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Congress reaches year-end deal on taxes and spending
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Congressional leaders on Tuesday night reached agreement on a year-end spending and tax deal that would prevent a government shutdown and extend a series of tax breaks that benefit businesses and individuals, according to lawmakers.

House Speaker Paul D. Ryan (R-Wis.) walked members of the House GOP conference through the deal at a meeting Tuesday night.

“Paul Ryan made a compelling case to support it tonight,” Rep. Reid Ribble (R-Wis.) said after leaving the session. “He feels that it’s time to start fresh, that we increase our hand and we’ll have better negotiating position if we have a strong Republican vote this year.”

While the deal is in place, Democrats said they want to make sure what they agreed to is properly represented in the legislative text.

“We will review language to ensure that all of our agreements are drafted accurately,” said Kristen Orthman, a spokeswoman for Senate Minority Leader Harry Reid (D-Nev.)

The House and Senate are expected to pass the legislation by the end of the week. With government spending authority set to expire at the end of Wednesday, however, leaders plan to quickly move another

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Hilton Alexandria Mark

stop-gap spending bill that would give Congress until Dec. 22 to clear the year-end spending bill, more time than is likely needed.

The sweeping agreement that came after weeks of bipartisan negotiations is the broadest tax and spending deal since the January 2013 “fiscal cliff” agreement, which prevented automatic spending cuts from taking effect and shielded middle-class workers from tax increases while allowing some increases on the wealthy.

Both parties will be able to claim policy victories while bemoaning what also made it in or was left out.

“A lot of us feel like we didn’t get things we wanted, but we got some stuff that we did want, and I think that’s going to be true on both sides,” said Rep. John Kline (R-Minn.), the retiring chairman of the Education and Workforce Committee, who said he plans to support the agreement. “This is divided government, and if you’re going to move forward and follow Speaker Ryan’s notion that we want to move onto offense next year... then I think many of my colleagues will look at it like I do — that we need to move past this, get this done, let’s put 2015 behind us and get on to 2016.”

Ryan has portrayed the negotiations as a way to clear the decks for next year when under his leadership he promises a more methodical approach to moving appropriations bills.

“While not getting everything we wanted, the speaker noted that both packages include many provisions that Republicans have long fought for,” said AshLee Strong, a Ryan spokeswoman. “The speaker noted that though there are significant wins in these packages, we must not repeat this process and instead get back to regular order in 2016.”

Many House Republicans reserved judgment on whether they would support the proposals unveiled Tuesday, but most kept a positive attitude toward Ryan and the other GOP negotiators who cut the deal.

“The central players in this deserve a lot of credit for working this thing as hard as they did,” said Rep. Steve King (R-Iowa), who had been critical of former Speaker John A. Boehner’s unwillingness to take a harder line on immigration. “What’s really good in there is really the atmosphere. It’s changed so much in a couple months.”

Ribble said Ryan played the best hand he was dealt through the budget deal negotiated by Boehner: “No one can challenge Speaker

Ryan's ability to lead through these things, and he's been doing a pretty good job here. They've been negotiating in pretty good faith and trying to make the best deal they could."

But some conservative discontent was obvious, and it remained unclear whether that would metastasize into outright mutiny in the coming days.

Rep. Tim Huelskamp (R-Kan.), a member of the hard-line House Freedom Caucus, predicted that most Republicans would not support the omnibus spending bill and rejected Ryan's suggestion that a big Republican vote would improve the GOP negotiating position.

"I don't understand that at all — give the Democrats what they want now so next time they won't want as much?" he said.

Ryan has committed to allowing members three days to review the agreement, setting up a potential Thursday vote in the House. That could slip to Friday because the legislative text of the spending deal was not released until early Wednesday morning.

The tax discussions were closely linked with talks on the year-end appropriations bill as negotiators attempted to trade priorities across the two must-pass bills.

But House leaders are expected to have to rely on some procedural maneuvers to pass the package, by holding separate votes on the tax and spending parts of the deal. If both pass they would likely be rolled into one package for the Senate to consider later this week.

The [tax break package](#) would cost about \$650 billion and extend around 50 credits for businesses and individuals while also delaying until 2017 a tax on medical device manufacturers. The approximately \$1.1 trillion [appropriations package](#) would fund the government for the remainder of fiscal 2016 and contains a two-year delay of the Affordable Care Act's so-called Cadillac Tax on expensive employer-sponsored health care plans as well as a delay of a tax on health insurance plan purchases.

The spending bill also would lift the 40-year ban on crude oil exports. In exchange for allowing this provision, Democrats secured the extension of tax breaks for wind and solar energy producers for five years.

Many Republicans are reluctant to support the appropriations bill

because it is the result of an earlier deal to increase spending over the next two years. House Democratic leaders, meanwhile, oppose the tax package because they argue it doesn't do enough for lower-income workers and would make it more difficult to strike a tax reform agreement in the future by making breaks for businesses appear less expensive than those for middle- and low-income taxpayers.

The tax bill is expected to pass mostly with Republican votes while Democrats will deliver enough support for the spending bill to get it through the House.

The tax bill would permanently extend nearly two dozen tax breaks for businesses and individuals while temporarily extending others. "After years of short-term extensions, good faith bipartisan compromise prevailed," said Senate Finance Committee Chairman Orrin Hatch (R-Utah).

The credits being permanently extended include:

- An expanded Earned Income Tax Credit for low-income earners;
- The Child Tax Credit for low and moderate income workers;
- The American Opportunity Tax Credit to help students under age 40 pay college tuition and expenses;
- Low income housing credits;
- An expanded research and experimentation credit;
- Section 179 business expensing, which allows businesses to fully deduct the price of equipment and software investments;
- State and local sales tax deduction;
- Tax deductions for food inventory donated to food banks;
- A deduction for land donated for conservation; and
- A tax break for individuals to donate to charity from qualified retirement accounts.

