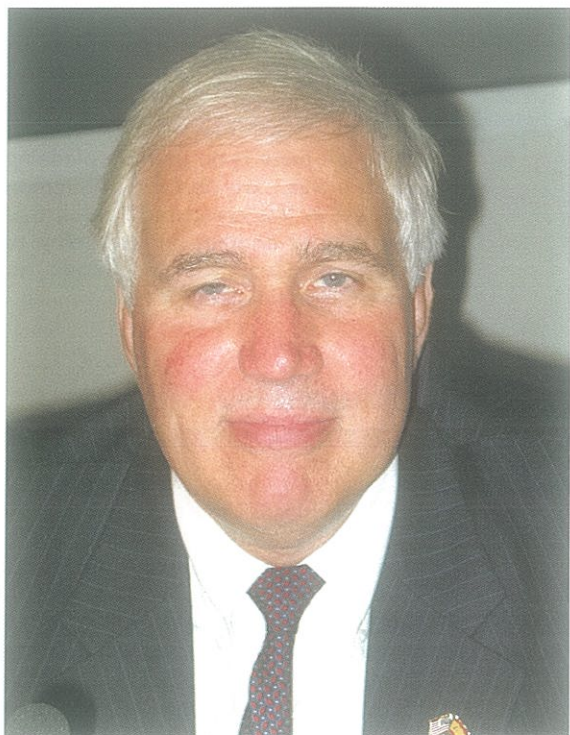
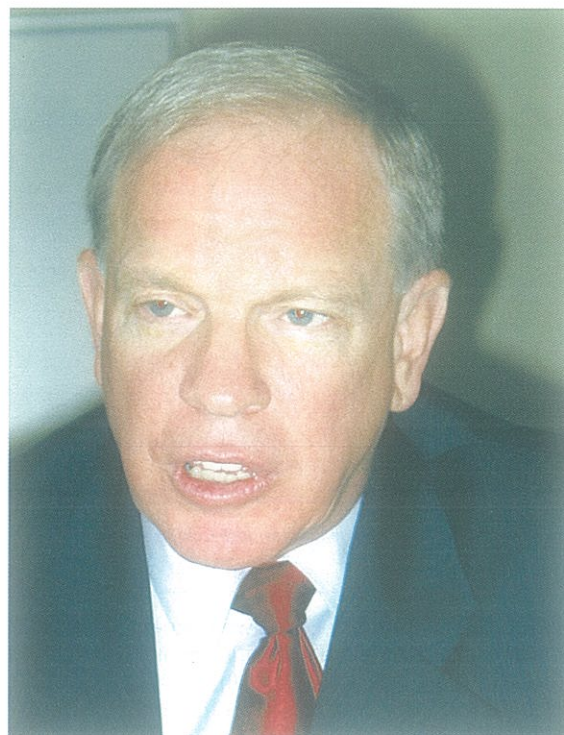




Richard Meserve
President of the NRC
(Nuclear Regulatory Commission)



Robert Laurie
Commissioner of the California
Energy Commission

Senior officials of regulatory bodies and the electric system were present in the Spanish Nuclear Society's 27th Annual Meeting to analyze the current state of affairs in the industry.

This international issue of *Nuclear España* reproduces the interviews held with Richard Meserve, President of the NRC (Nuclear Regulatory Commission), and Robert Laurie, Energy Commissioner from California.

Richard Meserve
President of the NRC

The senior official from the U.S. regulatory body responds to *Nuclear España's* questions about this country's regulations, future prospects for nuclear power, and the consequences of the September 11th terrorist attacks.

The debate on possible construction of nuclear power plants in the United States has picked up again in recent years, and the NRC anticipates there will be applications for new construction. In order to prepare for this, the NRC has made some organizational changes in the structure responsible for reactor regulation, and it has set up a

group that is focused on issues related to new reactors.

