

May 19, 2011

MEMORANDUM TO: Bo Pham, Chief
Project Branch 1
Division of License Renewal
Office of Nuclear Reactor Regulation

FROM: Tam Tran, Project Manager */RA/*
Project Branch 1
Division of License Renewal
Office of Nuclear Reactor Regulation

SUBJECT: SUMMARY OF PUBLIC SCOPING MEETINGS CONDUCTED
RELATED TO THE REVIEW OF THE SOUTH TEXAS PROJECT,
UNITS 1 AND 2, LICENSE RENEWAL APPLICATION

The U.S. Nuclear Regulatory Commission (NRC) staff conducted environmental scoping meetings related to the review of the South Texas Project (STP), Units 1 and 2, license renewal applications submitted by STP Nuclear Operating Company (STPNOC). Two public meetings were conducted on March 2, 2011, at the Bay City Civic Center, 201 Seventh Street, Bay City, Texas 77414. Approximately 60 people attended the meetings. The attendees included members of the NRC staff, members of the public, representatives from STPNOC, news media, local government officials, and a representative of a U.S. Congressman. Public comments and questions were mainly focused on the importance of continued operation of STP through license renewal process and the associated staff's review of aging management, the socioeconomic benefits of renewing the licenses, and the benefits of having STP as a power generator to the surrounding area.

A combined listing of attendees for both sessions is provided in Enclosure 1. Enclosure 2 is a copy of the meeting handouts. Enclosures 3 and 4 contain the official transcripts for the afternoon and evening meetings, respectively. Enclosure 5 contains a copy of the slides used during the NRC's presentation.

Docket Nos. 50-498 and 50-499

Enclosures:
As stated

cc w/encls: Listserv

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*concurrence by e-mail

OFFICE	LA:DLR*	BC:DLR:RPB1	PM:DLR:RPB1
NAME	IKing	BPham	TTran
DATE	03/24/11	05/5/11	05/19/11

OFFICIAL RECORD COPY

Memorandum to B. Pham from T. Tran dated May 19, 2011

SUBJECT: SUMMARY OF PUBLIC SCOPING MEETINGS CONDUCTED RELATED TO
THE REVIEW OF THE SOUTH TEXAS PROJECT, UNITS 1 AND 2, LICENSE
RENEWAL APPLICATION

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RidsNrrDraApla Resource

RidsOgcMailCenter

JDaily

TTran

ICouret, OPA

BSingal, DORL

GPick, RIV

JDixon, RIV

VDricks, RIV

WMaier, RIV

RCaniano, RIV

**LIST OF ATTENDEES
SOUTH TEXAS PROJECT, UNITS 1 AND 2, LICENSE RENEWAL
ENVIRONMENTAL SCOPING MEETINGS**

MARCH 2, 2011

PARTICIPANTS

Alison Rivera
Bo Pham
Michelle Moser
Susan Salters
Tam Tran
Bill Maier
Lara Uselding
Binesh Tharakan
John Dixon
Dianna Kile
Janet Nizzo
Craig Estlinbaum
Nate McDonald
Kevin Pollard
Angela Slupe
Rae Walker
Carolyn Thames
D.C. Dunham
Mark Bricker
Robert Bain
Mary B. Johnston
Joe Adams
Vicki Adams
Adriana Acosta
Bots Watts
Dough Matthes
Owen Bludau
Mary McCaleb
Annette Stonedale
Bobby Head
Casey Kile
Cheryl Stewart
David Dunham
James Gibeau
James Lovett

AFFILIATION

U.S. Nuclear Regulatory Commission (NRC)
NRC
NRC
NRC
NRC
NRC Region IV
NRC Region IV
NRC Resident Inspector Office
NRC Resident Inspector Office
U.S. Congressman Ron Paul
State Representative Randy Weber office
District Judge 130th
Matagorda County Judge
Matagorda County Commissioner
TX Dept. of State Health Service
TX Dept. of State Health Service
Bay City Council
Bay City CDC
Bay City Mayor
Bay City Resident
Palacios City
Palacios ISD
Palacios ISD
Matagorda Advocate Newspaper
Matagorda County EMC
Matagorda County EMC
Matagorda County Economic Development Corporation
Matagorda County (farmer)
Matagorda County Resident
Matagorda County Resident
Matagorda County Resident
Matagorda County Resident
Matagorda County Resident
Matagorda County Resident
Matagorda County Resident

Joan Muuhmore	Matagorda County Resident
John Corder	Matagorda County Resident
Ken Head	Matagorda County Resident
Mary Crews	Matagorda County Resident
Mike Bolin	Matagorda County Resident
Mitch Thames	Matagorda County Resident
Robert Bain	Matagorda County Resident
Robert Singleton	Matagorda County Resident
Stan Eldridge	Matagorda County Resident
Timothy Vance	Matagorda County Resident
Tom Kovar	Matagorda County Resident
Willie Rollins	Matagorda County, Boys and Girls Club
Judy Malachowski	McDonalds
Richard Malachowski	McDonalds
Charles Corporon	South Texas Project Nuclear Operating Company (STPNOC)
Ed Halpin	STPNOC
Fred Sutter	STPNOC
Rick Gangluff	STPNOC
Sandra Dannhardt	STPNOC
Tim Powell	STPNOC
Marsha Butler	MCEDC
Stephen Burdick	Morgan Lewis
Don Booth	Pipe Fitters Local 211
Luvy Bracken	Realtor
Susan Dancer	S. T. A. R. E
Karen Hadden	SEED Coalition
Christine Dunohue	WCJC Nuke Program
Kevin Pollo	CPS Energy
Ian Overton	Larouche PAC
Kesha Rogers	Larouche PAC

U.S. NUCLEAR REGULATORY COMMISSION
LICENSE RENEWAL AND ENVIRONMENTAL SCOPING PROCESS
SOUTH TEXAS PROJECT, UNITS 1 AND 2
LICENSE RENEWAL APPLICATION REVIEW
BAY CITY CIVIC CENTER
BAY CITY, TX 77414

AGENDA
March 2, 2011

(Two Identical Meetings)
1:30 p.m. - 3:30 p.m. and 7:00 p.m. - 9:00 p.m.*

- | | |
|---|---------------|
| I. Welcome and Purpose of Meeting | 10 minutes ** |
| II. Overview of License Renewal Process | 15 minutes |
| III. Overview of the Environmental Review and Scoping Process | 15 minutes |
| IV. Public Comments | As Needed |
| V. Closing/Availability of Transcript | 5 minutes |

* The NRC staff will host informal discussions one hour prior to each meeting session. No formal comments on the proposed scope of the environmental impact statement will be accepted during the informal discussions. To be considered, comments must be provided either at the transcribed public meetings or in writing.

** Times in this agenda are approximates.

**Welcome to the NRC's Open House
Associated with the Proposed License Renewal
For South Texas Project, Units 1 and 2**

This open house is intended to provide an opportunity for interested members of the public and staff from other Federal, State, and local agencies to interact with the NRC staff in an informal information exchange related to the proposed license renewal for South Texas Project (STP), Units 1 and 2.

License renewal includes both safety and environmental reviews. *Currently, the NRC is gathering information necessary to prepare an Supplemental Environmental Impact Statement (SEIS) related to the proposed renewal of the operating license for STP, Units 1 and 2.* Please note that if you wish to provide formal comments regarding the scope of the environmental review, you must present them at either of today's transcribed public meetings or provide in writing or electronically by April 1, 2011. Comments received after this date will be considered while developing the draft EIS if it is practical to do so, but the NRC staff is able to assure consideration only for comments received on or before April 1, 2011. Written comments on the scope of the EIS should be sent to:

Chief, Rules, Announcements and
Directives Branch
Division of Administrative Services
Office of Administration
Mailstop TWB-05-B01M
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555-0001

Comments may be hand-delivered to the NRC at 11545 Rockville Pike, Rockville, Maryland, between 7:45 a.m. and 4:15 p.m. on Federal workdays. Submittal of electronic comments may be provided to the NRC at <http://www.regulations.gov>, docket ID NRC-2010-0375.

Thank you for your participation.

Official Transcript of Proceedings

NUCLEAR REGULATORY COMMISSION

Title: South Texas Project
Units 1 and 2 License Renewal
Public Meeting - Afternoon Session

Docket Number: [50-498 and 50-499]

Location: Bay City, Texas

Date: Wednesday, March 2, 2011

Work Order No.: NRC-740

Pages 1-50

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ENCLOSURE 3

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

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ENVIRONMENTAL SCOPING MEETING
FOR THE SOUTH TEXAS PROJECT
UNITS 1 AND 2 LICENSE RENEWAL
PROCESS

Wednesday, March 2, 2011

Auditorium
201 7th Street
Bay City, Texas
1:30 p.m.

NRC STAFF:

SUSAN SALTER
ALISON RIVERA
TAM TRAN
BO PHAM

PROCEEDINGS

MS. SALTER: Good afternoon. Welcome to the Nuclear Regulatory Commission's public meeting. My name is Susan Salter, and I'm with the NRC, and I'm going to be your facilitator this afternoon, and Alison Rivera is co-facilitating with me. If you have any questions or issues during the evening, please don't hesitate to come up and ask us if you need assistance or help.

The purpose for tonight's meeting is to discuss the license renewal process and the environmental evaluation for the South Texas Project Units 1 and 2 license renewal application review. And the agenda for our meeting this afternoon and this evening, if you're sticking around, we're going to start with a presentation by the NRC staff talking about the license renewal process, the environmental evaluation, the process for making comments, what happens after this and the process moving forward.

After that we'll have quick time for some questions and answers on the process, and during that time I'll come out with a mobile microphone and come to you the best I can, and you might have to come out into the aisle, so that you can ask any questions you have on what you've heard from the NRC staff tonight on the process.

And following that we will begin the comment period, and that's when we hear from you. So during that time we don't really engage in a back-and-forth; we just give you an opportunity to come up and tell the NRC what you think we should be considering as we move forward with the evaluation, the environmental evaluation. During that time you will come up to the podium to make your comments, and I will announce the next three speakers so you'll always know, when you're in the queue, to be on deck.

And housekeeping-wise, the restrooms are on either side. If you go out these front doors, you can go to the right or to the left, and there are restrooms. And again, I'll let you know when the next three speakers so that you won't miss out if you need to leave the auditorium.

Finally, if you have cell phones or electronic devices, we ask that you put them on stun or vibrate, because we are transcribing the meeting, and we have Leslie Berridge right over here who will be transcribing the meeting, and we want her to get a clear transcript. So we ask that if you need to take a call -- we certainly understand that, but we ask that you exit out into the lobby area to do that, and that you also keep side conversations or sidebar conversations down to a minimum because, again, it will interfere with our ability to get a nice clean transcript.

If you want to make a comment, you do need to fill out a yellow card. If you haven't done that already, please feel free to go in the back and fill out the card and you can bring up to either myself or Alison and we will add you to the list. But we really need for anyone who is going to speak to fill out the card so we can call you to come up to the podium so that we can clearly hear what your comment is and get it in the transcript.

When you make your comment or when you ask your question, we ask that you introduce yourself by stating your name and any affiliation, if you have any, so please remember to start any comment or question in that way. Again, then we can identify in our transcript who was speaking and made the comments.

So I think I've covered everything. Any questions on the agenda for this afternoon? We will be

here again this evening. I would just like to remind you if you are staying for the evening, I will need you to fill out another yellow card this evening so you know that you want to make another comment.

So with that, I am going to turn it over to Tam Tran, the project manager for the South Texas Project license renewal.

MR. TRAN: Thank you. Good afternoon. My name is Tam Tran. I'm one of the two project managers for the NRC's Division of License Renewal associated with the South Texas Project license renewal. The other project manager's name is John Daily. He's not here today but you will have a chance to meet with him at a later date. Thank you for taking the time to come out to help us with this public meeting, to provide your comments. We value your comments.

Today [we] will provide an overview of the license renewal review process which includes both a safety review and an environmental review. We will also describe in more detail the environmental review process associated with license renewal for the South Texas Project, but the most important piece of today's meeting is to receive any comment that you may have on the scoping of the environmental review. We will also give you some information about how you can submit comments outside of this meeting.

I hope the information we provide will help you to understand the license renewal review process, and the role that you can play in helping us make sure that our environmental review considers the relevant information that it should.

