

COST OF YUCCA MOUNTAIN VASTLY EXCEEDS THAT OF CONTINUED INTERIM AT-REACTOR STORAGE

Analysis of the Department of Energy's own cost data confirms that DOE's Yucca Mountain nuclear waste repository is a vastly more expensive solution to the nuclear waste problem than temporary dry-cask storage of spent nuclear fuel at the nation's existing commercial reactor sites during the next 100 to 200 years.

Previous conclusions by DOE to the contrary are based on economic analyses in DOE's 2002 Final Environmental Impact Statement ("FEIS") for Yucca that totally ignored the time value of money – the simple principle that a dollar today is worth more than a dollar tomorrow. DOE's failure to evaluate Yucca using appropriate discount rates to reflect this accounting principle violated well-known guidelines and requirements of the Office of Management and Budget ("OMB").

Correct Analysis of Spent Fuel Options Using OMB Discount Rates

Nevada commissioned Dr. Michael C. Thorne to evaluate, using DOE's own cost figures, the cost of delaying the Yucca project by 100 to 200 years versus the cost of continuing to store spent fuel in dry casks at reactor sites during that period. Dr. Thorne based his analysis on DOE's conservative \$58 billion repository cost estimate, a conservative dry-cask storage cost of \$4 million per reactor per year, and he performed his study using the range of discount rates that OMB has prescribed over the past quarter century – between 3 and 7 percent. (The real discount rate for the 2007 Federal Budget is 3 percent.) The result? The cost savings of storage relative to constructing Yucca increase the longer the repository is delayed.

Dr. Thorne's analysis shows that if the repository is postponed by 100 years, the actual cost savings associated with continued at-reactor storage during that period are *\$23.0 billion* using today's OMB discount rate of 3%. The corresponding cost savings from postponing construction for 200 years are *\$24.1 billion* at today's discount rate of 3%.

In short, Dr. Thorne's analysis shows that, at today's 3% discount rate, deferring construction and operation of the repository by 100 to 200 years reduces the overall present-day cost of storage plus disposal to about one third of that associated with commencing disposal operations according to DOE's current Yucca schedule, now optimistically projected at 2025. One may conclude from this that a proper, OMB-prescribed analysis of Yucca costs would confirm that there is no financial liability, but only very substantial savings, associated with delaying construction of Yucca. And the longer Yucca is delayed, the greater these savings become.

A copy of Dr. Thorne's analysis is attached.