According to the president of the NRC, "we are basically trying to bring our regulatory system up to date so that we can handle the new applications. As you know – adds Richard Meserve – there is a possibility that we could get an application for a gas reactor, and that would present some technical challenges for the NRC, because our current set of regulations are tailored to dealing with light-water cooled reactors. We also have activities underway in our research group to examine technical issues associated in particular with gas reactors, because we will have to make modifications to our regula-

tory system to deal with the gas reactors if we were to get an application."

The president of the NRC confirms that Congress has increased the amount of money that the NRC is receiving to address this issue. As Mr. Meserve says: "the legislation that is currently before the Congress would give us 10 million dollars more than we had asked for to enable us to deal with the possibility of new construction."

Fuel Storage

Fuel management is a very important issue for assuring public confidence in nuclear power. As Richard Meserve



From left to right: Alfonso de la Torre, José Cobián, Matilde Pelegrí, Richard Meserve and Mireia Piera.

says: "The NRC's view is that we believe we can store the fuel safely in spent fuel pools or in dry casks, and that is a satisfactory way to be able to hold the material safely for a period of decades. Obviously it is not the long-term solution."

According to the president of the NRC, "from the technical point of view, there is not a crisis because Yucca Mountain is not available as we can safely hold the material on a temporary basis. It certainly is a technically solvable problem – deep geological repositories." This is because this type of storage is capable of isolating the material from the environment. According to Richard Meserve, "deep geological disposal is probably the option that is most widely accepted in the scientific community."

Consequences of the September 11th Events

For the president of the NRC, it is still too early to say what the consequences might be of the terrible attacks of September 11th on the city of New York. "We are obviously going to have to strengthen our capacity to deal with terrorist threats", says Richard Meserve, but "exactly what the details of that response are going to be, I think that is something the future will hold. It's impossible to say right now." The president of the NCR believes that "we all have a common interest in making sure that nuclear activities are ones that are secure and safe. We do have, and have had for many years, effective collaborations with many other countries, including Spain."

International Collaboration

According to the president of the NRC, "collaboration in some ways is complicated in this area, because of the fact that each country has its own security system. But it is an area that, in some respects, is similar to the general concern with safety, since every country that has a nuclear power plant and every nuclear power plant operator has an interest in assuring that

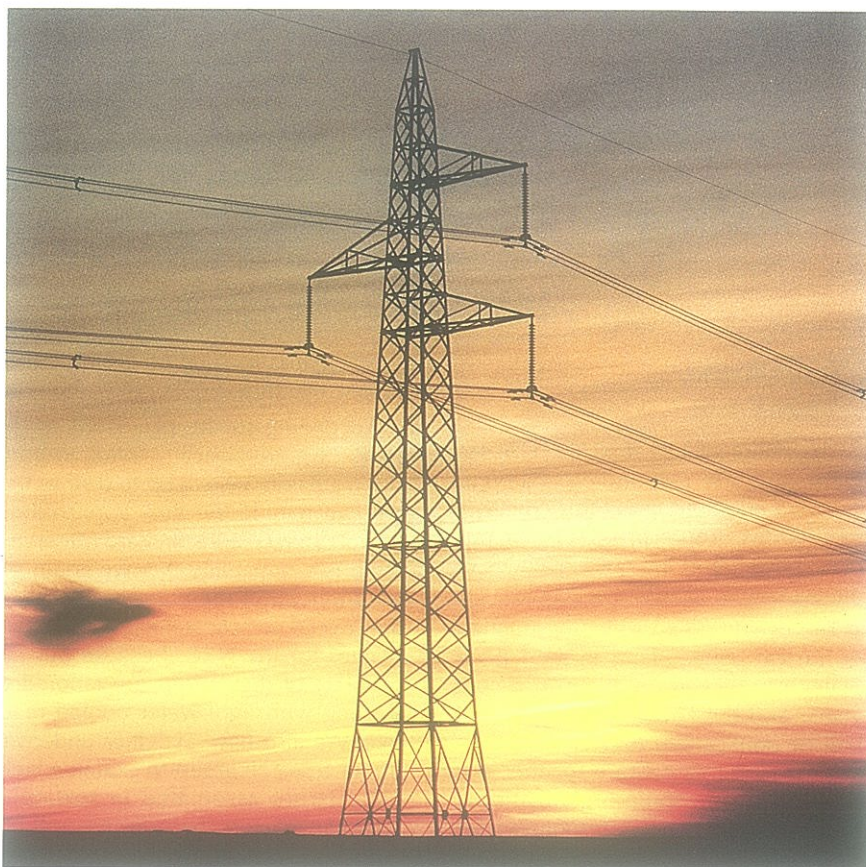
plants are operated safely around the world. And similarly there is an interest in assuring that the plants are secure around the world", since a problem in one plant affects all the others. Although there is no uniform planning in all plants, "we do have a common interest in this area, and I think that one way or another we are going to find ways to work with each other", affirms the president of the NRC.

