The Tipping Point

This is a moment when people feel outraged, helpless, frustrated and discouraged.

We are outraged because Entergy continues to operate illegally. When Entergy bought Vermont Yankee in 2002, it signed a contract committing to certain conditions required by VT. Entergy is in violation of that contract and reneging on those commitments. When it signed the contract, Entergy committed to shutting VY if it did not have a Certificate of Public Good (CPG) in hand by March 2012; the only activity it would engage in would be commencement of decommissioning activities! Instead Entergy

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Entergy Requests a new Certificate of Public Good

During February of 2013, the Vermont PSB (Public Service Board) held lengthy technical hearings on Entergy Vermont Yankee’s request for a new CPG (Certificate of Public Good), Case No. 7862. Intervening parties included VPIRG, Conservation Law Foundation, New England Coalition, Vermont Natural Resources Council, and the Windham Regional Commission. All Vermont ratepayers were represented by the Department of Public Service. Entergy was represented by a score of lawyers who played tag team, switching their questioners for each witness who was cross-examined. The hearings began at The Aud civic auditorium in Barre, VT and were moved to the PSB hearing room in Montpelier after three days.

A wide range of witnesses, who had submitted written testimony, was tendered for cross-examination. The issues of aesthetics, economics, reliability, power supply, and environment were examined in great depth. The PSB must consider all of the testimony and evidence in determining whether the facts warrant the granting of a new CPG, thus allowing Entergy to continue operating for the next nineteen years. The entire proceeding was punctuated by numerous objections from Entergy lawyers. The

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This year in the Vermont legislature we have seen some interesting activity. Representative Tim Jerman, D-Winooski, has introduced a bill dealing with the “greenfielding” of the VY site in Vernon.

You may recall that previous legislatures have supported a variation of the legislation only to have it vetoed by then Gov. Jim Douglas. Unfortunately, the bill did not meet the crossover deadline in March, but that’s OK. The Chair of the Natural Resources Committee, Tony Klein, has agreed to hold a hearing on the bill within the next couple of weeks. This will work to tee the bill up for early action next year.

In the Senate we have a great champion: Senator Jeanette White, D-Windham. Senator White has introduced bills dealing with assessing a fee on the storage of spent fuel and stopping the plant from heating up the Connecticut River even by one degree. She is working each and every non-safety angle possible. Her motivation is to ensure that the State of Vermont is protected in the event that the plant closes much sooner than its current license issued by the NRC allows.

You may have heard about recent reports that have come from the international financial institution, UBS, in which they have sounded the alarm of Entergy’s financial status. They have expressed concerns generically about the financial viability of nuclear plants around the country to compete with natural gas. Natural gas is in such abundance that it has depressed the energy markets nationwide. This has served to bring to a halt any new nuclear power plant construction (which was already looking like it was going to be too expensive to build) and to undermine rates even for plants like VY, which should be able to sell power at a very low cost. According to UBS, even VY cannot compete in today’s energy markets.

Couple this financial news with the fact that Entergy will need to replace the oldest, continuously operating condenser by no later than 2016 (at an estimated cost of plus or minus $100 million), and it’s not entirely improbable to think that Entergy will shut the plant on its own for economic reasons. In addition to this unfortunate news for Entergy, the NRC appears poised to offer additional safety measures as a result of Fukushima (finally). The costs for these measures are unknown at this time, but expected to soar into the 10’s of millions.

Last year the legislature was successful in imposing an electrical generation tax identical to the tax Vermont’s neighboring states impose. Of course, Entergy immediately sued Vermont, but the consensus seems to be that Vermont will win this suit. If it does, it will result in approximately $8 to $12 million dollars annually that the plant will have to pay as long as it continues to operate. It is the opinion of UBS that should this tax be allowed to stand it may very well be the financial tipping point for this marginal plant.

This news has created a real stir inside the Capital building in Vermont. Many legislators are beginning to ask the question, “Is Vermont well protected in the event that this plant were to close down this week?” The answer is “no.” One important issue that has arisen is the prospect of not having nearly enough shelters for evacuees in the event of a catastrophe at the plant.

