

MINUTES
SENATE RESOURCES & ENVIRONMENT COMMITTEE

- DATE:** Wednesday, February 06, 2013
- TIME:** 1:15 P.M.
- PLACE:** WW55
- MEMBERS PRESENT:** Chairman Pearce, Vice Chairman Bair, Senators Cameron, Siddoway, Brackett, Heider, Tippetts, Stennett and Lacey
- ABSENT/ EXCUSED:**
- NOTE:** The sign-in sheet, testimonies and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.
- CONVENED:** **Chairman Pearce** called the meeting to order at 1:15 p.m. to conduct the Committee business before joining the House Environment, Energy, and Technology Committee in the Auditorium at 1:30 p.m. for a Joint meeting.
- Committee consideration was given to the following people regarding their Gubernatorial appointments: William B. Booth, Susan Buxton, and Joan Hurlock.
- MOTION:** **Senator Siddoway** moved to send the gubernatorial appointment of William B. Booth to the Northwest Power and Conservation Council to the floor with recommendation that he be confirmed by the Senate. **Vice Chairman Bair** seconded the motion. The motion carried by **unanimous voice vote**. **Vice Chairman Bair** will be the floor sponsor.
- MOTION:** **Senator Brackett** moved to send the gubernatorial appointment of Susan Buxton to the Idaho Park and Recreation Board to the floor with a recommendation that she be confirmed by the Senate. **Senator Heider** seconded the motion. The motion carried by **unanimous voice vote**. **Senator Brackett** will be the floor sponsor.
- MOTION:** **Senator Heider** moved to send the gubernatorial appointment of Joan Hurlock to the Idaho Fish and Game Commission to the floor with a recommendation that she not be confirmed by the Senate. **Senator Siddoway** seconded the motion.
- SUBSTITUTE MOTION:** **Senator Brackett** made a substitute motion and moved to send the gubernatorial appointment of Joan Hurlock to the Idaho Fish and Game Commission to the floor with a recommendation that she be confirmed by the Senate. **Senator Stennett** seconded the motion.
- ROLL CALL VOTE:** **Chairman Pearce** called for a roll call vote. Senators Brackett, Tippetts, Stennett and Lacey voted aye. Chairman Pearce, Vice Chairman Bair, Senators Cameron, Siddoway and Heider voted nay. The substitute motion failed.
- ROLL CALL VOTE:** A roll call vote was taken on the original motion. Chairman Pearce, Vice Chairman Bair, Senators Cameron, Siddoway and Heider voted aye. Senators Brackett, Tippetts, Stennett and Lacey voted nay. The original motion carried. **Senator Heider** will be the floor sponsor.
- MOTION:** **Senator Siddoway** moved for the approval of the minutes of January 23. **Senator Heider** seconded the motion. The motion carried by **unanimous voice vote**.
- MOTION:** **Senator Tippetts** moved for the approval of the minutes of January 25. **Senator Siddoway** seconded the motion. The motion carried by **unanimous voice vote**.
- MOTION:** **Senator Lacey** moved for the approval of the minutes of January 28. **Senator Stennett** seconded the motion. The motion carried by **unanimous voice vote**.