Before I get into the discussion of the license renewal process, I'd like to briefly talk about the NRC in terms of what we do and our mission.

The NRC is a federal agency established by the Energy Reorganization Act of 1974 that regulates the civilian use of nuclear material in the commercial sense. The Atomic Energy Act of 1954 authorized the NRC to grant a 40-year operating license for nuclear power reactors. This 40-year term was based primarily on economic considerations and anti-trust factors, not on safety or technical limitations. The Atomic Energy Act also allows for license renewal.

The National Environmental Policy Act of 1969 established the national policy for considering the impact of federal decisions on the human environment. As a matter of policy, the Commission determined that reactor license renewal constitutes a major federal action for which an environmental impact statement is warranted.

In exercising its regulatory authority, the NRC mission is threefold: to ensure adequate protection of the public health and safety, to promote the common defense and security of the nation, and to protect the environment.

The NRC accomplishes its mission through a combination of regulatory programs and processes, such as establishing rules and regulations, conducting inspections, issuing enforcement action, assessing licensee performance, and evaluating operating experience from nuclear plants across the country and internationally. The NRC has resident inspectors at all operating nuclear power plants. These inspectors are considered the eyes and ears for the agency. They carry out our

safety mission on a daily basis and are on the front lines of ensuring acceptable safety performance and compliance with regulatory requirements for the plant.

Now turning to the South Texas Project. Units 1 and 2 were licensed to operate in 1988 and 1989, respectively. The current operating licenses expire on August 20, 2027 and December 15, 2028. STP Nuclear Operating Company filed an application for license renewal of the South Texas Project with a letter dated October 25, 2010.

A license renewal application is required to contain certain sets of information:

General information such as the applicant's name and address, business and administrative information; technical information which pertains to aging management. This information is the focus of the safety review.

The application also includes an environmental report which is the applicant's assessment of the environmental impacts of continued operation. This information serves as the starting point for the staff to review the environmental aspect of the license renewal for the South Texas Project.

License renewal involves two parallel reviews: the safety review and the environmental review. These two reviews evaluate separate aspects of the license renewal application.

The safety review focuses on aging effects of passive and long lived components and structures that the NRC deems important to the plant safety. The staff's main objective in this review is to determine whether the effects of aging will be adequately managed by the applicant. The review also considers generic and site-specific operating experience related to managing the effects of aging. The results of the safety review are documented in a safety evaluation report, the so-called SER -- that's the acronym of it.

For the environmental review, the staff considers, evaluates and discloses the environmental impacts of continuing to operate the plant for an additional 20 years. The staff also evaluates the environmental impacts of alternatives to license renewal. The objective of the review is to determine if the environmental impact of license renewal are so great that license renewal would not be a reasonable option or, more plainly, is license renewal acceptable from an environmental standpoint. The staff prepares an environmental impact statement to document its environmental review.

I would like to mention a few aspects of [NRC's] oversight that routinely come up during interaction with members of the public. NRC staff address these areas of performance every day as part of the ongoing regulatory oversight provided for all currently operating reactors. They include emergency planning, security, and current safety performance as defined by NRC inspection findings, violations or general assessments of the plant performance.

For specific information on this review of the South Texas Project you can use the link listed on this slide. This is also listed on the handout that you can pick up at the table when you came in or going out.

The NRC monitors and provides regulatory oversight of activity in this area on an ongoing basis under the current operating license. Thus, we do not reevaluate them in license renewal. That's not to [say] that they are not important; we just do not duplicate the regulatory process in these areas for license renewal.

This diagram illustrates the safety and environmental review processes. It also features two other considerations in the Commission's decision of whether or not to renew an operating license.

One of these considerations is the independent review performed by the Advisory Committee on Reactor Safeguards. Mandated by the Atomic Energy Act of 1954, the ACRS is a group of scientists and nuclear safety experts who serve as a consulting body to the Commission. The ACRS reviews the license renewal application and the NRC's safety evaluation report. The ACRS reports [its] findings and recommendations directly to the Commission.

Hearings may also be conducted. Interested stakeholders may submit concerns or contentions and request a hearing. A panel from the Atomic Safety Licensing Board will be established to review the contentions for admissibility. If a hearing is approved, the Commission would consider the outcome of the hearing process in its decision of whether or not to issue a renewed operating license.

Next I'm going to describe the license renewal process with more detail.

The regulations governing license renewal has two guiding principles which are based on the concept of licensing basis. Licensing basis consists of a wide range of design and operational requirements and conditions that must be met for a plant to comply with the operating license. This serves as the basis upon which the NRC licenses a plant. To continue to operate, a plant must conform with its licensing basis.

The first principle is that the current regulatory process is adequate to ensure that the licensing basis of all operating plants provides and maintains an acceptable level of safety.

The second principle is that the current plant-specific licensing basis must be maintained during the renewal term in the same manner and to the same extent as during the original license term. In other words, the same rules that apply under the current license will apply in the renewal term.

In addition, a renewed license will include conditions that must be met ensuring aging of structures and components important to the safety are adequately managed so that the plant's current licensing basis is maintained during the period of extended operation.

For safety, the staff performs multi-levels review. First, the staff reviews the license renewal application and supporting documentation. This review includes an evaluation of new and existing programs and surveillance activity to determine, with reasonable assurance, that effects of aging of certain plant structures and components will be adequately managed or monitored.

Second, the staff [performs] site audits to verify the technical basis of the

license renewal application and to confirm that the applicant's aging management programs and activities conform with how they are described in the application. The staff documents the basis and conclusions of its review in the safety evaluation report which is publicly available.

In addition, a team of specialized inspectors from NRC Region IV travel to the reactor site to verify that aging management programs are being implemented, modified or planned consistent with the license renewal application.

Finally, as I have mentioned, the Advisory Committee on Reactor Safeguards performs an independent review of the license renewal application and the staff's safety evaluation report and makes a recommendation to the Commission regarding the proposed action to issue a renewed operating license.

For the environmental review, the staff will perform an environmental review in accordance with the NEPA Act of 1969. NEPA provides the basic architecture for federal environmental review requirements. It requires that all federal agencies follow a systematic approach in evaluating potential impacts associated with major federal actions and alternatives to those actions. By law, the NEPA process involves public participation and public involvement, and the same thing with public disclosure.

The NRC's environmental regulations, contained in 10 CFR Part 51, are largely based on other implementing regulations for NEPA.

Our environmental reviews consider the impact of the license renewal and any mitigation for those impacts we consider to be significant. We also consider the impacts of alternatives to the license renewal, including the impacts of not issuing a renewed license. The staff documents its environmental review in an environmental impacts statement.

I will now discuss the environmental scoping process in more detail.

For a license renewal review, the NRC looks at a wide range of environmental impacts as a part of preparing the EIS. In conducting our environmental review, we consult with various federal, state and local officials, as well as leaders of Native American Nations, and gather pertinent information from these sources to ensure it is considered in our analysis.

As illustrated on this slide about consulting agencies, examples include: U.S. Fish and Wildlife Service, EPA, State Historical Preservation Officer, and so on.

The environmental review begins with a scoping process. The purpose of the scoping process is to identify significant issues that should be considered in the environmental review. We are now gathering information that we will use to prepare the environmental impact statement for the license renewal. As part of that process, we are here to collect your comments on the scope of the environmental review -- that is, the environmental impacts that the staff should consider.

The staff has developed a generic environmental impact statement that addressed a number of issues common to all nuclear power plants. The staff is supplementing that generic EIS with a

site-specific EIS in which we will address issues that are specific to the South Texas Project. The staff also re-examines the conclusions reached in that generic EIS to determine if there is any new and significant information that would change those conditions.

The scoping period started on January 31, 2011, when a notice of intent to prepare an EIS and conduct scoping was published. The NRC will be accepting comments on the scope of the environmental review until April 1, 2011.

In general, we are looking for information about environmental impacts from the continued operation of the South Texas Project during the period of extended operation. You can assist us in that process by telling us, for example, what aspects of your local community we should focus on, what local environmental, social and economic issues the NRC staff should examine during the environmental review, and what reasonable alternatives are most appropriate for your local region.

These are just some examples of the input that we are looking for and they represent the kinds of information we are seeking through the environmental scoping period. Your comments today would be helpful in providing insight of this nature for the environmental analysis.

This slide illustrates the NRC's various considerations for deciding if a renewed operating license will be issued. It's a rigorous review, involving the safety evaluation report, regional inspections, and so on.

Also, as indicated on this slide, public comments are an important aspect of the environmental review process. We consider all the comments that we receive from the public during the scoping process and as a part of preparing the environmental impact statement.

In addition to providing comments at today's meeting, there are other ways that you can submit comments for our environmental review. You can provide written comments by mail to the NRC Chief of Rules and Directives Branch at the address provided here which are listed also on your handouts that you can pick up. Or you can send your comments electronically by going to regulations.gov as indicated on the slide. That's the website that we use for electronic means.

You can also make comments in person if you happen to be in Rockville, Maryland. If you choose to do so, please contact me in advance so that I can make arrangements.

Comments should be submitted by April 1, 2011.

This slide shows important milestones that the environmental review process will follow. The opportunity to submit contentions for a hearing closes on March 14, 2011. And if you have comments you would like to submit outside of today's meeting, you have until April 1, 2011, to do so. Please note that we plan to issue a draft supplemental environmental impact statement for public comment by March 2012.

While this slide lists milestones for environmental review and opportunities for public involvement, the safety review will also be performed in accordance with the schedule listed on the NRC website on the next slide.

This slide identifies the primary points of contact within the NRC for license renewal of the South Texas Project, mainly for environmental review. Project managers are Tam Tran and the other person is John Daily is a safety project manager who is not here today.

It also identifies where documents related to our review may be found in the local areas. The Bay City Public Library has agreed to make the license renewal application available for public. When it is published for comment, the draft supplemental environmental impact statement will also be available at this library. In addition, these documents will be on the NRC website at the web address shown at the bottom of this slide.

As you came in, you were asked to fill out a registration card at our reception table there. If you have included your address on that card, we will mail a copy of the draft and the final EIS to you for your information.

This concludes my presentation and I will turn it over to the facilitator.

MS. SALTER: Thank you, Tam.

So now we're going to take just a few minutes to see if you have any questions on any of the information that Tam presented on the process for the license renewal or the evaluation, the environmental evaluation. So if you have a question, just raise your hand. And we ask that you don't make comments during this time and hold your comments till the comment period, but if you have questions on process, we're happy to entertain those right now, and remember to state your name and if you have an affiliation.

MR. VANCE: Yes. Hello. My name is Timothy Vance and I'm an associate of LaRouche Pac.

Just on this question of environmental reviews and the impact, is it for the specific locality of the site of the plant itself or does it take into consideration a region or the environment of the nation as a whole, or is it specifically just the acreage on which the site rests?

MS. SALTER: Okay. Bo, did you want to talk about that?

MR. PHAM: My name is Bo Pham. I'm the branch chief at headquarters for this review.

We do look primarily at the environmental impact of the plant operating for another 20 years, however, as part of our environmental impact statement we do consider what we call cumulative effects, cumulative impacts, so that includes anything else that's happening and not just at the actual plant itself. That's just the intent of the NEPA law was that in looking at the action you don't blind yourself from everything else that's happening around you.

So I hope that answers your question.

MS. SALTER: Anyone else? Going once, twice.

(No response.)

MS. SALTER: Okay. So what we're going to do now is we're going to go into the comment period. And what I want to remind everyone is to keep side conversations down. We're going to hear lots of comments from everyone that signed up. If you want to sign up still, you can go in the back and fill out a card.

In the interest of time and to be respectful of your time, we want to end the meeting as close to posted time as possible, so I would ask everyone to be concise in making their comments and try to keep it between three and five minutes, and if we're able to do that, then we should be able to close the meeting on time. And five minutes really should be enough to make the comment, to summarize your comments. If you want to have more detailed comments, you're welcome to provide those in writing and we can accept those written comments tonight or you can send them in as Tam explained. We also have information on the back table, I want to remind folks, as well.

So if we can keep to three to five minutes, I think we'll be good. I know it's difficult when you get up here and you start commenting and very passionate about what you want to say, and there's no clock in this room so I will try to give you some non-verbal reminders if you've really exceeded your time, and if you really are exceeding it, then I will have to probably just ask you to wrap it up, and please don't be offended by that. The purpose is to make sure that we have enough time to hear from everyone.