The Vermont Red Cross has come forward declaring that there are not nearly enough shelters to house the people who would be displaced. Hearing this news, the Shumlin administration stepped up and has offered to impose a $750,000 surcharge on the VY plant to cover the costs of constructing the much-needed shelters, payable over two years.

There was great push back from Entergy who said that this request came as a surprise to them. It didn’t. We discovered that the issue of more shelters was first presented back in August of 2012. They said that the State should stay with the proposed $53,000 and not increase it at all. Entergy’s lobbyist repeated over and over what wasn’t true. He was able to convince two Senators who changed the payments to $750,000 over four years.

I testified before the Senate Appropriations Committee suggesting that there was a strong likelihood that the company would close before they would make the final payments, and once again the State would be on the wrong end of another broken promise from Entergy.

Working with the Administration we were able to get language in the Appropriations Bill declaring that $250,000 must be paid now. Then Entergy must negotiate with Emergency Management on the balance of $750,000 by September of this year. If they can’t agree, then Emergency Management gets to decide, and they will presumably ask for the balance in the second year as they proposed.

As you can see, the pressure is still being applied and for all the right reasons. Nothing that is being advocated has anything to do with safety. It has everything to with positioning Vermont for the future…. a future without a nuclear power plant.

As always, many thanks for your support of my efforts in the Vermont State House.

Respectfully submitted,
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arrogantly refueled Vermont Yankee in October of 2012 and again in April.

We are discouraged by the endless lawsuits Entergy initiates every time it doesn’t get its way. It’s just gone to court again over the PSB “moving too slowly” on its request to add an additional backup generator onsite while it continues to operate illegally. People can lose faith in this long drawn out process. All are a delay of the inevitable.

We must remember that we are here because of our hard work and commitment to VY’s closure.

We are in a unique situation. It is hard for us to remember how we got here. When Act 160 passed both Houses of the Vermont legislature, Governor Douglas signed it into law; Entergy supported it. Why? Because it thought it would win - that a few dozen protesters would complain and it would easily prevail. It took 4 years of organizing! Four years going town-by-town, door-by-door, person-by-person to make Vermonters understand what a pivotal time this was and what power we had to change the course of history for Vermont and the tri-state community.

Then there was the 2010 Senate vote rejecting Entergy’s continued operation on grounds that had nothing to do with safety or safe operation. We held Entergy back in 2011 from getting a re-vote. And now there are what seems like endless court battles and obstructions. You must understand…we will prevail! With the PSB! With the Courts!

The state remains committed to Vermont Yankee’s closure! We must remain committed. It is essential to understand why this is so important now. We must not withdraw from the process. Victory will go to those who persevere—to the last one standing. We are at a tipping point; our actions from this point forward will determine Entergy’s future as well as our own.

The Bigger Picture

It is important to see the bigger picture. Two months ago UBS, a financial institution, issued a report that found Vermont Yankee, Fitzpatrick and Pilgrim are expected to operate with substantial losses. All three are recently purchased worn-out nukes in the Northeast bringing down Entergy’s financial security. All are losing money or barely breaking even. Wayne Leonard, Entergy’s former CEO, said that VY was “barely breaking even” just two years ago.

CAN, with AGREE, VCAN and Pilgrim Watch submitted a 2.206 petition to the NRC to shutter these nukes because of Entergy’s financial instability. This instability jeopardizes Vermont Yankee’s safe operation. How? Entergy needs to cut as many corners as it can to limit its losses and remain open. Cutting corners jeopardize our safety! It leads to delayed maintenance and delay in the replacement of its condenser. It leads to taking risks by not following procedure. It leads to systemic mismanagement! One day after we submitted our petition, NRC asked Entergy to explain its financial situation for Vermont Yankee. Vermont Yankee (according to UBS) is estimated to lose on average $27 million a year- growing to $40 million in 2016. When the state wins its tax case against Entergy, that figure will rise by $4 - $8 million a year. That’s potentially $125 million in losses not including the replacement of the condenser!

The Even Bigger Picture

There is an even larger landscape in terms of natural gas and fracking. The nuclear industry is in trouble. Big trouble! While we do not support fracking, it has had severe consequences for energy production. It is destroying the bottom line for nuke and coal plants. Neither can compete. Neither nukes nor coal plants can obtain long-term power contracts because gas can undercut them with substantially lower prices. Without these contracts, reactors are closing. Add increased repair and maintenance costs for an aging fleet of nukes and reactors are closing.