- MOTION:** **Vice Chairman Bair** moved to print **RS 21891, RS 21892, RS 21893, RS 21894 and RS 21896**. He stated that they are Concurrent Resolutions to reject dockets, or parts thereof. **Senator Cameron** seconded the motion. The motion carried by **unanimous voice vote**.
- MOTION:** **Senator Tippetts** moved to print **RS 21886**. He said this RS is legislation to establish statutory framework for the coordination of all activities related to the introduction or reintroduction of threatened or endangered species. **Senator Brackett** seconded the motion. The motion carried by **unanimous voice vote**.
- MOTION:** **Senator Tippetts** moved to print **RS 21887**. This RS provides for the use of high visibility shades of orange paint relating to trespassing prohibitions. **Senator Heider** seconded the motion. The motion carried by **unanimous voice vote**.
- RECESS:** **Chairman Pearce** said that the Committee's business has been taken care of. He called for a recess of five minutes and announced that the Committee will reconvene in the auditorium for a Joint meeting with the House Environment, Energy, and Technology Committee.
- CONVENED:** **Chairman Pearce** called the Joint meeting to order at 1:35 p.m. He welcomed the audience that was at near-capacity in the auditorium and Governor Otter, who will speak later. He also acknowledged Chairman Raybould, Chairman of the House Environment, Energy, and Technology Committee.
- Today's program is a presentation on "Idaho's Nuclear Industries - Past, Present & Future", coordinated by Ms. Pat Barclay, Director of the Idaho Council on Industry and Environment (ICIE). Introducing the speakers will be Mr. Randy McMillan, President of ICIE.
- SPEAKER:** **Mr. McMillan** said this is the 23rd workshop sponsored by ICIE. He then welcomed **Governor Otter** who is the first speaker.
- SPEAKER:** **Governor Otter** thanked the Committees for allowing him to be on this floor and to address them regarding the issues that the state is facing. With regards to the report that was given out (See Attachment 1), the **Governor** said he wanted to thank Jeff Sayer, Chairman of the Leadership in Nuclear Energy (LINE) Commission (Commission) and other members of the Commission for undertaking this project.
- The report clearly points out that the environmental cleanup envisioned by the Governor's predecessors has been realized, while at the same time, it established the Idaho National Laboratory (INL) as the nation's leading research and development laboratory. **Governor Otter** said that he concurs wholeheartedly with the Commission's assessment that the INL is a significant state asset and with that benefit, Idaho must exercise leadership to ensure that this asset is maintained and enhanced for the foreseeable future. He stated that this final report provides a solid road map for achieving this objective. The **Governor** also stressed that he would like the legislature to carefully examine the findings of the LINE Commission, especially the section that distinguishes the difference between the 55 gallon drums that were dumped in Idaho prior to the 1995 settlement agreement, and the methods and technologies that are being used today.
- Governor Otter** said the decision to terminate Yucca Mountain also demands the state's attention and he appreciates the LINE Commission's careful review of that particular issue. The **Governor** feels there are two things that need to be done. His first recommendation is to establish a nuclear advisory council. The second recommendation is to work with neighboring states and invitations will be sent out to the Western governors to tour INL.

In closing, the **Governor** expressed his appreciation, again, to the LINE Commission's exemplary work and he hopes the legislature will join him in reviewing the final report to identify action items that will advance the critical mission of the INL and Idaho's nuclear related industries.

Chairman Pearce thanked Governor Otter for his presentation to the Joint Committee.

SPEAKER:

Speaking next was **Mr. Jeff Sayer**. He said that he will provide a brief overview of the process, talk about the recommendations, and answer questions at the end of the presentation. **Mr. Sayer** said that he, too, wanted to recognize the Commission members for the work that they have done; the Shoshone-Bannock Tribe for participating in the process; the citizens that brought forth their views; and especially to Brian Whitlock and Megan Ronk who "carried the Commission on their backs."

Mr. Sayer said that twenty years ago, Governor Andrus and Governor Batt exercised leadership to protect our state. Today, Governor Otter is exercising leadership to protect our state. Previously, it was an environmental issue. It still is an environmental issue, but more so, it is an economic issue, stated **Mr. Sayer**.

The INL is a significant state asset. It is well-positioned to capture a significant share of the Department of Energy's (DOE) funding directed at nuclear energy and nuclear technologies, and it will benefit from these key assets: The Naval Reactors Facility, the National and Homeland Security Capabilities and Energy and Environment Research. The last economic impact study was done by Boise State University, and it revealed that INL is responsible for 24,000 jobs in Idaho and contributes over \$3.5 billion to Idaho annually. **Mr. Sayer** said that to replace INL would be virtually impossible. He said the question that is before this body is - "How do we retain it, build it, grow it and not lose it?"

Mr. Sayer stated that the colleges and universities in Idaho have degree programs that go all the way from the technician level to research Ph.D. levels that are world renowned. The Center for Advanced Energy Studies (CAES) is a research and education partnership, formed in 2005, between BSU, Idaho State University, the University of Idaho and the INL. The center is an excellent example of the current collaboration that exists among the three universities and together with the INL is becoming a leading national resource for the development of innovative energy technology. The CAES facility in Idaho Falls – and the technical expertise housed within – is an additional innovative mechanism Idaho's universities can employ to meet the research and nuclear workforce needs of the future.

Idaho universities have become very successful in the competition for federal nuclear energy research funding. Idaho is the third highest in the nation receiving federal CAES funding. As a result of this and other successes, interest has been expressed in expanding both the physical CAES facility in Idaho Falls and the geographic reach of CAES, cementing the CAES role as a regional energy asset.

Mr. Sayer said emphatically - "we cannot, ever, sacrifice our environment." In making sure that the Snake River Aquifer is protected and the principles of the Settlement Agreement is established, it has to be maintained as a high priority. From the 1950's through the early 1980's, nuclear waste disposal and operational practices left an environmental legacy that did not receive sufficient attention until the 1990's. Those prior practices created environmental issues that had to be addressed, including the risk created to the Snake River Plain Aquifer. Past activities at the INL site that ultimately posed the greatest risk to contaminating the aquifer were:

- (1) Use of injection wells to dispose of solvents and other wastes;
- (2) Pipes and valves that leaked radioactive liquid; and
- (3) Contaminated material from Rocky Flats, Colorado that was disposed of by burial at the INL site.