So what we're going to do is we have some elected officials or representatives of those officials in the audience, so we wanted to give them an opportunity to make their comments first.

So we're going to start with the Matagorda County Judge Nate McDonald, and if you can come up to the podium, that would be great. Again, remember to introduce yourself before making your comment.

JUDGE McDONALD: I think I'll just turn it up and speak loudly enough. Can you all hear me fairly well?

My name is Nate McDonald. I'm the Matagorda County judge.

And I'd like to, if I can, take a little judicial privilege and, frankly, read an offering here from someone who ranks quite higher than I do. We have Janet Rizzo here today from Representative Randy Weber's office, and she's his chief of staff from Brazoria County. The good representative, of course, is working very hard for us in Austin today and is not able to be here with us, so to that end, he's sent a letter via Ms. Rizzo, who is a bit under the weather, and she asked if I wouldn't mind reading this into the record. So I hope you all won't mind if I do that at this time.

It's addressed to Cindy Bladey, and it reads:

"Dear Ms. Bladey:

"I am writing to strongly support the license renewal for an additional 20 years of Units 2 and 2 at the South Texas Project Nuclear Operating Company in Matagorda County.

"STP is the largest employer in Matagorda County with more than 1,200 employees and for 30 years has been a key part of the county and local communities. The company's employees are active in the local community, serving on school boards, chambers and in civic and service organizations.

"For over 20 years STP's existing units have supplied safe, clean and reliable energy to more than 2 million Texas homes while also providing permanent, well-paying jobs. The facility is a recognized industry leader in production, reliability and safety, as well as being focused and committed to the safety of its employees and the surrounding communities.

"I believe nuclear energy plays an important role in the long-term energy future of Texas. There is a growing recognition of nuclear energy's environmental benefits and its role in providing much-needed generating capacity in our state for many years to come.

"I strongly support the license renewal for Unites 1 and 2 at STP and urge the Nuclear Regulatory Commission's favorable consideration.

"Please know that I and many staff stand ready to assist in any way possible.

"Sincerely, Randy K. Weber, State Representative, District 29, State of Texas."

I'd like to tender this for Representative Weber, and thank you for allowing me to speak on his behalf.

I would like to, if I could, segue right into my remarks and I'll try to wrap them up so I stay within the five-minute rule.

First off, I want to thank the Nuclear Regulatory Commission for hosting this gathering for us today. As you all know, and I support as a member of the judiciary, this is a very, very important venue that we're engaged in today, the right to free speech and the right to be heard, and I thank you all for protecting that and enabling it. So let me just go on record as being a big fan of the Nuclear Regulatory Commission and your good works. Thank you for that.

With regards to Units 1 and 2, the culture of excellence that these gentlemen and women have brought forth here at STP Nuclear Operating Company is unparalleled in America, it's well recognized in the industry but also outside the industry now. And we have an opportunity today here, ladies and gentlemen, to move this agenda forward for another 20 years. It's to the benefit of

Matagorda County, the State of Texas and all the nation to have folks that do business in this manner continue to do business for just as long as they're viable and willing to do that type of business.

And they've shown in over 20 years of operation now their commitment to excellence and in doing the right thing for the right reasons. They've place safety above profit, they've gone down that path many, many times, and they continue on that path every day. That's the way they conduct themselves. And I can tell you, as the county's top official, it's very, very gratifying to have a company such as this who does place safety of its employees and its citizenry over profits. That's a very, very rare thing in the corporate world, ladies and gentlemen, but it goes on right here in Matagorda County every day.

So, NRC, I thank you again for hosting us. I'd ask, as Representative Weber did, that you would give strong consideration to this renewal. This is one that you won't ever have to back away from. These ladies and gentlemen are committed to excellence and they're going to do a very, very good job for another 20 years should you decide to grant this renewal.

Thank you very, very much.

MS. SALTER: Thank you, Judge McDonald.

Our next speaker is Bay City Mayor Mark Bricker.

MAYOR BRICKER: Thank you. As mayor, I do not have the luxury to speak from personal opinions or beliefs. My priority, alone, is the City of Bay City. All the questions that I have evolve from the impacts to the city environment, jobs and finances.

With that being stated, STP makes it obvious. STP is the largest employer to the county, their employees stay active in numerous organizations, and many serve as elected officials. They have a very high importance to safety as well as the environment. Their employees set the standard for their industry. Just last October, STP was named one of America's safest companies, the first nuclear facility to ever be honored with that award.

In 2008, STP started its educational incentive program as part of its workforce development efforts. It represents a \$4.2 million investment that provides great opportunities for well-paying jobs in this community. For over 20 years the facility has produced safe, reliable energy to the citizens of Texas, and for the past seven consecutive years, STP has produced more electricity than any other two-unit nuclear plant in the country.

The license extension of STP will continue to provide jobs and economic benefits to our local community. STP is and will continue to be a proud staple of our community, and I am pleased to support the license extension of STP of Units 1 and 2 for an additional 20 years.

Thank you.

MS. SALTER: Thank you, Mayor Bricker.

Our next speaker will be Dianna Kile from Congressman Paul's office.

MS. KILE: Good afternoon. On behalf of Congressman Paul, I am pleased to endorse the proposed license extension of the South Texas Project.

The South Texas Project has been an integral part of the 14th Congressional District and the Matagorda County community for more than 20 years, producing clean, safe and reliable electricity to 2 million Texans.

At this time, Texas is the second largest state in the country, with more than 25 million residents. Along with this growth, the demand for electricity has increased. With the challenges of climate change, Congressman Paul believes that nuclear energy must play a role in our state's energy future for decades to come.

Congressman Paul believes that nuclear generation has significant environmental advantages. Electricity from nuclear is carbon-free, producing no greenhouse gases. And on behalf of Congressman Paul, we fully support the license extension of STP Units 1 and 2 for an additional 20 years.

Thank you for giving us this opportunity.

MS. SALTER: Thank you, Ms. Kile.

Our next speaker is Ed Halpin, president and CEO of STP, who will be followed by Carolyn Thames, Don Booth, and Cheryl Stewart.

MR. HALPIN: Good afternoon, everyone, and thank you very much for being here this afternoon. Again, my name is Ed Halpin. I'm the president and chief executive officer of STP Nuclear Operating Company.

And I wanted to thank, as well, the Nuclear Regulatory Commission for what you do. You do your job which is to provide the right oversight, and this is a part of the process. It's a part of the process of providing really independence and input from the public which is essential to the decision-making process. So thank you very much.

Let me mention that we recognize, as the operating company, that we have a very special trust that you have given us, and that's the trust of putting safety first, so you have our commitment. We've done that for 20-plus years and you have my personal commitment that we'll continue to do so in the future, putting safety first.

I also wanted to thank the residents of Matagorda County and also the leadership that's here today, the local, state and federal leadership. We appreciate what you do for STP, it's been outstanding.

Residents, we have a very special relationship. It's one that's gone on for almost three decades, past three decades, and it's one where you have provided your support through thick and thin, and we thank you for that.

Our employees try to contribute and try to continue to do what they can to improve life within this community by serving, as the judge said, on various board and providing leadership positions, and we're thankful that you give us that opportunity.

I'll mention as well, some have asked me in the back: Why so early on this licensing process? There are many, many reasons for why we're doing this now. One is predictability and stability. I would just mention the fact that Texas has got over 25 million people as a part of it, every day it grows by a thousand-plus, so from an energy stability/predictability standpoint, it is essential that we have it when it comes to electricity. And one only has to look at some of the blackouts that occurred in February and then look really towards the Middle East to appreciate stability.

STP has been stable, we have been predictable and we've been safe. When you take a look at our track record, really over the last 20 years, and more specifically over the last seven years, STP Units 1 and 2 have led the nation in total generation of electricity of any two-unit plant. And I'll point out that we've led the world for the last five years in total generation of any two-unit plant or equivalent, throughout the world, and STP Units 1 and 2 are not the largest.

We also, from a cost standpoint, actually have had some performance that's been outstanding for the last 20 years, but last year in 2010 we were the fourth lowest producer in the nation, and all of this is with putting safety first. It is all because we have outstanding employees who do the right things constantly from a human performance standpoint, it's because we've invested in our equipment reliability, and as well, it's because we do put safety first.

And finally, we couldn't do this without the support of this community which has been topnotch. So again, we thank you for that support, you have our commitment, and we appreciate you. Thank you.

MS. SALTER: Thank you, Mr. Halpin.

So next we have Carolyn Thames, followed by Don Booth, Cheryl Stewart, and then David Dunham.

MS. THAMES: Good afternoon. My name is Carolyn Thames. I'm a City of Bay City council member representing Position 5 which is a citywide elected position.

I want to thank you for coming to Bay City and for your help in this process. The Nuclear Regulatory Commission's work here today will ensure our continued safety here in Matagorda County. You're here today to see if the current two units are running safely and continue to provide power for Texas for an additional number of years.

I have worked closely with our South Texas Project Nuclear Operating Company in my position with Workforce Solutions which is Texas Workforce Commission's local agency. My position with the employer services division allows me to work one-on-one with local companies. It also allows me to observe the way employers test and choose the future workforce here in Matagorda County.

The process that the NRC and STP use to pick future employees is impressive. Background checks for any employee, very thorough. In fact, my daughter interned with STP for her senior year in college; her interview process was very detailed just to be a temporary summer help.

I want to share with you my perception of the operation of the South Texas Project Nuclear Operating Company. I work with, worship with and know the employees of this nuclear plant.

I trust their work and their judgment in running one of the best nuclear plants in the United States. I wasn't born here; my family chose to live and work here. Our nuclear plant has operated here safely for over 25 years and we feel very safe with STP providing reliable power to our state.

During the record low temperatures when there were problems in Texas with other sources of power, our local plant didn't have any problems keeping the power generating for Texans.

The culture of continuing improvement for all aspects of power generation overflows in the community. STP's contributions to our local charities, our chambers of commerce and civic groups provide the commitment to our future and our joint success. They give both time and money to make sure Matagorda County is the best in all of Texas.

I support your efforts and the efforts of STP in extending the operation license for both Units 1 and 2.

Again, thank you for being here in Matagorda County and your efforts in keeping us safe. Any further information you would like for me to provide you, as an elected representative of the citizens of Bay City, please feel free to contact me. Thank you.

MS. SALTER: Thank you, Ms. Thames.

Our next speaker is Don Booth so I call him to come up. And then he will be followed by Cheryl Stewart, David Dunham and Owen Bludau. Hope I said that right.

MR. BOOTH: Good afternoon. I'm Don Booth. I'm the director of organizing and marketing for Pipefitters Local 211, and from 1984 to 1989 I was a worker on STP Units 1 and 2. I was a pipefitter for Ebasco, I was a foreman and a general foreman. I know the pride we built those units with and the safety we built into them, and I know the seriousness that STP has taken with its environmental impact.

And as a representative of Pipefitters Local 211 of 3,000 members, many of which live in the surrounding communities, we strongly support the renewal of Units 1 and 2. Thank you.

MS. SALTER: Thank you, Mr. Booth.

I know invite Cheryl Stewart up to the podium. And Ms. Stewart will be followed by David Dunham, Owen Bludau and Kesha Rogers.

MS. STEWART: My name is Cheryl Stewart, and I'm on the Bay City Community Development Corporation Board and also the Historic Commission, and I'm here today to inform you of the many ways that I have personally seen STP impact our community in a positive way.

STP contributed \$100,000 to the Center for Energy Development and currently provides staffing to train our community's young adults. STP employees have been strong leaders

in our strategic planning for the future of this community with our Bay City Matagorda United Plan. STP employees have also invested in the renovation of our historic downtown district and its beautification efforts. I have also served with STP employees on various community boards and have witnessed firsthand their dedication, their desire to be good neighbors, and their commitment to our community.

I am sure that our community would experience a huge loss without the involvement and support of STP. They have set the bar for what a good corporate partner should be, and I fully support the license renewal of Units 1 and 2 for an additional 20 years. Thank you.

MS. RIVERA: Thank you, Ms. Stewart.

Next we'll have David Dunham, followed by Owen Bludau, Kesha Rogers and James Lovett.

MR. DUNHAM: I'm David Dunham. I'm here as a citizen of Matagorda County, and to paraphrase a sometimes popular politician, I can see STP from my backyard.