Robert Laurie

Commissioner of the California Energy Commission

The failures of the electricity supply in the U.S. state of California have echoed beyond this country's borders and have resulted in a need to address the issue of a secure supply, accounting for the fact that electricity is a primary necessity.

Whenever a nation, whether it is North American, Asian, European or South American, goes to a transition from a regulated system to a deregulated system, a series of questions and issues arise. When California started its process, its political leaders were so convinced that it would work that they





José Cobián and Matilde Pelegrí with Robert Laurie, in an interview moment.

did not set up adequate regulatory safeguards in case it did not work.

Robert Laurie, commissioner of the California Energy Commission, recalls that: "when information started to become available indicating that the market was not going to perform as some experts suggested it would, there was no mechanism in place to respond to the market dysfunction. Literally, the new governor who took office in January of 1999 did not make his political appointments to either the electricity oversight board or the public utilities commission for the whole year, so there were no people present to respond to the situation." As Robert Laurie explains: "finally, the decisions made appeared to me to be politically biased as they all came directly out of the governor's office."

In the Commissioner's opinion, "the very important lesson learned for me is

that a regulatory system must be subject to the monitoring, review and potential regulatory authority of an independent agency that can act without the consent of the executive branch or legislative branch of the government. Because we have learned that some of those decisions are so politically sensitive that, in most cases in the world, the politics would become the dominant factor and not proper economic policy."

Long-Term Contracts

In January of that year (2001), "the utilities expressed written concern to the legislature and to the public utilities commission and to the governor, and asked for long-term contracts", says Robert Laurie, "but they did not get any. Even independent generators offered the executive branch long-term contracts at a very low price in January

and February of the year 2000, but did not get any because they were concerned with the political consequences." The Commissioner of the California Energy Commission goes on to say that the end result was "a dysfunctional, chaotic market."

Nuclear Power as a Solution

In Robert Laurie's opinion, "nuclear energy is a good solution." In fact, as the Commissioner says, "the people of California are sensitive and very committed to maintaining very high air quality standards. In the United States, you have to buy credits off the market but those credits are becoming unavailable, so soon you will not be able to operate a natural gas-fired plant and still meet air quality standards." Although it is advisable to develop renewable energies, Robert Laurie does not think they can be built, although he does believe they should be continued as a matter of public policy. As the Commissioner explains, "we know that is going to take much greater research and development".

Rejection of Public Opinion

According to the Commissioner, "although it is clear that nuclear energy has a great many benefits attached to it, the most difficult challenge is public perception." He believes that one of the reasons for this problem is the nuclear industry itself and its leaders, who are nuclear engineers who have grown up in the nuclear industry but have not known how to reach society and make the general public understand.

Robert Laurie thinks the best solution is to educate the general public about what goes on around the power plants. This means that the industry and government "are going to have to do a much better job of educating the general public as to the benefits of nuclear power, so that the public understands that the dangers of nuclear are not as serious as it thinks they are today. So it is going to be, in my view, primarily a marketing problem rather than a technical problem."

According to Robert Laurie, the solution would involve launching different advertising campaigns and educational drives and, in general, formulating a far-reaching strategy "to convince the public that nuclear power is more beneficial than it is detrimental".

