

Nuclear project foes turn out for hearing

Lara Gale Moab Sun News | Posted: Thursday, December 22, 2016 5:00 am

With its water rights upheld by the Utah court system, the developer of a proposed nuclear power plant in Emery County is moving forward to capitalize on its assets, but critics of the project are questioning why it isn't paying for them first.

Representatives of HEAL Utah, Living Rivers and Uranium Watch spoke before Utah Division of Water Rights officials at a public hearing in the Green River City Council chambers on Tuesday, Dec. 20, to protest the extension of the Blue Castle Project's water rights.

The Kane County Water Conservancy District's (KCWCD's) request for an extension to use a combined 29,600-acre-feet of water at the proposed nuclear power facility is routine, meets the statutory requirements for approval and will most likely be granted, Utah Assistant State Engineer John Mann said.

In 2012, Utah State Engineer Kent Jones approved Orem company Blue Castle Holdings' applications to change the points of water diversion upstream, from locations in San Juan and Kane counties to the Green River in Emery County. If Blue Castle ultimately moves forward with the project, the 2,200-megawatt plant would use nearly all of that apportioned water – more than 17.46 billion gallons, altogether.

In July, the Utah Court of Appeals upheld 7th District Judge George Hammond's ruling in favor of granting water rights for the project, concluding a seven-year court battle in which HEAL Utah was the lead appellant. A lease payment for the secured water rights has been due since HEAL Utah and its co-appellants chose to let an August appeals deadline pass without contesting the decision.

Blue Castle Holdings owes \$100,000 to the KCWCD and \$80,000 to the San Juan County Water Conservancy District (SJCWCD) for the first year of its lease. Uranium Watch Program Director Sarah Fields and HEAL Utah Executive Director Matt Pacenza say the missed payments are part of a mounting body of evidence indicating that the company is not now and will never be financially viable.

“(HEAL Utah) almost never works on this anymore, because it isn't going to happen,” Pacenza told the Moab Sun News. “If (Blue Castle Holdings) wants to be taken seriously, they need to show some actual progress.”

The financial standing of the project is irrelevant to the decision-making process of the state engineer, Mann said.

“The decision of the state engineer that the water can be used for a nuclear power facility is affirmed by the courts,” Mann said. “This is Kane County Water Conservation District's water right. If they come to

us and say they're happy with their agreement (with Blue Castle Holdings), it's not for the state engineer to go through and determine whether the conditions of the agreement have been met."

Blue Castle Holdings has not made any payments for its water rights leases because the company is renegotiating the terms of its water contract with the KCWCD, company CEO Aaron Tilton told the Moab Sun News. The company now intends to purchase rather than lease much of the water it requires.

"We just won a seven-year battle for water rights. The thing these groups don't realize is that the day the court case was found unviable, it added nine figures to our balance sheet," Tilton said. "That's what it's worth to have those water rights."

Fields told Utah Division of Water Rights officials that as stewards of public water rights, the KCWCD has not adequately evaluated the proposed nuclear power facility's potential benefit to the community.

Even if the developer is able to raise the millions required to complete the U.S. Nuclear Regulatory Commission's arduous licensing process and construction of the facility, she said there is no guarantee the energy generated by the plant will be used by residents within the KCWCD or the SJCWCD.

"There's just no evidence whatsoever of any kind of need for this purpose of use within Utah or the Kane County service area," Fields said.

There is also no indication that any major utility within a reasonable distance of the proposed facility has any interest in nuclear power at all, Pacenza told the officials at the hearing.

Utilities are required by law to present resource plans for public review and approval by state regulatory bodies, and according to his research, Pacenza said none of the resource plans of any of the utilities in Utah or surrounding states includes nuclear power.

Tilton said that utilities from states within a 350-mile radius of the proposed site near Green River did show interest by attending a webinar that Blue Castle Holdings hosted on Dec. 8.

As coal-fired plants are retired over the next 20 years, more than 13,000 megawatts of power production within the proposed plant's potential service area will have to be replaced by other sources, he said. While natural gas and renewables will be part of that solution, he said, no source but nuclear power can match the reliability and low cost of coal.

The company has invested millions of dollars in due diligence to produce the data required to show that the site is viable, Tilton said. Geological surveys, environmental assessments and wind speed measurements – as well as progress monitoring of other similar nuclear power facilities in development around the country – have all been factored into the feasibility studies now being presented to utilities and other potential investors.

“All of these things take months,” he said. “That is what’s going on.”

He said the plant could be licensed by 2022, and the first of the two 1,100-megawatt reactors brought online in 2028, followed by the second in 2030.

Pacenza said he has heard such projections from Tilton before, and every time the date moves out another four or five years. While Pacenza acknowledges that nobody knows exactly what Utah’s energy portfolio will look like in 2028, he said HEAL Utah expects to see natural gas make up a larger percentage of production as coal is phased out and technological innovations continue to improve the viability of renewable resources.