My family and I chose to move here to Matagorda County a few years ago and we had the opportunity to do a lot of research on STP's history because it's a long one and it's out there. In our research it showed STP to have an operating history second to none in the industry, so we had no serious concerns about safety in moving here.

Since living and working here for a number of years, that commitment of the owners and the operators of STP to safe operation has been confirmed firsthand. In addition, STP's commitment to community support is without peer, both financially and in terms of volunteerism.

But I'm really here to speak for a constituency that has little or no public voice in these matters because they're in class today, working hard to ensure their place in the future of our community. The importance of STP to that future can't be overemphasized. My employer is an educational partner with STP and their contribution to the future of our community through support of education is unprecedented in my 20 years of higher education experience.

In my opinion, for the NRC a look at the record of positives associated with the safe operation of the South Texas Project, through its long established operating history, should be the greatest supporting factor in consideration of the extension of their operating license. Thank you.

MS. RIVERA: Thank you, Mr. Dunham.

Next we'll have Owen Bludau, Kesha Rogers and James Lovett, followed by D.C. Dunham.

MR. BLUDAU: Good afternoon. I'm Owen Bludau, executive director of the Matagorda County Economic Development Corporation.

On behalf of the Matagorda County Economic Development Corporation, I want to say that we strongly support the renewal of the license for operations of the South Texas Project Nuclear Operating Company for Units 1 and 2.

STP personifies the best type of economic development project that a community could want. It's created a large number of jobs that have been filled with highly educated and highly skilled workers. It pays wages far above the county average. It's greatly enhanced the tax base of Matagorda County and to the taxing entities in whose location it is situated. It makes significant annual financial contributions to civic, educational and promotional programs benefitting all of the county. It has created and funded a major grow-your-own technical education program, providing good career opportunities for all of our local youth. Its employees and their families are extensively involved in all aspects of our community and political life, and by so doing, they make Matagorda County a much better place in which to live for all the rest of us.

STP's focus on emergency management planning and training have greatly enhanced the preparations of our emergency responders to address other types of natural disasters such as hurricanes, tornadoes, pipeline explosions, floods, et cetera. We are much better prepared to address such situations as a result of participating with STP Units 1 and 2 in their emergency preparedness plans and training.

As you are aware, STP is seeking a construction and operating permit for proposed Units 3 and 4. Matagorda County wholeheartedly supports this expansion. We would not be so wholeheartedly behind the expansion if Units 1 and 2 did not have such an outstanding and performance record. The uncertainty factor that was here before Units 1 and 2 began operations have been replaced with wholehearted support by proven performance, management and operations.

Matagorda County is pro-nuclear. We fully expect that an extension of the operating permit for Units 1 and 2 will continue STP's outstanding performance, reliability and reputation.

Last week I received my copy of the final EIS statement for Units 3 and 4. It was thoroughly done, very comprehensive. I read many sections of it, and I know that the EIS for Units 1 and 2 renewal will be as thorough and as complete.

On behalf of the MCEDC, Matagorda County Economic Development Corporation, I strongly support the expansion of the permit for Operating Units 1 and 2. Thank you.

MS. RIVERA: Thank you, Mr. Bludau.

As Kesha Rogers is approaching, I'd just like to remind you if anyone else would like to make a comment to please fill out a yellow card and bring it up to Susan or I. And Ms. Rogers will be followed by James Lovett, D.C. Dunham, and Willie Rollins.

MS. ROGERS: Thank you very much for having me here for comments. My name is Kesha Rogers. I'm actually a congressional candidate for the 22nd Congressional District. I ran in the 2010 elections and I also am an advocate for the LaRouche Political Action Committee.

And I'm here today because I have been a strong proponent and advocate of a renaissance in nuclear power and development, and I, along with a team of six congressional candidates running nationally, are proposing not only for the advocacy of the South Texas Nuclear Plant but also for the development of a nuclear renaissance throughout the nation and throughout the world.

And as many people may know, if you're familiar with the advocacy of Mr. LaRouche, he has been a proponent of fusion energy technology for quite some time, and this has been my collaboration over the years. And as I said, I'm not just here to advocate for the South Texas plant and the project here, but also for a renaissance in nuclear technology and fusion energy throughout the country.

And this must be the wave of the future and it is the only means of addressing what we face now as a total economic breakdown crisis in our economy. As inflation continues, as you see more and more people left without food, as speculation on food, looking at what's happening with our water resources, it is imperative that not only are we addressing the needs for advancements in nuclear fusion technology here but across the planet.

What I'd like to say is in addressing this global crisis, it is important to realize that there is going to be no economic recovery worldwide without the commitment on the part of the United States to the development of nuclear power and fusion research. Nuclear energy offers a higher energy flux-density and is currently the most efficient than any other power mastered by man.

As a part of the advocacy for a total renaissance in nuclear, I have been a proponent and actively working for the implementation of the North American Water and Power Alliance. It is a large scale bioengineering project which calls for somewhere between 169 million acre feet of water directed from Alaska through Canada, with development of tunnels, pumps, lifts, canals, and the sawtooth lift function of this project will require about 26 gigawatts of power and will require about 30-plus or so nuclear stations to be operable. We could use the 400 megawatts model of nuclear plants such as the GE prism model.

This North American Water and Power Alliance is the vision for the future of mankind, it is a means for solving the long-term needs for mankind for the next 50 years plus in water and resource development. This is also going to pave the way for the development and extraterrestrial imperative for space colonization.

And what I'd like to do is also to add to the records my support for this project and advancements in nuclear projects throughout the country, throughout the planet is a documentation that was drafted by Nuclear Engineer DeWitt Moss entitled "The Sawtooth Lift Nuclear Power Design" and also an overview of the North American Water and Power Alliance Project. Thank you very much.

MS. RIVERA: Thank you, Ms. Rogers.

Next we'll have James Lovett, followed by D.C. Dunham, Willie Rogers, and our final registered speaker so far is Ian Overton.

MR. LOVETT: My name is James Lovett. I've been retired for quite some years, but in my day

I had over 40 years in the nuclear energy industry, including the U.S. Atomic Energy Commission, a nuclear fuel fabricator -- not the reactors but the fabricator -- and 17 years with the International Atomic Energy Agency.

I think that to the long litany of support for the reactors, about the only thing I can add is to just spend one minute on information that I got from other nations. I saw a statistic just today. The U.S. has fewer than 25 percent of the operating nuclear reactors in the world, we have fewer than 25 percent of the proposed or under construction reactors for the next few years. We need more nuclear energy.

Several nations have nuclear energy policies. These policies are all variations on one theme: one, oil is not a dependable source of energy, it can be interrupted at any time and it is not feasible to store more than a few months worth of reserve supply; two, nuclear energy is the only source of energy, other than wind and solar -- which I hope come along in the future but at the present have to be considered in the development stage -- nuclear energy is the only source of energy that can produce large quantities of energy without dumping large quantities of carbon dioxide into the atmosphere.

Yes, the natural gas plant is better than the coal plant and I'm not particularly in favor of a coal plant in Matagorda County, but natural gas is contributing to global warming and we cannot afford to build any more of it than we have to.

I'm a strong supporter of nuclear energy, I'm a strong supporter of renewing these, in due course I will be a strong supporter of Units 3 and 4. Thank you.

MS. RIVERA: Thank you, Mr. Lovett.

Next we have D.C. Dunham, followed by Willie Rollins and Ian Overton.

MS. DUNHAM: Good afternoon. I'm D.C. Dunham. I'm the executive director for Bay City Community Development Corporation.

And have you ever wondered what Bay City and Matagorda County would be like if we didn't have South Texas Nuclear Operating Company here? There isn't a day that goes by that we don't run into or communicate with STP employees. They're involved throughout our community, and I really have a hard time imagining what it would be like here without them because they're such a huge asset to our community.

And of course, we love to show off our assets, and I'm proud to say that every time I meet someone I always talk about we're the home of a nuclear power plant, because I'm just really proud of that. And because of that, I've also invited all of our surrounding economic development associates to come and visit STP because I want them to see the high level of security and safety that they operate in every day. And I've got them actually scheduled next month, so Mr. Halpin, hopefully you can stop by and say hello.

But as an economic developer and resident of Matagorda County, I'm very thankful to have such a great asset in our community, and they will not only have a positive impact but an excellent impact on our taxes, community development and our environmental justice.

Thank you.

MS. RIVERA: Thank you, Ms. Dunham.

Next we'll have Willie Rollins, followed by our final speaker, Ian Overton.

MR. ROLLINS: Hello. My name is Willie Rollins. I'm a private citizen.

I don't have a lot of knowledge on technical skills about nuclear energy, so I'm just going to limit my comments to the social environmental impact that STP has had on this community.

Matagorda County, like many rural communities, over the years has suffered from brain drain where your best and your brightest tend to leave and seek their fortunes other places. Well, STP has helped to reverse that trend in Matagorda County. Not only does it provide great paying jobs for our youth that even go off to college and return to become productive citizens in this community, they have reduced the amount of exodus of kids leaving this community in the first place with the creation of the Center for Energy Development where we can now grow our own.

The social environmental impact of that, just in and of itself, has been tremendous. If we were to track the intellectual scale of Matagorda County within the last 20 years, you can begin to see that if you start off with the census of 2000, the number of high school graduated individuals in Matagorda County represented about one-third, another group of individuals that did not have a high school diploma represented another third. So effectively, basically two-thirds of the population of Matagorda County had a high school diploma or less.

If you begin to look at the recent trend since the South Texas Project has been in this community, you can see that trend reversing and the numbers of educated citizens of this community going up.

When I returned to Matagorda County several years ago, I became actively involved in a lot of the nonprofit organizations. The premier nonprofit organization for this community was United Way, but at that time, unfortunately, United Way was under poor leadership and dysfunctional.

Thanks to the leadership of two employees from STP, one by the name of Gerald Wilson, another by the name of Chris Johnson, who took the leadership of the United Way and made it the organization that it is today that's supporting over 30 other non-profit organizations in this community, there are others that could talk more eloquently about the economic impact of STP, but the ancillary benefit of its employees serving on nonprofit boards, and not to mention our faith-based communities through their tithes, their offerings that support churches and other community-based organizations, that contribution is almost immeasurable.

So that, for me, is the state of the environmental impact as it relates to the social community in Matagorda County. And I thank you all for this opportunity to give those expressions.

MS. RIVERA: Thank you, Mr. Rollins.

I'd like call up the final speaker, Ian Overton. And if we've missed anyone, please fill out a yellow card and pass it to Susan or I.

MR. OVERTON: Hello. My name is Ian Overton and I'm an organizer with the LaRouche Political Action Committee, and I wanted to come out and show my support for STP.

And I think that it's probably best, when talking about the environmental benefits of nuclear power, to compare it with the environmental problems that other forms of power offer. So for example, the amount of energy in one pellet of uranium, about the size of my fingernail here, is equivalent in energy to about 30 barrels of oil or 6.15 tons of coal, or 23-1/2 tons of dry wood.

When you start going into other examples of energy, such as wind or solar, the amount of return gets even worse because the amount of radiant heat coming down from the sun is only about 200 watts per square meter, and the amount of land area and the cost of building and maintaining solar panels or windmills is far, far greater than the actual benefit you get from them, not to mention that windmills kill birds by the dozen and solar panels, with their polarized lights, kill insects by the countless numbers.

So what we have to deal with is actually the most important thing we have to be looking at when we're talking about nuclear power and the necessity of expanding our nuclear industry is that the way in which we're going to be able to create resources in the future. You only get enough heat density in a given area through nuclear power to do things like create fresh drinking water, or distill medical isotopes, or other things that civilized society depends upon to create a dignified standard of living for all of its population.

Therefore, one of the most dangerous environmental impacts is the political agenda against nuclear power which, in effect, is also against humanity because humanity needs to progress in the direction of increasing the productive powers of labor and the productive work of society overall -- which is something that STP contributes to, as you've heard, as nuclear power contributes to overall.

And I think that the nuclear station here, given the opportunity, will be a very happy contributor to eventually realizing 6,000 gigawatts of nuclear electricity which is about what's going to be needed to bring the world up to a living standard that is actually acceptable for a species such as ours.

So thank you for your time.

MS. RIVERA: Thank you, Mr. Overton. And thank you to all of our speakers.

