

SENATE BILL REPORT

SB 5445

AS REPORTED BY COMMITTEE ON ENERGY & UTILITIES, MARCH 3, 1993

Brief Description: Removing nuclear construction authority from joint operating agencies created under RCW 43.52.360.

SPONSORS: Senators Williams, McCaslin and Pelz

SENATE COMMITTEE ON ENERGY & UTILITIES

Majority Report: That Substitute Senate Bill No. 5445 be substituted therefor, and the substitute bill do pass.

Signed by Senators Sutherland, Chairman; Amondson, Hochstatter, McCaslin, Owen, Vognild, and Williams.

Staff: Phil Moeller (786-7445)

Hearing Dates: March 1, 1993; March 3, 1993

BACKGROUND:

The Washington Public Power Supply System (WPPSS) is a Joint Operating Agency formed under the laws of the State of Washington. A Joint Operating Agency (JOA) is a municipal corporation and may be formed by two or more cities or public utility districts. A JOA may be formed for the purpose of acquiring, constructing, operating and owning plants and facilities for the generation and/or transmission of electric energy.

In addition to owning and operating Packwood Dam, in the 1970s WPPSS began the planning and construction of five nuclear reactors. Three of these reactor projects are located at Hanford: WNP-1; WNP-2; and WNP-4. The other two projects are located at Satsop: WNP-3 and WNP-5.

Of these projects, only WNP-2 is operational, having been on-line since 1984. WNP-4 and WNP-5 were terminated, triggering a municipal bond default. Construction on WNP-1 was suspended in May, 1982. It stands approximately 65 percent complete, based on labor hours required for completion. Construction on WNP-3 was suspended in July, 1983. It stands approximately 75 percent complete, based on labor hours required for completion.

WNP-1 and WNP-3 have been maintained in the event construction resumes on either or both plants. The Northwest Power Planning Council has recommended maintaining the plants as a potential regional resource pending a legal analysis of the barriers to completion of the plants. Some entities contend the plants will never be completed and therefore should be terminated immediately.

SUMMARY:

Statutory references granting authorities to a Joint Operating Agency are amended to preclude the authority to construct projects for the generation of electricity by nuclear power.

A Joint Operating Agency is specifically prohibited from commencing or restarting construction or entering into contracts with the purpose of commencing or restarting construction on a facility designed to produce electric energy by means of nuclear power.

EFFECT OF PROPOSED SUBSTITUTE:

The original bill was stricken.

A joint select committee is created on nuclear project termination review consisting of two members from each of the four major political caucuses in the Legislature. The joint select committee is directed to review the policy mechanisms, legal procedures and impacts relating to termination, continued preservation or alternate uses of the sites for WNP-1 and WNP-3.

When conducting the review, the joint select committee shall consult with relevant and affected utilities, governmental agencies and interested organizations.

The joint select committee shall report its findings and recommendations to the Governor and appropriate standing committees of the Legislature no later than December 1, 1993.

Appropriation: none

Revenue: none

Fiscal Note: none requested

TESTIMONY FOR:

These plants will never be finished. There is no point wasting the money spent each year on preservation. The state would not incur any liability by the enactment of this bill.

TESTIMONY AGAINST:

This bill is not necessary because, in reality, other legislation would be needed before construction on these plants could resume. Although the chances are slim regarding the need for the plants, maintaining them is a prudent policy. The state could potentially be liable if it affects any existing contracts.

TESTIFIED: Senator Williams, prime sponsor (pro); Bob Olsen, John Whalen, Mason County PUD #3 (pro); Joe Keating, United Community Action Network (pro); Nancy Newell, Northwest Environmental Advocates (pro); T.J. Johnson (pro); Lisa E. Riener (pro); Jane Van Dyke (pro); Ed Schumacher, Grays Harbor

PUD #1 (pro); Craig Doupe, Washington Public Power Supply
System (con)