These practices have been stopped, and actions continue to be taken to mitigate their impact. As a result, the risk to contamination of the aquifer continues to decline.

As we approach the midpoint of the 40 year Settlement Agreement, the LINE Commission took stock of cleanup progress achieved under the Agreement. So far, 959 of 964 cleanup milestones for the INL site have been met on time. Thousands of shipments of nuclear wastes buried at the site have been sent to New Mexico's Waste Isolation Pilot Plant (WIPP) facility for disposal, and spent fuel on site has been transferred from wet to safer and more robust dry storage. The environmental risks at the INL site have been dramatically reduced, and much of the waste that remains on site is now in forms and storage configurations that provide more secure isolation from the environment. Yucca Mountain in Nevada was selected by Congress in 1987 to host a permanent repository.

For decades, the nation's environmental standards for disposing of radioactive materials and chemical wastes were based on principles of isolation, dilution and minimizing exposure. In short, it was viewed as acceptable to dispose of certain nuclear waste in drums and boxes, buried in the ground in remote areas in pits and trenches, then covered with dirt. Later, an asphalt pad was constructed and barrels and boxes of waste were stacked in anticipation of being moved at some point in the future in a permanent disposal facility outside of Idaho. Protecting Idaho's environment and the Snake River Plain Aquifer has been and must remain the highest priority for the state.

The LINE Commission believes it is important to note that not all sources of nuclear waste pose a similar threat to the environment. The immediate situation illustrates the significance of this point: both buried transuranic waste and liquid tank wastes are receiving the highest priority for federal funding because they pose significantly more risk to the environment. Transuranic (TRU) wastes are trash, tools, clothes and related materials contaminated by man-made elements that are heavier than uranium generated by the U.S. nuclear weapons complex during the Cold War. Large quantities were shipped from the Rocky Flats Plant in Colorado and buried or stored at the INL site until the 1980s. This is what is in the ground in Idaho that is being exhumed now.

Mr. Sayer said that the Settlement Agreement requires DOE to have all the remaining liquid waste in underground tanks treated by the end of 2012. A facility was constructed - the Integrated Waste Treatment Unit (IWTU) - to treat the liquid waste. During the startup testing phases, critical IWTU equipment experienced technical difficulties and has delayed the scheduled processing. As a result, DOE has notified the state of Idaho that it will miss a Settlement Agreement milestone. The liquid waste sits in a safe form in a storage vessel, but it needs to be processed and turned into a dry granular form. This is the one deadline that was missed.

Mr. Sayer stated that disposal is permanent disposition of the waste. Fuel storage is significantly different. That is what today's topic centers around. The industry has figured out how to dispose of waste, but the big part of the national discussion right now is how to take care of the spent fuel rods as they have more life left in them. Spent fuel is stored in water for cooling and shielding purposes for a period of time, then put into dry storage containers. They are then enclosed in a stainless steel assembly and put in a concrete sleeve. There are both horizontal and vertical storage facilities.

It is important for INL to stay competitive in order to continue to receive research dollars. Yucca Mountain is going to be the permanent repository for the fuel canisters, and in the Settlement Agreement, it has Idaho's waste scheduled to leave our state in 2035. The Administration just announced that their new target for a permanent repository is 2048. The reality is with Yucca Mountain being shut down, Idaho doesn't have a place for the waste to go.

Mr. Sayer said that Idaho is not recommending interim storage, but it is acknowledging that it is an option in front of us as a state. There are four distinct categories of nuclear-related industrial opportunities that exist in Idaho. They are 1) Existing Idaho companies with nuclear specialties; 2) Out-of-state companies interested in Idaho; 3) Nuclear related industries; and 4) Consent-based interim storage. Should Congress act on this recommendation and provide access to the \$28 billion balance in the Nuclear Waste Fund, this could be a "gigantic industrial opportunity" for interested states. Dr. Peter B. Lyons, DOE Assistant Secretary for Nuclear Energy, offered that description of what awaits states that embrace broader engagement in the nuclear energy sector. The amount that goes into the fund every year is \$750 million.

Mr. Sayer said there are six recommendations, and they are: 1) To work cooperatively to make sure the cleanup is finished; 2) Idaho needs to be at the table and exercise leadership; 3) Need to focus on attracting nuclear businesses; 4) Incredible opportunities to support Idaho's universities and INL in their research capabilities; 5) Advocate for CAES to be a regional facility; and 6) Fill the need for a workforce.