Having received no other yellow cards, I'm going to go ahead and turn it over to Bo Pham, the branch chief for the division.

MR. PHAM: Good afternoon, everyone. Once again, my name is Bo Pham, and I'm a branch chief at the NRC for the team that's conducting the review of this application for a license renewal for STP. On behalf of the staff, I just want to thank everyone for taking the time to come out today and this evening, if you're returning, to provide us comments.

I just want to give you an overview of what's going to happen next here. Our team is going to collate and put together your comments, as well as those that we receive up until April 1. We're going to look through them and consider how to incorporate them into our first draft of the environmental impact statement which we estimate to issue sometime early in 2012.

Once we issue that first draft, we'll come back again to engage the community and receive additional comments from you. So I look forward to coming back to you to hear more of what you have to say once we've put our first evaluations on paper.

With that, I'd like to close out the meeting and thank you again. And staff will be here for a little bit afterwards if you do have any questions you want to engage us on. Thank you again.

(Whereupon, at 2:41 p.m., the meeting was concluded.)

Official Transcript of Proceedings

NUCLEAR REGULATORY COMMISSION

Title: South Texas Project
Units 1 and 2 License Renewal
Public Meeting - Evening Session

Docket Number: [50-498 and 50-499]

Location: Bay City, Texas

Date: Wednesday, March 2, 2011

Work Order No.: NRC-740

Pages 1-46

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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

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ENVIRONMENTAL SCOPING MEETING
FOR THE SOUTH TEXAS PROJECT
UNITS 1 AND 2 LICENSE RENEWAL
PROCESS

Wednesday, March 2, 2011

Auditorium
201 7th Street
Bay City, Texas
7:00 p.m.

NRC STAFF:

ALISON RIVERA
SUSAN SALTER
MICHELLE MOSER
TAM TRAN
BO PHAM

P R O C E E D I N G S

MS. RIVERA: Good evening, and welcome to this evening's session of the South Texas Project Units 1 and 2 License Renewal scoping meeting. As I said, the purpose is to discuss the scoping comments for the environmental report. There are handouts in the back, as well as copies of the presentation that the NRC staff will be giving.

If you haven't already turned in a yellow card and you do wish to provide comments during the comment period, please fill one out at the back on the table and bring it up to either myself or Susan Salter. My name is Alison Rivera, and I'm the facilitator for this evening.

As I mentioned, we'll have a presentation by the NRC staff, followed by questions on the process during which I'll come out with a microphone to the aisle and you can ask your questions on the process, and then we'll turn to the comment period where you'll come up to the podium.

Please, when you're making comments, be courteous and respectful and be mindful of your time. I'd ask that you be concise. A transcript is being taken by Leslie Berridge, and we'd ask that you keep your comments to about three to five minutes. And I will call you three at a time.

Please refrain from sidebars when other people are up here commenting, and turn all cell phones to vibrate so that they're not interrupted. If you have to take a call, please just go out to the lobby.

Housekeeping: Bathrooms are to either side through the exit, left or right.

And with that, I think I've covered everything and we can turn the presentation over to the NRC.

MS. MOSER: Good evening, everyone. My name is Michelle Moser, and I'm an aquatic biologist with the NRC, and I'm part of the technical environmental team working on the South Texas Project for the license renewal application.

The two project managers working on this are Tam Tran, who is with us right here, and John Daily, and I'd like to thank all of you for coming out here today.

Tonight we're going to be providing an overview of the license renewal process which includes both a safety review and an environmental review. But the most important part of tonight is really to hear the comments that you have to provide to us, and it's your opportunity to be a part of the environmental review.

Before I discuss more about the license renewal process, I'd like to briefly talk about NRC in terms of what we do and our mission based on two important governing statutes.

The NRC is a federal agency that regulates the civilian use of nuclear materials. The Atomic Energy Act authorizes the NRC to grant 40 year operating licenses for nuclear power reactors and also license renewals for an additional 20 years.

The National Environmental Policy Act, or NEPA, establishes a national policy for considering the impact of federal decision-making on the human environment. The NRC Commission determined that nuclear reactor licensing renewal constitutes a major federal action for which an environmental impact statement, or EIS, is warranted.

NRC's mission is threefold: to ensure adequate protection of public health and safety, to promote the common defense and security, and to protect the environment.

Now to turn a little bit more specifically to the South Texas Project. Units 1 and 2 were licensed to operate in 1988 and 1989, respectively. The current operating licenses expire in 2027 and 2028. STP Nuclear Operating Company filed an application for license renewal of the South Texas Project with a letter dated October 25, 2010.

A license renewal application is required to contain a certain set of information. For example, there must be general information about the plant owner or operator, there's technical information which pertains to aging management which is the focus of the staff's safety review, and another component is the environmental report which is the applicant's assessment of the environmental impacts of continued operations. We use this as the starting point for the NRC staff's independent environmental review.

As I mentioned before, license renewal involves two parallel reviews: the safety review and the environmental review.

The safety review focuses on the aging effects of passive and long-lived components and structures that the NRC deems important to plant safety. The staff's main objective in this review is to determine whether the effects of aging will be adequately managed by the applicant. The review also considers generic and site-specific operating experience related to the effects of aging. The results of the safety review are documented in the safety evaluation report, and sometimes we may refer to that as the SER.

For the environmental review, the staff considers, evaluates and discloses the environmental impacts of continued plant operation for an additional 20 years. The staff also evaluates the environmental impacts of alternatives to license renewal. The objective of the review is to determine if the environmental impacts of license renewal are so great that license renewal would not be a reasonable option, or more plainly, is license renewal acceptable from an environmental standpoint. The staff prepares an environmental impact statement to document its review, and you may hear us refer to that as the EIS.

Before I go into more depth about the safety and environmental reviews, I want to mention a few areas that are very important and part of the NRC oversight process, and this includes emergency planning, security and current safety performance.

NRC addresses these areas of performance every day as part of the ongoing regulatory oversight provided for all currently operating power reactors. Therefore, we do not reevaluate them in the license renewal. This is not to say that these aren't important; we just don't duplicate the regulatory process in these areas.

This diagram illustrates the parallel safety and environmental review processes which you can see both lead to the NRC decision on the application. Now, in addition to these reviews, there are also two other important considerations that the Commission uses to help inform their decision. One of these considerations is the independent review performed by the Advisory Committee for Reactor Safety, which at NRC we love acronyms so we refer to this a lot as ACRS. The ACRS reviews the license renewal application and the NRC staff's safety evaluation report. The ACRS reports their finding and recommendations directly to the Commission.

Hearings may also be conducted. Interested stakeholders may submit concerns or contentions and request a hearing. An adjudicatory panel from the Atomic Safety and Licensing Board will be established to review contentions for admissibility. If a hearing is approved, the Commission would consider the outcome of the hearing process in its decision of whether or not to issue a renewed operating license.

Now I'm going to go into a little bit more detail about the safety review.

The regulations governing license renewal for the safety review has two guiding principles. The first principle is that the current regulatory process is adequate to ensure that the licensing basis of all operating plants and provides an acceptable level of safety.

The second principle is that the current plant-specific licensing basis must be maintained during the license renewal in the same manner and to the same extent as during the original license term. In other words, the same rules that apply under the current license will continue to apply in the renewal term, or the additional 20 years of operations.

In addition, a renewed license will include conditions that must be met to ensure aging of structures and components important to safety are adequately managed so that the plant's current licensing basis is maintained during the period of extended operations.

For the safety review, the staff performs multiple-level reviews. First, the staff reviews the renewal application and supporting documentation. Then the safety staff performs site audits to verify the technical basis of the license renewal application and to confirm that the applicant's aging management programs and activities conform to how they are described in the application. The staff documents the basis and conclusion of its reports in the safety evaluation report which is publicly available.

In addition, a team of specialized inspectors from NRC Region IV travel to the reactor site to verify that aging management programs are being implemented, modified or planned consistent with the license renewal application.

Finally, as I previously mentioned, the ACRS performs an independent review of the license renewal application and the staff's safety evaluation report.

For the environmental review, the staff performs their environmental review in accordance with National Environmental Policy Act of 1969, or NEPA. NEPA requires that all federal agencies follow a systematic approach in evaluating the potential impacts associated with major federal actions and alternatives to those actions. By law, the NEPA process includes public participation and public disclosure.

The NRC's environmental regulations contained in 10 CFR Part 51 are largely based on other implementing regulations for NEPA.

In the staff's EIS we evaluate impacts to a wide range of resources such as wildlife and fish, water and air, historical and cultural resources, socioeconomics, and human health. Starting with the scoping process, we consult with various federal, state and local officials, as well as leaders of Native American Nations, that have expertise in these areas.

As illustrated on the slide, some of the agencies that we work with include U.S. Fish and Wildlife Service, EPA, NOAA, state historical preservation offices, as well as many local and state agencies.

The environmental review begins with the scoping process which is where we are today. The purpose of the scoping process is to identify significant issues that should be considered in the environmental review. We are now gathering information that we will use to prepare an EIS for the South Texas license renewal. As part of that process, we are here to collect your comments on the scope of the environmental review -- that is, the environmental impacts that are local to this area and that are important for the staff to consider.

The staff has developed a generic environmental impact statement that addresses a number of issues common to all nuclear power plants. The staff is supplementing that generic EIS with a site-specific EIS for the South Texas Project. The staff will also re-examine the conclusions reached in the generic EIS to determine if there's any new and significant information that would change the conclusions reached in the generic EIS.

The scoping period started on January 31 and we will be continuing to take comments until April 1.

In general, we are looking for information about the environmental impacts from continued operation of the South Texas Project during the extended period of operation. You can assist us in that process by telling us, for example, what aspects of your local community we should focus on, what local environmental, social and economic issues the NRC should examine, and what reasonable alternatives are most appropriate for this region.

This next slide illustrates the NRC's various considerations for deciding if a renewed operating license will be issued. It's a rigorous review involving the EIS, safety evaluation report, regional inspections, and so on. But what's important to point out here is that the public comments are an important part of the license renewal process. We consider all comments that we receive today and throughout the scoping period, and it helps inform and shape the supplemental environmental impact statement.

In addition to providing comments at today's meeting, there are other ways that you can submit comments on the environmental review. You can provide written comments by mail to the NRC Chief of Rules and Directives Branch at the address provided on this slide, and there are copies of this slide back there. Or you can send your comments electronic by going to regulations.gov.

You can also make your comments in person if you happen to be in Rockville, Maryland. We ask that you get in touch with Tam Tran beforehand so that he can set up the appropriate arrangements.

And again, the comments should be submitted by April 1.

This slide shows some other important milestones for the environmental review process. The opportunity to submit contentions for a hearing closes on March 14, and we plan to issue the draft environmental impact statement around March 2012. And once that's issued, there will be a comment period where again there will be an opportunity for the public to read through the draft EIS, and it's an opportunity for the public to comment on the draft EIS and see if there's any additional impacts that you'd like to see in it.

The primary contacts within the NRC for the license renewal of the South Texas Project are Tam Tran and John Daily.

The Bay City Public Library has agreed to make the license renewal application available for public review, and when it's published for comment, the draft supplemental EIS will also be available at the library.

In addition, these documents will be on the NRC's website at the website that's listed on this slide, and the safety review schedule is also posted on the same website.

As you came in, you were asked to fill out a registration card at our reception desk. If you've included your address on that card, we will mail you a copy of the draft and final EIS for your information. And if you didn't have an opportunity to fill out that card, please feel free before you leave to fill out a blue card and add your address to it.

This concludes my presentation and I will now turn it over to our meeting facilitator.

MS. RIVERA: Thank you, Michelle.

At this point we'll open the floor to questions on the process, and I'll come out with a microphone if there are any. Just raise your hands.

Do you have a question? Please state your name and affiliation, if any, before your question.

MR. CORDER: Good afternoon. My name is John Corder, 313 County Road 912 in Brazoria County. I'm proud to say that I worked on STP 1 and 2 for five years.

My concern is something that affected me personally that I identified some concerns that I had as time went on, and through the process of the United States Labor Commission I was able to settle my complaints inasmuch as I was not told ever whatever happened to the results of my complaints.

I'm here tonight to offer to the STP, not only 1 and 2 but 3 and 4, to please make public -- and I've worked with the administration of both 1 and 2 and 3 and 4 -- to make public inasmuch as they could put it into the Bay City Library.