The spending bill includes a compromise over cybersecurity legislation that would encourage businesses to share information with the government about potential cyber threats. The issue has pitted businesses against privacy advocates and efforts to complete a cybersecurity bill dragged on for years. The issue gained special urgency in the wake of several data breaches at major companies and in the U.S. government. It does not, however, address the latest cybersecurity debate over encryption that arose in the wake of the Paris terror attacks.

The agreement also would:

- Permanently reauthorize federal health benefits for emergency personnel who responded to the Sept. 11 terrorist attacks;
- Put in place new security requirements for a visa waiver program, which the House passed as a standalone bill earlier this month. that has come under scrutiny following the Paris terror attacks. The legislation does not include new restrictions that would prevent Syrian and Iraqi refugees from entering the country, a provision House Republicans had pushed to get in the bill;
- Freeze funding for the Internal Revenue Service and the Environmental Protection Agency; and
- Repeal country-of-origin food labeling requirements.

Haley seeks \$1M a day for missed milestone at Savannah River Site MOX facility

Aiken Standard
December 15, 2015

[LINK](#)

Gov. Nikki Haley is seeking \$1 million a day in penalties from the Department of Energy over an upcoming missed milestone at the Savannah River Site's Mixed Oxide Fuel Fabrication Facility. If the Department refuses to pay, Haley said South Carolina will be forced to sue.

The facility is the main building in the nation's MOX project, the chosen pathway for meeting a nonproliferation agreement with Russia by disposing of 34 metric tons of weapons-grade plutonium.

Jan. 1, 2016, was the agreed upon date set by the Department of Energy and former S.C. Gov. Jim Hodges in 2003 for either 1 metric ton of weapons-grade plutonium to be processed through the SRS facility, or for 1 ton to be removed from South Carolina.

Neither will happen in the next two weeks since the facility is only about 70 percent complete and there are no plans to remove any of the plutonium stockpiles from SRS.

That is why Haley and Attorney General Alan Wilson sent a letter Monday to DOE Secretary Ernest Moniz putting him on notice that South Carolina intends to "collect the \$1 million per day economic

and impact assistance payment.”

Payments to South Carolina are not to exceed \$100 million per year, according to the 2003 agreement.

Haley noted that the state is grateful to play a part in the nation’s nonproliferation efforts; however, South Carolina takes risks by putting its security, economic and environmental interests at stake. “South Carolina cannot stand idly by while DOE violates federal laws and fails to fulfill its commitment to the State,” Haley wrote.

Last year, the state filed suit against the Department of Energy and others after President Barack Obama proposed placing the MOX program in a cold standby while nuclear officials considered other disposition pathways. The suit was dropped after Moniz vowed to keep the program running through the remainder of the fiscal year.

The MOX project, which employs about 2,000 workers, has been scrutinized for cost overruns and delays in construction.

Parts 1 and 2 of a congressionally-mandated report from Aerospace Corp. concluded in May and August that a downblending alternative would be a cheaper way to meet the nation’s agreement with Russia.

Aerospace concluded that the MOX method, which is expected to convert the plutonium into commercial nuclear fuel, will cost an additional \$47.5 billion on top of the nearly \$5 billion already spent.

The downblending method, which would dilute the plutonium and send the final solution to a designated repository, would cost \$17 billion from beginning to end, according to Aerospace.

Obama signed off on another \$345 million for the MOX facility through the current fiscal year. The funding came with a stipulation that Moniz must put together an updated project baseline which would give legislators and stakeholders a better grasp of progress and projected costs.

The baseline is expected to reach Obama in time for him to use the information in his upcoming fiscal year proposal. It usually surfaces in February.

Consolidated interim storage called the bright spot in spent fuel discussion

Rod Report (Blog): Waste Control Specialists
December 14, 2015

[LINK](#)

There was more encouraging news on the interim storage front out of Washington DC last week when Stephen Burns, the chair of the Nuclear Regulatory Commission (NRC), cited consolidated interim storage at a private-sector entities as an interesting development in the dynamic of the decades-long debate about the fate of a permanent repository at Yucca Mountain.

In an interview with the BNA Daily Environment Report, Chairman Burns was asked about the scientific review of Yucca that the NRC is wrapping up. He explained that from a technical standpoint Yucca Mountain would work as a permanent solution.

However, as the article points out, the political barriers to licensing Yucca remain complicated and in the meantime spent fuel is piling up around the country.

Burns went on to bring up the fact that Waste Control Specialists (WCS), and others, are seeking a license to store spent fuel until a permanent facility becomes available. Burns cited that this is “something to watch in the next couple of years.”

“You might have a greater impetus to go to consolidated storage in one of those sites while a longer-term repository is worked on,” Burns said in reference to private-sector entities offering alternatives.

Clearly, the NRC is fully cognizant of the fact that even if Yucca licensing process was restarted tomorrow, it would still be decades before the facility could begin accepting waste and that consolidating spent fuel at a private-sector facility for storage is a key component to any long-term solution.

A WCS consolidated interim spent fuel facility, if licensed on schedule, could be accepting waste in 2021. WCS continues to work closely with the NRC in an effort to put forth the best possible license application.

Our proposal is to build a consolidated interim storage facility that will accept 40,000 tons of spent fuel in 8 phases of 5,000 tons each. That means that with the first phase alone, we would be capable of accepting all the spent fuel currently stranded at the 10 decommissioned nuclear power plants around the country.

And the sooner we can move those dry casks off those

decommissioned locations, the better off this country will be. I believe that one day Yucca Mountain – or something very much like it – will serve as a final geologic repository for spent fuel. At WCS, we're ready to help the country get to that ultimate solution.

