

Fiscal Estimate Narratives

PSC 10/14/2011

LRB Number	11-2941/2	Introduction Number	SB-216	Estimate Type	Original
Description Dry cask storage of spent fuel from nuclear power plants and granting rule-making authority					

Assumptions Used in Arriving at Fiscal Estimate

The proposed legislation requires a public utility that uses dry casks to store spent fuel from a nuclear power plant to annually pay fees to the municipality and county in which the plant has the dry cask storage. To be subject to the legislation, the nuclear power plant must have an operating capacity of at least 100 megawatts. Payment to the municipality is comprised of a flat amount of \$250,000 plus \$5,000 per dry cask. Payment to the county is a flat amount of \$150,000. These amounts may be adjusted every five years for inflation through rules promulgated by the Public Service Commission of Wisconsin.

There are three nuclear power plants in Wisconsin. Two are operating, Point Beach and Kewaunee. Both have operating capacity of at least 100 megawatts, and both use dry cask storage. These two plants would be subject to the proposed legislation. The third nuclear power plant, the La Crosse Boiling Water reactor, has been closed since 1987. Although the closed plant stores spent fuel on site, it had a capacity of less than 100 megawatts when operational, and therefore would not be subject to the proposed legislation.

The Commission estimates that the Point Beach power plant currently uses 30 dry casks to store spent fuel and the Kewaunee power plant currently uses six dry casks to store spent fuel. While this level of dry cask storage continues under the proposed legislation, local municipalities' annual revenues would increase by \$680,000 and counties' annual revenues would increase by \$300,000 for a total annual increase in local government revenues of \$980,000. Specifically, the Town of Two Creeks' annual revenue would increase by \$400,000, Manitowoc County's revenues would increase by \$150,000, the Town of Carlton's annual revenues would increase by \$280,000, and Kewaunee County's annual revenues would increase by \$150,000. The number of dry casks in use at Point Beach and Kewaunee is likely to increase over the operational life of the plants and also during decommissioning activities.

Long-Range Fiscal Implications

The proposed legislation requires the Public Service Commission to promulgate rules adjusting the fee amounts every five years to account for inflation. Revenues to municipalities and counties may increase in the future due to inflationary adjustments. Local government revenues could also increase in the future as the number of dry casks in use at Point Beach and Kewaunee increases over the operational life of the plants and during decommissioning activities.