Here's the facts, if you're any of these people here -- excuse me a minute to get it correct -- if you're an employee, a contractor, a vendor, personnel or a visitor reporting safety-related or quality concerns, what I'm saying is that whatever those concerns are should be made public, put in a public place.

The pressure on individuals to report something is great when they fear if they're working that they'll be terminated, or maybe they go ahead and get terminated or choose another job, what happens to the concern that they have identified.

We have in this policy of STP that they'll take care of it and NRC will, and I'm sure their intent is very good. What we the people need to know is that whatever that concern was should be identified. That is only part of it. What is the resolution to that concern, and thirdly, whatever happened to the culmination that that concern was adequately identified. Even if the person wanted to be anonymous, it's still important publicly regarding what emphasis it has to the NRC or to the project, it's important to the public.

We're here tonight to understand that the NRC and the STP are interested in continuing their license. I agree with that. I agree also that in that process their policy should be changed in words that would say that we, STP, will identify to the, for example, Bay City Library, will put in the concerns that are presented to them so that the public will have access to know what they were, what the resolution was, and if it in fact was completed.

Thank you very much.

MS. SALTER: Thank you, Mr. Corder. And I believe we have some information on, it sounds like, maybe possibly an allegation. We'll follow up with that and get back with you on that.

Does anyone have any questions on the process before we move into the comment period for the review, for the license renewal review, environmental evaluation?

(No response.)

MS. RIVERA: Okay. So with that, we are going to enter into the comment period. Again, if you would like to make a comment and you have not filled out a yellow card, it's not too late. You can get one in the back and bring it to me and we'll add you to the list.

I'm going to turn it back to Alison.

MS. RIVERA: Thank you.

First up, we're going to have Matagorda County Judge Nate McDonald, and on deck we'll have Mitch Thames, Tim Powell and Ken Head.

JUDGE McDONALD: Good evening. My name is Nate McDonald. I'm the county judge from Matagorda County, and I want to thank the NRC for hosting this event tonight to give all of you a voice in the process. That's the way America was promulgated in the beginning, and that's the way it should be and always shall be, we hope, and we thank you all for making that

available to us tonight.

Ladies and gentlemen, by its very definition, an electric generating station is designed to churn out power seven days a week, 24 hours a day, and hopefully 365 days a year, unless, of course, you have those unforeseen events that come along from time to time.

Just last month we had one of those unforeseen events right here in this county and in many, many parts of the State of Texas. Many, many of the electric generating stations in the state did a fine job; many, many of them fell offline. I can tell you, though, from firsthand knowledge that one of those stations that didn't go offline and that did do a very, very good job was right here in Matagorda County. We had two units of nuclear that operated completely right through every outage that was in this cold snap that we had, and not only that, but did it in a safe and reliable manner with no reportable injuries, the whole thing. You know, that in itself is plenty to keep this station running for another 20 years.

If we start down the path of all the other ancillary things that this plant has for Matagorda County, it's going to take a heck of a lot more than the three to five minutes that I have, so I'm not going to start down that path. But what I will tell you and what I do know from firsthand observation is that this plant is committed to the safety and the well-being of the citizens of Matagorda County, to their employees, and that's what they practice first and foremost is safety, and they do that oftentimes at the expense of profits.

And I can tell you that's a very, very refreshing take on a business model because you don't see that much in corporate America these days, ladies and gentlemen. But we see that and we have that right here in Matagorda County, and all the while having promulgated and carried out that culture of excellence that they practice. They've developed a very good business model that does allow them to produce and does allow them to lead the nation, and even the world, in safe and reliable electric generation.

So that, in a nutshell, for me is what's the very most important thing about consideration for this renewal that we're talking about tonight.

I hope that the NRC will smile favorably upon this plant's request and I'd hope that you would grant it. And if there's ever anything that I or my office or any of the commissioners that serve on the court with me can answer for you, I'd hope that you would call us and ask those questions of us and give us the chance to answer those for you.

We do appreciate you all being here this evening, we do appreciate STP's confidence in us, and we especially appreciate STP's willingness to grow out their legacy for the county by another 20 years in filing this application.

So thank you all very, very much again, NRC, for allowing us to comment tonight. Thank you.

MS. RIVERA: Thank you, Judge McDonald.

Next we have Mitch Thames, followed by Tim Powell, Ken Head and Mike Bolin.

MR. THAMES: And again, thank you. I also want to echo the Judge's comments. NRC, thank you so much for coming down to Matagorda County, and as an official welcome, we certainly do appreciate you.

I want to touch on two aspects of the review. One is going to be the environmental aspect. It's very important when you talk about Matagorda County -- and I'll do just a little bit of a commercial -- we have a very, very sensitive area in that we have the freshwater from our Colorado River, two bays, estuaries, as well as the Gulf of Mexico. We are the North American Christmas bird count winner about eleven out of the last twelve years. It was foggy one morning and we missed some of those birds.

But as you see that as we've got such a great ecological area here the whole time Units 1 and 2 have been operating. So we're very, very proud of the fact that the South Texas Nuclear Operating Company, with Units 1 and 2, continues to operate in a strong fashion while our environment is protected.

The second is from more of a behind-the-scenes type of safety aspect. The Judge has seen fit to have me as one of the PIOs, public information officers, for the county during a lot of our STP drills, many of which you grade us on every aspect of it. We're very proud of the fact that we set the standard, I think, in the nation, and that's some of the feedback we've gotten from the NRC.

I have been allowed to have information opened up, as the county's PIO. There's never been a piece of information that's been withheld as we go through drills, as situations were faced. We're also educated from a county standpoint, knowing exactly what's going on at the plant in case something should ever happen. It is important for us to be able to stand up and speak to the media, but more importantly, as you know, we're speaking to the citizens of Matagorda County and keeping them safe.

So on both aspects it's a five-star rating.

We certainly do appreciate you being here, and we thank you so much.

MS. RIVERA: Thank you, Mr. Thames.

Next we'll have Tim Powell, followed by Ken Head and Mike Bolin. And as you start your comments, if you could introduce yourself and give your affiliation, if any, please.

MR. POWELL: Thank you very much. I'm Tim Powell. I'm the vice president of Technical Support and Oversight for the South Texas Project, and the license renewal comes under my area.

Do appreciate the Nuclear Regulatory Commission coming down and supporting this public forum. It is extremely important, the public input in this process, because it helps us become a better station with the more input that we get.

I really would like to thank the residents of the local communities and the leaders that have come out to provide input. We couldn't do it without you and we appreciate your support and your comments.

I would also just like to state that over the last seven years we have had the top two-unit producing power plant in the United States, and over the last five years the top two-unit producer in the world. We accomplished that by focusing on safety first. Nuclear safety is our number one priority and something that we hold very dear, and we continuously focus on it.

Our employees are active in the community. I think we are an excellent corporate citizen, and we look forward to doing that all the way to 2047 and 2048. We look forward to serving Matagorda County through the production of safe, clean, carbon-free electricity over those extra 20 years. Thank you.

MS. RIVERA: Thank you, Mr. Powell.

Next we have Ken Head, followed by Mike Bolin.

MR. KEN HEAD: Thank you. My name is Ken Head. I'm a small business owner here in Matagorda County.

And first of all, I'd like to thank the NRC for coming down today. We really appreciate your concern over our environment, as well as our community leaders here in Matagorda County.

I'd like to express it's necessary for the continued growth of our county for you to issue the 20-year continuation of STP. STP employees are some of my top customers and they're the ones that keep our community afloat, as well as our small businesses, our hotels, our food eateries, everywhere else. I would imagine you're staying at some of those fine utilities this evening.

As a long-time resident of Bay City, I've seen the good, the bad and the ugly of STP, and good thing I've never seen any bad or ugly, everything I've seen has been pretty good. And I appreciate the leadership out there that I see sitting around this room that has made that happen.

What should you focus on? Obviously, our environmental concerns are a huge part of this. I'm the Convention and Visitors Bureau and one of our main focuses is bringing tourists down to Matagorda County to see what we have to offer. Good thing one of our sights to see is STP, as well as all around STP we have tons of fishing, birding, we have farmlands and everything else, and from what I've seen, there have been no concerns with those at all, as I grew up fishing right below STP on the Colorado River. And I would like to thank STP for providing that to me, providing the safe waters and the safe grounds for me to do that on.

As well, it is my opinion that if the renewal should be given to STP, I think the highly qualified organization out there will continue working on 1 and 2 as they continue to build 3 and 4, and I think you ought to take that into accountability that with the 3 and 4 coming on that they can continue to operate 1 and 2 successfully.

Thank you so much.

MS. RIVERA: Thank you, Mr. Head.

Next we'll have Mr. Bolin, and if anyone else would like to register to speak, just fill out a yellow card.

MR. BOLIN: Thank you. My name is Mike Bolin, and I'm a partner with John White in a small general contracting firm local to Bay City.

There's not much else to say after Ken Head covered the waterfront, and I agree with everything that he said. And I'd also like to, for the record, say that I am absolutely for the continuation of such a good neighbor and a good employer, just a good citizen. Our hopes are that it will continue and that we're for it, and we just wish we had more employers like you in this county.

Thank you.

MS. RIVERA: I have a yellow card now for Mr. Corder. Did you have additional comments that you wanted to come up and make?

As he's approaching, I'll say that on deck is Casey Kile, Robert Singleton, Karen Hadden, and Bobby Head.

MR. CORDER: My name is John Corder, 313 County Road 912, Brazoria County. It's a pleasure to be here tonight.

As I said earlier, I had the pleasure of working on 1 and 2 for about five years. I've also had the experience of overseeing quality control for the company I've worked for for about 30 years in quality control, and I've been personally on five nuclear plants. This has been one of them.

To more elaborate on what I just said, my concern is having worked with the STP present administration and the Units 3 and 4, I'm really not satisfied that they had the openness that I expected when it come to personnel for the individual workers or those that are here in these categories that I mentioned.

I would admonish all of us to always keep tabs on the installation itself, feel free that you can ask questions and if there's any questions that ever come from a worker. It is very difficult for a lot of people to identify a problem. They feel threatened by it, and frankly, that is a real concern, been there.

So I'm hoping that in the renewal -- and I wish that the plants get renewed, I'm not going to say about nuclear not being safe, et cetera -- I am only saying that I am hoping that we have more of an openness with the community or for those that have any questions about the safety or any concern, whether it be for personnel protection, plant safety or for the administration of how they do their policies.

I was working with 1 and 2 and 3 and 4 on those policies they have which said about the openness, and that's what I said is that I hope that we can have, like the person said before, it will be in the library, but really I want the concerns to be there so that we can look at them and get them resolved.

And I wish STP good luck.

MS. RIVERA: Thank you, Mr. Corder.

Next we'll have Casey Kile, followed by Robert Singleton, Karen Hadden and Bobby Head.

MR. KILE: My name is Casey Kile. I'm the president of Bay City Babe Ruth here in Bay City.

And I'd just like to say that, on behalf of Babe Ruth, we're very grateful for everything STP does for us as an organization. They're a major sponsor in all of our events. Over the last ten years we've hosted four regional tournaments and eleven or twelve state tournaments, and without STP's support, we would never have been able to participate in those tournaments or even host those tournaments.

On the economic standpoint Mr. Head said, earlier last year we hosted a regional tournament. We had five states come to visit Bay City, over 400 visitors in town, over 100,000 new dollars just last year, and without STP supporting that, we wouldn't have been able to host that tournament. So we'd like to thank them.

Not only do they help us monetarily with our tournaments, but their employees also volunteer with us, and we'd like to thank them for their employees and letting them volunteer.

Over the last ten years, like I said, we've hosted about 15 tournaments and probably half a million new dollars in Matagorda County over the last ten years.

So if you wouldn't mind, Bay City Babe Ruth and all the youth are in great favor of renewing STP for their license. Thank you very much.

MS. RIVERA: Thank you, Mr. Kile.

Next we'll have Robert Singleton, followed by Karen Hadden, and finally, Bobby Head. And if anyone else is interested in speaking, just please fill out a yellow card and bring it up to Susan or I.

MR. SINGLETON: Hi. My name is Robert Singleton. I'm from Austin and I'm representing public citizen at this event.

