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NRC Accepts Petition Challenging Entegy's Northeast Nuclear Operations Nuclear Watchdogs Call for Swift Enforcement

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The Nuclear Regulatory Commission (NRC) has officially ruled that a petition filed against Entergy by concerned citizens in three states will move forward. The petition challenges Entergy's ability to operate the FitzPatrick, Vermont Yankee and Pilgrim nuclear power plants safely. Watchdog groups argue that Entergy no longer meets NRC's minimum financial standards for operating reactors.

The NRC Petition Review Board assigned to the case declined the petitioners' request for an immediate shutdown of the reactors, but accepted the petition for the next step in the review process. The decision by the NRC is an initial victory for residents seeking to shut down the reactors out of concern over a rising number of age-related equipment failures. They say Entergy's economic strain compromises safe operation of its reactors, forcing the company to delay maintaining and replacing equipment and putting pressure on plant staff to avoid shutting down the plants for repairs. In a sign of its financial distress, Entergy has announced layoffs throughout its nuclear fleet in recent days, another symptom of economic trouble that could harm reactor safety.

The petitioners are calling on the NRC to move quickly on their petition to prevent the plants from continuing to operate under financial strain in violation of NRC regulations.

"Entergy is no longer qualified to operate these nuclear plants, and now is the time for NRC to step in and take away the keys," said Tim Judson, President of Citizens Awareness Network and co-founder of Alliance for a Green Economy. "The pressure on Entergy to cut costs, delay maintenance, and drive these plants to the edge is just too great," continued Judson. "NRC has 'financial qualifications' requirements for exactly this reason, and the agency must act so the smoking gun is not an evacuation siren."

NRC regulations require nuclear corporations to be "financially qualified" to operate and maintain nuclear reactors safely. The NRC will now investigate whether Entergy is in violation of these regulations and will decide whether to grant the petitioners' request to shut down the reactors to prevent economic strain from compromising nuclear safety.

The petition was filed on March 18, 2013 by Citizens Awareness Network (Massachusetts, Vermont, and New York), Alliance for a Green Economy (New York), Pilgrim Watch (Massachusetts), and Vermont Citizens Action Network (Vermont).

"In recent months, an escalating number of equipment failures, especially related to FitzPatrick's

condenser have made the plant unreliable, and have unduly put the public at risk," said Jessica Azulay, organizer for the New York-based Alliance for a Green. "We believe the dire financial situation at FitzPatrick is an underlying cause. We are pleased the NRC will now investigate this issue, and we hope the agency will act with haste to prevent Entergy's financial problems from harming the public."

Earlier in 2013, consecutive analyses by the financial services company UBS predicted Entergy will sustain substantial losses operating FitzPatrick and Vermont Yankee over the next several years. These losses would occur even with Entergy running these aging reactors at full capacity with no down time for repairs. UBS further predicts that Entergy's precarious financial position could lead to the closure of one or both of the reactors to improve its financial stability. UBS additionally reported that Pilgrim may also be unable to compete in the market and may close.

"At a recent Public Service Board hearing in Vermont concerning Vermont Yankee's continued operation, Entergy stated that it was back peddling on the replacement of its aging condenser in 2016; it is now investigating "repairing" condenser tubing, saving the corporation as much as \$100 million. Was this a decision based on Entergy's sinking bottom line?" said Deb Katz, executive director of CAN. "Vermont Yankee is operating with the oldest condenser in the nuclear fleet. It is hard to believe that Entergy's reevaluation of its commitment to replace the condenser is not based on the significant financial losses-over \$125 million- it is expected to incur operating Vermont Yankee over the next three years."

The petition will now move to the Director of the Office of Reactor Regulation, Eric Leeds. The petitioners are calling on Mr. Leeds to strictly enforce the NRC's financial qualifications.

Resources

Full text of the 2.206 Petition and supplements:

http://allianceforagreeneconomy.org/content/entergy-not-qualified-operate-northeast-reactors

NRC Petition Review Board Decision:

http://allianceforagreeneconomy.org/sites/default/files/ML13154A313-PRB-decision.pdf

UBS reports:

http://allianceforagreeneconomy.org/sites/default/files/UBS_20130102_MerchantNuclear.pdf http://vtdigger.org/2013/02/20/ubs-downgrades-entergy-corporation-stock-urges-investors-to-sell/ http://www.clf.org/wp-content/uploads/2013/01/ETR_010213-Nuke.pdf http://www.clf.org/wp-content/uploads/2013/02/ETR_020313-MgmtMeet.pdf

Petitioner Websites:

Citizens Awareness Network – <u>www.nukebusters.org</u>
Alliance for a Green Economy – <u>www.agreenewyork.org</u>
Vermont Citizens Awareness Network – <u>www.vcitizen.org</u>
Pilgrim Watch – <u>www.pilgrimwatch.org</u>