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For release Feb. 8, 2007

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Nevada study shows Yucca Mountain Project will cost much more than storing nuclear waste at existing reactor sites

CARSON CITY – A study released this week by the state of Nevada contradicts cost estimates from the U.S. Department of Energy and suggests the proposed Yucca Mountain nuclear waste repository would actually cost billions more than storing the waste at existing nuclear reactor sites.

Bob Loux, executive director of Nevada's Agency for Nuclear Projects, said the study debunks DOE's longstanding argument that it can somehow save taxpayers money by building a proposed high-level nuclear waste dump at Yucca Mountain, about 90 miles northwest of Las Vegas.

Loux said a detailed analysis of DOE's own cost data confirms that the proposed nuclear waste repository "is a vastly more expensive solution to the nuclear waste problem than indefinite dry-cask storage of spent nuclear fuel at the nation's existing commercial reactor sites."

Loux said previous DOE statements to the contrary are based on faulty economic analyses in DOE's 2002 Final Environmental Impact Statement (FEIS) for the Yucca Mountain Project. He said this FEIS document "totally ignored the simple principle that a dollar today is worth more than a dollar tomorrow."

By basing its cost estimates on today's dollar values and ignoring the declining buyer power of a dollar over many years, he said DOE failed to follow the normal accounting guidelines required by the federal Office of Management and Budget (OMB).

(more)

“When analyzed correctly using the reasonable discount rates required by OMB, DOE’s own numbers show that, over time, continued on-site dry storage will save billions of dollars relative to proceeding with the repository,” Loux said. “And the longer the repository is delayed, the greater these savings will be. In other words, contrary to DOE’s 2002 study, putting off Yucca *saves* money. Putting it off forever saves *a lot* of money.”

Nevada commissioned Dr. Michael C. Thorne, an internationally known expert on complex cost studies, to use DOE’s own figures to evaluate the cost of proceeding with the Yucca Mountain Project versus the cost of continuing to store spent fuel in dry casks at 100 U.S. reactor sites. Thorne based his analysis on DOE’s conservative \$58 billion repository cost estimate and a conservative dry-cask storage cost of \$4 million per reactor per year. He performed his study using the range of so-called discount rates that OMB has prescribed over the past 25 years – between 3 and 7 percent per year.

Thorne’s analysis shows that if the repository is delayed by only one year, the actual cost savings associated with at-reactor storage range from \$1 billion to \$1.4 billion, depending on how fast the buying power of a dollar declines during that year. If the repository is delayed for 10 years, cost savings range from \$8 billion (at a 3 percent annual discount rate) to \$10.4 billion (based on a 7 percent rate).

If the Yucca Mountain repository is never built, Thorne found U.S. taxpayers would save at least \$30.8 billion (based on the current OMB discount rate of 3 percent).

Thorne’s analysis shows that (using that same 3 percent discount rate) it would cost \$13.3 billion today to pay for the costs of dry storage at all 100 U.S. reactor sites – “for all perpetuity.” Conversely, based on the same conditions, he found that it would cost \$38.3 billion to build the Yucca repository by DOE’s target date of 2025. The additional cost to store spent fuel until the repository is completed in 2025 is estimated at \$5.8 billion.

As a result, Thorne determined the total cost savings of at-reactor dry storage over the Yucca repository, using DOE’s own conservative numbers, is at least \$30.8 billion. If the Yucca repository is delayed beyond 2025, if its construction costs increase, or if the discount rates mandated by the federal government rise even slightly, he found that the potential savings of dumping the Yucca Mountain Project increase dramatically.

For more information on the cost study and on Nevada’s opposition to the proposed nuclear waste dump, visit www.state.nv.us/nucwaste.

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