It happened with the Kewaunee reactor in Illinois. Duke upgraded Kewaunee and obtained a relicense from the NRC in an attempt to sell it. There were no takers because it was unable to obtain any long-term power contracts. It happened with the Crystal River reactor in Florida. It did a botched repair to its reactor vessel to save money, and the re-repair was too costly. It too is closing. Nuclear corporations formerly committed to new nukes are now reneging on commitments to build them.

It will also happen to Vermont Yankee. We must keep up the financial pressure! We call it the “Lilliputian” project. We must hold Entergy to its 2002 contract. We must stop thermal pollution of the CT River, and support the state in its efforts to hold Entergy accountable! We must support “greenfielding” and spent-fuel legislation to hold Entergy accountable for its wastes.

We must let the legislature and Governor Shumlin know we are still here and we support their efforts.

We must be fearless and we must make them fearless! We must remain undaunted! We must remain committed! Committed to a clean energy future for our children and theirs!

- Deb Katz, CAN

Fukushima Vigil. Photo by Cate Woolner
CAN’S Solar Panel Raffle and the winner is….

On Saturday night, March 23rd, with a full house and Damon Reeves’ sweet music in the air, The Blue Rock Bar and Restaurant buzzed with excitement as the moment approached to pick the winner. All 350 tickets stood an equal chance as Damon extended his hand, closed his eyes, Harvey shook up the stubs one last time, and the winning ticket was drawn.

Neal Murray, standing within 5 feet of the stage, shouted out: “Yes!” as his winning ticket was announced. In the same spirit of support and generosity which we have seen throughout this fundraiser, Neal let it be known that since he doesn’t have a roof to call his own (he rents an apartment in Shelburne Falls) he is going to donate the four solar PV panels to a friend in town! (see photo)

Thanks to the Solar Store of Greenfield for donating the panels, the Blue Rock, Damon Reeves, and all the folks who helped to make this a great success. In fact, it was so good that we might just do it again!

- Harvey Schaktman, MA CAN

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volume of objections for the board members to consider was extraordinary. Many observers believe that Entergy’s strategy is to muddy the case record and build a basis for an appeal of the PSB’s order, should they be denied a new CPG.

Perhaps the witnesses called by the PSB itself were the most significant testifiers. Three company executives were summoned to explain Entergy’s decision to disregard many of the contractual obligations that it had made with the State of Vermont when they bought the plant and the disturbing behavior of the senior Entergy staff that lied to the PSB while under oath during 2009 -2010 hearings.

The three executives who took the stand to explain Entergy’s disregard for agreements with the State of Vermont were Michael Twomey, Vice President for External Affairs – Wholesale, John Herron, President Entergy Nuclear, and a retired executive who was the regulatory compliance officer at the time of the sale of Vermont Yankee.

Each of the three witnesses was evasive and had poor recollections of events they were questioned about. The responses from the executives appeared to frustrate the PSB members. At one point board member Burke explained that he had taught contract law for twenty-five years and was clearly annoyed that the company higher-ups could not explain why the company had systematically violated the terms of the sale contract and MOU’s they had executed with the State of Vermont.

In the end, Entergy did not make a lot of progress toward convincing the Public Service Board that they are a reliable and trustworthy partner for the State of Vermont. Entergy was asked many questions and very few of their answers were reassuring for the citizens of the tri-state region.

The PSB will hold additional rebuttal technical hearings in June of 2013. A final order is expected in September 2013. Many knowledgeable observers believe that it is unlikely Entergy will be granted a new Certificate of Public Good. Leaks, lies, and lawyers do not a good case make!
Cate Woolner is a landscape and social commentary photographer with some images having elements of both simultaneously. Her landscape images draw on texture, geometry, light and majesty of the natural world from Antarctica to her backyard in rural Western Massachusetts. She also makes photographs to document or comment on contemporary issues of social, economic and environmental justice/injustice and the power of community created by people uniting around a common social/political cause.

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