You may ask why I'd want to come down from Austin to talk to you. Well, Austin is a 16 percent partner in Unit 1 and Unit 2, and if you look back over the history of the project, we've got a lot less reason to celebrate this plant than maybe some people who live here do. I'm not going to talk a lot about jobs but I'm going to wrap up with that tonight.

But Austin's experience with 1 and 2 was a nightmare. We had it thrust upon us by politicians who were determined to continue to take public votes until we bought a share of the plant. We tried to get out of the plant at one point, tried to sell our 16 percent share, and can't.

The problem was at its worst in the '90s when 42 cents out of every dollar that we paid on a utility bill was going for debt service at NRG. For our 16 percent share, we were paying almost half of our utility bill for debt service on the project.

I want to talk mainly about safety tonight. And I know that when you're living here, the plant is just something that's always been there, but my thinking about safety at nuclear power plants is sort of: Yeah, they've got redundant safety systems because there are redundant dangers. The analogy I like to think of is if I'm walking through a construction site wearing a hard hat and a brick falls six stories and bounces off my helmet, my first thought is not thank God the helmet worked, my thought is who dropped the brick.

If you want to know what's going on with nuclear power plants and you support this plant, I'm going to challenge you to do one thing, and that is tomorrow morning go to the NRC website, [www.nrg\[c\].gov](http://www.nrg[c].gov), and click on event reports and click on current events. If you do this for a couple of days a week, you're going to be convinced that nuclear power plants routinely have near misses that could have catastrophic results.

Nuclear power is the only form of energy generation that has the potential for killing thousands of people in one single event. I mean, if you're investing in wind, what's the worst that can happen? You have a catastrophic accident, you don't generate power and maybe some sheep were inconvenienced. Nuclear power has the capacity to kill people, it's a dangerous technology. All you have to do is look at Chernobyl and Three Mile Island.

How many of you have ever heard of SL1? It was an experimental reactor in Idaho that in the early '60s had a fatal accident. There was one gentleman that was actually pinned to the ceiling of the containment building by a rod when there was a steam explosion in the plant. It impaled him to the ceiling stuck on a control rod.

Nuclear power can and has caused human fatalities. Read about Chernobyl. I know that NRG is going to say well, new reactors are safer, but they're saying this in a way that causes me to ask this question. When they're talking to you about 3 and 4, they say these plants are newer and safer, or safer and more advanced than the old plants. Well, they're also arguing for extending the life of the old plants which had a limit on their life in the first place for a reason: we didn't know how long you could run a nuclear power plant; we still don't.

Turkey Point in Florida, they had to replace the steam generators in the plant, and to replace a steam generator you have to cut a hole in the containment building, you have to take the generator out and put the new one in. Well, what they found was that the cement inside the containment building had degraded over the last 20 years, there were immense cracks that ran through the inside of the structure.

And that is what happens when you extend the life of a nuclear plant. These things were designed to have a limited life for a reason. They're not going to safe forever.

Nuclear power was also always intended to be a bridge technology. We're always going to find something better, and what we could do right now instead of re-license these is make an investment in renewables which could have, in terms of jobs, just as much of an impact as extending the life of this plant or building new units.

The other thing about switching forms of energy is that you can create jobs locally that are going to be exclusively locally. Nuclear power, a lot of the jobs that are generated are going to be foreign manufacturing jobs. The components for these plants are built off site, they don't really generate that much for your local economy.

There are new and exciting technologies that we could be counting on. For example, there's an Australian company called EnviroMission that's just about to open a project in Arizona. What it is is it's a tower, just a tower, covered around the base with thick plastic. What it does is it captures the heat of the sun, the heated air rises up a chimney and turns a turbine. It's basically the only moving part, so the turbine and then the generators from it.

The cool thing about it is that it continues to generate electricity even at night because the heat of the ground continues to make this temperature differential and the air continues up the chimney and the turbines continue to turn.

This is the kind of thing that can be built and provide localized power. In West Texas, for example, we could build these things and not have to ship the power across the state. We could actually use it to provide energy where it's built.

There are alternatives, and I really think that there's not enough proof that a plant can be run longer than the time period in which the engineers that designed it said it was designed to be built. They're talking now about running some nuclear plants for 60 years. My question is is this because they're so much safer than they were thought to be originally, or is this because the people that run nuclear power plants say if we close it down we don't make any money; if we continue to run it, sure they'll be less safe than they were, but as long as they don't actually melt down, we're going to continue to make money. I think you'll find out that's what it is.

And also don't let NRG give you this talking out of both sides of their face where they say the 3 and 4 are going to be better and newer, at the same they're talking about extending the life of what then could be argued are the older and the less safe plants. Can't have it both ways, and there are definitely alternatives.

Thanks.

MS. RIVERA: Thank you, Mr. Singleton.

Next we'll have Karen Hadden, followed by our final registered speaker, Bobby Head.

If anybody else is interested in registering, just fill out a yellow card and bring it to the front. Thank you.

MS. HADDEN: Good evening. My name is Karen Hadden, and I'm here as executive director of the SEED Coalition, Sustainable Energy and Economic Development Coalition.

And first I'd like to say thank you because we've been down here a number of times and we've expressed concerns about the new reactors proposed, but we've always been treated well in Bay City, and I have a huge respect for the people who work here and live here, and I do think you have a beautiful community and I do hope that tourism continues and grows.

I also have concerns about the re-licensing of reactors 1 and 2. I think there's a number of issues that need to be looked at carefully during this process and bearing worker safety in mind. One of them is tritium, and basically there has been tritium showing up in wells on the site. This needs to be looked into thoroughly, as well as tritium in the Colorado River, and documented, measured, carefully analyzed to see if it's safe to continue down this path at this point in time.

Another issue is control rods. There were problems when the new reactor heads were put on, the control rods got stuck. This is actually happening at many different reactors right now. And there's been some flaws in construction of some of the equipment involved. So I think during this process that there should be a thorough analysis of the control rods, their drive mechanism, and so on and so forth, and see if there's any problems technologically with the parts that are here and being used.

I share the concerns mentioned by Robert Singleton about embrittlement as the plants age. These reactors were not designed to run forever; they were designed to be closing down about this time, and the first five years and the last five years of a nuclear reactor's life cycle are the ones where they have the most risk, and I think we should bear that in mind during this process and do analysis on that front.

Furthermore, in 1982 there was a study done for the Nuclear Regulatory Commission called the Crack Two Study. It found that if there were an accident -- and they were looking at Units 1 and 2 -- that there would be 18,000 early deaths. They would also be followed by thousands of cancers. That study has not been updated. The population in some of this region has grown, and it needs to be looked at again to find out what is the reality of the situation today, and that needs to be compared to other ways of generating electricity.

There is a problem with the leaking main cooling reservoir which was described and documented in the license application for Units 3 and 4. There needs to be tracking of where the water is going, is it reaching the Gulf, where is it going, what is it doing. That should be part of the re-licensing study and analysis.

Water use is an increasing issue. Up until this point, the highest use that I know of through researchers looking at this is 49 percent of the Colorado River has been used for cooling purposes, and I know a couple of summers ago there was a lot of pumping going on to refill the reservoir when it got kind of low.

It's a problem for those of us in Austin. The Colorado River water has to serve a lot of purposes. Rice farmers need it; we're going to need it for many, many purposes, recreation, fishing on our end. And Lake Travis levels were at an all-time low several years ago. Every single dam on the whole lake was closed; you couldn't put a boat in.

And we would like to see something shift to where this much water was no longer required. Certainly you're still going to have to still cool spent fuel rods and so on and so forth, but it is a question when you look at continuing the reactors' life.

A big issue is need for power. Right now in the legal case involving Units 3 and 4, the Atomic Safety and Licensing Board has agreed to hear a contention that is one of omission. There was a failure to analyze what alternatives were there in terms of looking at energy efficiency. Building codes in particular are going to be saving -- they've been adopted -- going to be saving some 2,200 megawatts of power in Texas. We need to look at whether the power is needed, and then we need to look at how else it could be generated.

And certainly jobs are crucially important in every community. We realize that that's important here. I think it's time to look at what are the options in terms of transition, what other kinds of ways to generate electricity could occur here -- I think there are many -- and to start looking at training and what other options exist.

The reactor head that's stored onsite, I think as part of this process it should be looked into about how carefully shielded that is, is it adequate. Maybe it is, maybe it isn't. But I think that should be looked at.

Security issues continue. Just last week we heard about a Texas Tech student who among his plans was a plan to attack nuclear plants, and I think that needs to be looked at once again as well.

So these and many issues should be addressed. It's an important decision.

I think at this point in time it's also important to note that in the world of emergency planning that the ability to get potassium iodide tablets out to the public seems to have been overlooked. I don't see a lot of information about it. I think it is one approach you could take if there was a serious accident, and that should be looked at. In other places in the country potassium iodide tablets were actually distributed to the community at one point in time so that if there was an accident, you could take it and protect the thyroid from absorption of radioactive iodine.

I don't see that happening here, nor do I see information publicized about that option. You can buy them online, but I don't see anybody even telling people about that.

So I think that we will also be submitting written comments. There's other concerns that we have. We'll be looking more in-depth. A lot of issues need to be fully explored, and we look forward to communicating with you further on that front. Thank you.

MS. RIVERA: Thank you, Ms. Hadden.

Next we'll have Bobby Head.

MR. BOBBY HEAD: I'm last but I'm going to try to be a little bit quick. I think you know I can be a little bit long-winded, most of you guys.

First off, I'd like to say I'm Bobby Head, a third-generation Matagorda County resident. Love it here. There's no place like Matagorda County.

To back up a few years and tell you things that I've witnessed, back 30 years ago when we were talking about the plant, there was a group of people that decided they were going to protest it. They were from Austin, Boston, Houston, San Francisco, and they rented buses and they came down here, and they put it in the newspaper that they had a thousand balloons that they were going to release into the atmosphere, and that's what would happen if they had a meltdown, this nuclear waste would go like this.

Well, it just so happened that some people from Bay City went out there. As I understand, there was one lady who took her three children out there to see the balloons. And it went into the newspaper that they released the balloons, just happened to be one of those days that the wind was blowing north and they all blew out into the Gulf.

Well, do you realize that today, what we know today, if we were to release a thousand balloons it would be much more detrimental to our environment than what STP has been for 30 years. We couldn't do that. We would make national news if you said we're going to release a thousand balloons, especially in a place where the number one in the nation bird count is[.]

I'm in a unique position. I'm going to change subjects a little bit. I'm in a unique position, I've worked at STP, I've worked outages out there. I'm one of the few guys, I guess, that's only worked four outages -- I haven't worked the last couple -- but I have been from the very top of the dome to -- what's the room at the very bottom underneath the rods -- number 1. I've been there.

And I will tell you one thing, of all the things I've done in my life, worked in the oil industry, worked on drilling rigs, worked at Dow Chemical Company, I have never ever even come close to the safety that I felt at STP. I'm telling you they spend more time working on safety than anything else. I've never felt one bit -- and not too many people go to room number 1.

And it's kind of funny you go way up in the top and it's really, really hot, and you go way down in the bottom and it's really, really cold, but they call that the hottest place in the plant, room number 1.

But I'm going to tell you, safety, there's nothing like safety at STP. I've never been involved in anything like that.

To say that STP is a good neighbor, no way. They're an awesome neighbor. They have been an awesome neighbor from day one. When they first came here we thought, well, those were the STP guys, and for years, those guys out at STP, those guys out at STP. Well, they're not. They're out coaches, they're our sponsors, they're our mothers, our fathers, our brothers, our sisters and our grandchildren that are out there. They are us, they are out people.

We love you guys. We appreciate you being here. We want not only Units 3 and 4, we would like the extension of the units there.

Randy Weber was here last week. He's our state representative. He got over in the next room and he said, Texas is growing by 113,000 people a month. Wow. We're outgrowing all the states combined. We're getting more people into Texas. He says if we keep growing the way we are, that by 2015 we're going to have to have five new nuclear plants, or 16 coal plants, or 28 gas plants, or 3,000 windmills if the windmills agree to turn 24-7-365. You know that's not going to happen.

Would I like to see all of our power generated totally clean. Yes, I would. It's not realistic, not with what we have as today's knowledge.