Mr. Sayer said that in the Settlement Agreement, there are three things that cannot be changed and they have to be maintained going forward. 1) It has to protect the cleanup; 2) It has to protect and maintain the environment as the top priority; and 3) There are provisions in the Agreement that holds the government accountable. There is a fine of \$60,000 a day written in the Agreement, but it is subject to caveats, such as appropriation by the federal government. The fine is not adjusted for inflation, so it may not be a lot of money. **Mr. Sayer** stated that the only reason to change the Settlement Agreement would be to improve it.

SPEAKER:

Senator Larry Craig said it was good to be back and to comment on this important subject. Some would suggest that the lab (INL) has no purpose and others want it to go away because they are opposed to nuclear energy. The lab that Idaho has today is operating in the context of today's knowledge and today's science, not in the past. It is there because of the Agreement that has been talked about. It is unique and has directed the DOE to proceed in a manner that is responsible.

Senator Craig said there may be a need for change in the future, depending on mission, dynamics and understanding. He likened it to the Constitution which has been changed 27 times in 200 years, but it is still the same basic document.

The **Senator** stated that there are those who are opposed to nuclear facilities, those who oppose coal, and others who say gas is as dirty and dangerous to the American people as coal. He said there is one clean source of energy in the world and that is a nuclear reactor fueling a generating facility to produce electrical power. Due to cost and the economy, probably not many will be built in the U.S., but there are hundreds being built across the world today and many planned for future construction.

So the need for expertise and what we can offer here in Idaho, both to our nation and to the world, is dynamic in every sense, and there is nothing else like it in the world and that sets Idaho apart.

SPEAKER: **Mr. John Kotek**, Staff Director, Blue Ribbon Commission on America's Nuclear Future, was the next featured speaker. He stated that Idaho's role in this is one of leadership. There are billions of people on this planet who don't have electricity, and the only way of cooking their food is to burn biomass. Meeting the demands of a hungry world demands all the resources that we have, and nuclear energy is a long-term energy source. Idaho is the place where nuclear energy for electricity generation was born and demonstrated. He said the second point he wanted to make was the difference between storage and disposal. The lab is a capability machine and our job is to develop the capabilities that the country needs to solve really hard problems. The reason the lab exists is nuclear energy.

Mr. Kotek said that dealing with the high priority risks to the environment and the aquifer are the injection wells, buried waste, and improper and inappropriate practices. Those activities have been stopped and are coming close to being remediated. He feels the Settlement Agreement has been very effective. He said the state needs to remain vigilant and use the best science and technology we know of. **Mr. Kotek** said that he appreciated the contribution of Commission members, Governor Otter and leadership.

SPEAKER: **Dr. Mark Rudin**, Vice President of Research and Economic Development, BSU, was the next speaker. He indicated that he would speak about the report and the role that the universities play in INL. There are a number of initiatives that are outlined in the report.

The Idaho universities all support the INL objective of becoming the premier U.S. national laboratory in nuclear science and engineering research and have active programs focused on nuclear energy. In recent years the universities have invigorated their nuclear programs, and it is clear to the faculties and the administrations that the future of these programs is tied directly to INL success. In nuclear science and engineering, the three Idaho research universities have nearly 15 faculty and 400 students in degree programs ranging from the Associate in Science (A.S.) to Doctor of Philosophy (Ph.D.) degree. Research areas include health physics, fuel cycle applications, nuclear physics, reactor physics, material science, nuclear forensics, and safety, security and safeguards. The universities have a range of experience and capabilities in education, research and service in these areas.

Dr. Rudin stressed the importance of the Center for Advanced Energy Studies (CAES). It is a research and education partnership formed in 2005 between the three universities and INL and is becoming a leading national resource for the development of innovative energy technology. Idaho universities have become very successful in the competition for federal nuclear energy research funding. These research funds are awarded through DOE's Nuclear Energy University Program; of the state awarded NEUP funding since 2009, Idaho received the third highest amount, \$13.8 million.

Dr. Rudin said that on behalf of the universities, he would like to thank the governor, his office and the legislature for the investment that has been made in IGEM. That money has directly impacted CAES and the universities as a whole, and is providing resources so that students can progress and go through graduate studies.

Time was allowed for some questions from the Joint Committees

ADJOURNED: **Chairman Pearce** thanked the presenters for their information and also for the report of the LINE Commission. He then adjourned the meeting at 3:05 p.m.

Senator Pearce
Chairman

Juanita Budell
Secretary