fish and wildlife mitigation requirements contained in the original certification agreement also be transferred along with any portion of the site transferred to one or more units of local government.

Testimony Against: None.

Testified: Senator Snyder, prime sponsor; Senator Sutherland; Representative Buck; Representative Basich; Representative Hatfield; Mike Daniels, Grays Harbor County; M. W. McWhorter, Port of Grays Harbor; Dan Sexton, Washington Association of Plumbers and Pipefitters; Tom Casey, Grays Harbor Commissioner; David Mudd, Department of Fish and Wildlife; Jason Zeller, Energy Facility Siting Evaluation Council; and Jim Rowland, Washington Public Power and Supply System.