What else do I want to say? Just to wind up, I appreciate you guys coming down. If you have any questions of me, a guy that worked mechanical maintenance out there, let me know because we're the guys that actually go out there and turn the nuts and bolts and do the work, we dress in the full uniforms to go to the places we have to go. If you have any questions, feel free to ask, and we appreciate you guys coming down.

Thank you.

MS. RIVERA: Thank you, Mr. Head.

Having received no other yellow cards, I'm going to turn it over to Bo Pham, the branch chief.

MS. SALTER: Oh, wait. We have another yellow card over here.

MS. RIVERA: Sorry.

MR. KOVAR: Hello. My name is Tom Kovar, and I'm a citizen of Bay City, a business owner, I have a little air conditioning business.

And I worked at the nuclear plant for five years in the construction phase in the early '80s, and to start with we were kind of skeptical when they were building the STP because there were several setbacks, mainly in the construction companies, not in the STP itself.

But after it was finally built, we were pleasantly surprised for the last 20 years in how it operated and how safe it was, and a large part of that is because of the NRC and how it governs and has safeguards over the nuclear industry.

You have to have electricity and you have to have a lot of it. I wish I could afford Austin's 16 percent. But you have to have a lot of electricity nowadays because of the way the population is, and if you look at the last 40-50 years of power generation, of gas-fired plants or coal-fired plants and how hazardous they are to the environment and people, then I think you can't help but realize how safe nuclear power is. The government has been using it to power their vehicles in the military for a long time.

And there's no way that you can have a perfect system when it's run by people and natural disasters. Our greatest nuclear plant in the solar system, the sun, has been operating for billions of years and it has solar flare-ups, and we've been fortunate that none of them have been too great to impact us too greatly.

And in a smaller sense, our smaller nuclear reactor here has the NRC as the buffer. As our distance from the sun is the buffer that keeps us safe, well, the NRC is the buffer against any calamity happening at the nuclear plant.

So I think that it's the best power generation -- not the best power generation because I know you mentioned wind and solar and the tower that you mentioned, and sure there's a lot better ways, but on the scale that we need it and the timing that we need it, what are you going to do? Are you going to turn off all the lights and say let's wait till all this other stuff gets developed? You can't do that.

And so I'm pleasantly happy that the nuclear plant has done as well and has been as well maintained and safeguarded as it has, and I think it will continue to be.

Thank you.

MS. RIVERA: Thank you, Mr. Kovar.

Now I'd like to call up Bo Pham for some closing remarks.

MR. PHAM: Good evening, everyone. My name is Bo Pham, and I'm a branch chief at the NRC headquarters for the team that's performing the license renewal review for the application for STP here.

On behalf of the staff, I just want to thank everyone for coming out and providing comments tonight. There were some good comments. Even though this is an environmental scoping meeting, I just want to make sure that everyone understands that the safety issues that were brought up, I will make sure that those get to the appropriate safety reviewers to be considered as well.

To just summarize, where we go from here is that our team is going to gather the comments that we heard today as well as the comments that we receive up until April 1. We will look at the comments, evaluate them and consider them and how to incorporate them into our first draft of the environmental impact statement. There were several differing views on what the impacts are, and I can be sure to tell you that we may not agree on everything but we will definitely consider every position that was put forth.

From there, we issue our first draft of the environmental impact statement, and we'll be back here in the community to listen to again regarding any comments you may have on that first draft.

So with that, I appreciate your time again tonight, and I'd like to close out the meeting.

The staff will also be here for a limited amount of time afterwards if you want to talk to us about some of the questions.

Thank you.

(Whereupon, at 8:07 p.m., the meeting was concluded.)



South Texas Project, Units 1 and 2 License Renewal Process and Environmental Scoping Meeting



Purpose of Today's Meeting

- Provide overview of license renewal review process
- Describe the environmental review process
- Provide license renewal review schedule
- Receive public input on environmental review
 - Describe how to submit comments
 - Accept comments today



NRC Regulatory Oversight

- NRC's Governing Statutes
 - Atomic Energy Act
 - National Environmental Policy Act (NEPA)



NRC Regulatory Oversight

- NRC's Mission
 - Protect Public Health and Safety
 - Promote Common Defense and Security
 - Protect Environment



South Texas Project License Renewal

- South Texas Project, Units 1 and 2
 - Unit 1, License expiration date
8/20/2027
 - Unit 2, License expiration date
12/15/2028
- Renewal application dated
10/25/2010



Contents of Application

- General information about the plant owner or operator
- Technical information about plant structures and components and how the applicant proposes to manage plant aging
- Environmental Report



License Renewal Review

- Safety Review
 - Focuses on the aging effects of components and structures important to plant safety
 - Staff review is to determine whether aging effects will be effectively managed
 - Considers generic and site specific operating experience related to the effects of aging.

- Environmental Review
 - Considers, analyzes, and discloses environmental impacts of continued plant operation and alternatives to license renewal
 - Staff review is to determine if the environmental impacts of license renewal are so great that license renewal would be unreasonable



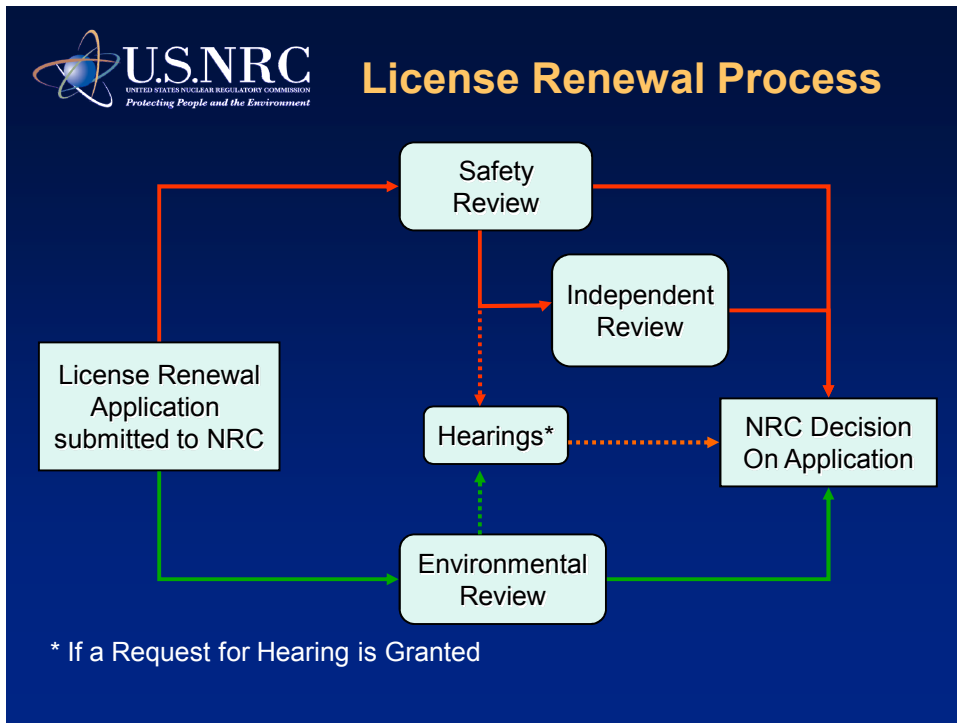
Ongoing Regulatory Oversight

- Emergency Planning
 - 10 CFR 50.47

- Security
 - 10 CFR Part 73

- Current Safety Performance

operating reactor performance web site:
http://www.nrc.gov/NRR/OVERSIGHT/ASSESS/STP1/stp1_chart.html
http://www.nrc.gov/NRR/OVERSIGHT/ASSESS/STP2/stp2_chart.html



U.S.NRC
UNITED STATES NUCLEAR REGULATORY COMMISSION
Protecting People and the Environment

License Renewal Safety Principles

- The ongoing regulatory process is adequate to ensure the safety of all currently operating plants
- The same plant operating rules apply during the renewal term
 - NRC applies additional conditions for aging management



Safety Review (10 CFR Part 54)

- Safety Review by NRC technical staff
 - Review application and supporting documentation
 - On-site audits
 - Issue Safety Evaluation Report
- On-site inspections by NRC staff
- Independent review by the Advisory Committee on Reactor Safeguards



Environmental Review (10 CFR Part 51)

- National Environmental Policy Act (NEPA)
 - Informs Federal decision making
 - Public disclosure of environmental impacts and other considerations
- NRC's Environmental Regulations
10 CFR Part 51
- Staff prepares an Environmental Impact Statement



Environmental Impact Statement

➤ Staff Evaluates Impacts to Resources

- Wildlife and Fish
- Water and Air Resources
- Historical or Cultural Resources
- Taxes, Community Development, Environmental Justice
- Human Health
- Land Use



Environmental Review (10 CFR Part 51)

➤ Scope

- Generic (Programmatic) Environmental Impact Statement (GEIS)
- Site-specific Supplemental Environmental Impact Statement (SEIS)
- Look at new and significant information on generic conclusions reached in the GEIS

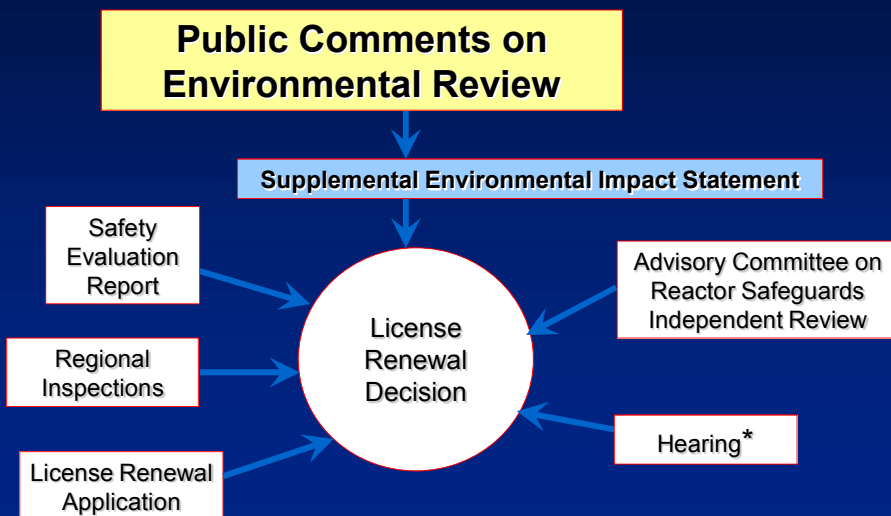


Scoping and Public Involvement

- What about your community should the NRC focus on in the EIS?
- What local environmental issues should the NRC examine?
- What reasonable alternatives are appropriate for the area?



Role of Public Comments on Environmental Review



*If a Request for Hearing is Granted



Submitting Comments on the Scope of the Environmental Review

- Provide written comments:
 - By mail: Chief, Rules, Announcements and Directives Branch
Division of Administrative Services
Mailstop TWB-05-B01M
U.S. Nuclear Regulatory Commission
Washington, DC 20555
 - Website: <http://www.regulations.gov>, Docket ID NRC-2010-0375
 - In person: 11545 Rockville Pike, Rockville, Maryland
 - **Comments should be submitted by April 1, 2011**



Environmental Review Milestones

- | | |
|-------------------------------------|----------------------|
| ➤ Application Received | Oct. 28, 2010 |
| ➤ Notice of Opportunity for Hearing | Jan. 13, 2011 |
| ➤ Notice of Intent for Scoping | Jan. 31, 2011 |
| ➤ Environmental Scoping Meeting | Mar. 2, 2011 |
| ➤ Hearing Opportunity Closes | Mar. 14, 2011 |
| ➤ Scoping Comments Due | Apr. 1, 2011 |
| ➤ Draft SEIS Issued | March 2012 |
| ➤ Draft SEIS Public Meeting | May 2012 |
| ➤ Draft SEIS Comments Due | June 2012 |
| ➤ Final SEIS Issued | October 2012 |
| ➤ License Renewal Decision | February 2013 |



Additional Information

- Environmental Contacts: (800) 368-5642
 - Carmen Fells, ext. 6337
 - Tam Tran, ext. 3617
- Documents located at:
 - Bay City Public Library, 1100 Seventh Street, Bay City, TX 77414
- Documents can be viewed at the NRC's site:
<http://www.nrc.gov/reactors/operating/licensing/renewal/applications/south-texas-project.html>



Share Your Views

- What about your community should the NRC focus on in the EIS?
- What local environmental issues should the NRC examine?
- What reasonable alternatives are appropriate for the area?