MINUTES

HOUSE ENVIRONMENT, ENERGY & TECHNOLOGY COMMITTEE

DATE:	Tuesday, January 30, 2018
TIME:	1:30 P.M.
PLACE:	Room EW41
MEMBERS:	Chairman Raybould, Vice Chairman Thompson, Representatives Hartgen, Vander Woude, Anderson, Anderst, Mendive, Chaney, Nate, Cheatham, Horman, Malek, Moon, Scott, Ehardt, Smith, Jordan, Rubel
ABSENT/ EXCUSED:	None
GUESTS:	John Chatburn, OEMR; Michael Sandrig; Dennis Stevenson, Idaho Department of Administration; Rialin Flores, CVI; Brag Hunt, O.A.R.C.; John J. Willams, BDA; Wendy Wilson, Snake River Alliance; Lynn Tominaga, IRUA

Chairman Raybould called the meeting to order at 1:30 p.m.

MOTION: **Rep. Smith** made a motion to approve the minutes of January 22, 2018, and January 24, 2018. **Motion carried by voice vote.**

RS 25915: **Rep. Clow** presented **RS 25915** providing the background on annual testing of back flow devices on sprinkler systems in residential homes for the purpose of preventing back flow from the home system contaminating a city water source. The proposed legislation addresses the necessity of annual inspections since a first-year inspection provides protection of the city water source. Rep. Clow met with the Department of Environmental Quality (DEQ) and Twin Falls Building Safety personnel where he learned that the annual inspection is required by Idaho Building Code, and Idaho Building Code requires it because of plumbing rules, which turn out to be based on the one-year period manufacturers warranty the back flow devices. Rep. Clow stated problems with the devices usually occur from incorrect installation which is discoverable on an initial first year inspection. **RS 25915** rejects a DEQ final rule that references annual testing in three places.

MOTION: **Rep. Malek** made a motion to introduce **RS 25915**.

In response to committee questions about whether the initial inspection of back flow devices would continue if the DEQ rule is rejected, **Rep. Clow** stated the rule can only be rejected in whole and not just the section sought to be changed. If passed, the effective date is July 1, 2018, which gives DEQ time to write a temporary rule to continue initial inspection requirements.

VOTE ON MOTION: **Motion carried by voice vote.**

Dr. Mark Peters, Lab Director, Idaho National Laboratory (INL) stated the US Department of Energy (DOE) extended their contract set to expire in 2019 to 2024 and rated them with a grade of 97% for the fourth year in a row. INL focuses on the world's energy future and securing critical infrastructure, including from cyber threats. INL operates an 890 square mile site, multiple facilities in the desert west of Idaho Falls, four reactors, and supports research and the navel reactor mission. INL's four critical initiatives are nuclear energy competitiveness and leadership, integrated nuclear fuel cycle solutions, advanced hybrid energy systems and cyber and physical security. Small modular reactors (SMR) are an exciting and emerging technology, and INL is working with NuScale and UAMPS to study, licence and locate their first 12 modules, which will hopefully have its first electrons in 2026. INL also partners with Boise State University, Idaho State University, University of Idaho

and the University of Wyoming in a research and education consortium, the Center for advanced Energy Studies (CAES), which is evolving into a multi-program lab. Idaho's Regional Optical Network is a strategic asset for INL and universities and colleges to collaborate. CAES is a big part of the ability of INL to have great staff. Dr. Peters gave a brief update on INL's business volume, use of taxpayer funds, its key initiatives for operations excellence, and community service, and 2018 INL Technology-based Economic Development Grants.

In response to committee questions, **Dr. Peters** discussed INL's global cyber capabilities and the definition of clean fossil fuel.

John Hopkins CEO, NuScale, said NuScale started 18 years ago to redesign a nuclear reactor. They have made significant progress with the design certification application before the US Nuclear Regulatory Commission for a SMR. Mr. Hopkins discussed SMR safety design including no electrical shut down requirements, no operator involvement, no water to cool, and Emergency Planning Zone plant-site boundaries. NuScale submitted an Early Site Permit application to the Tennessee Valley Authority for location of a SMR at the Clinch River, Tennessee site. A reduced emergency planning zone clears the way for a NuScale SMR plant to replace retiring coal plants and thereby preserve jobs in communities that would otherwise lose them in the loss of a local power plant. INL is a hub for nuclear innovation, and a NuScale power plant at the INL site is good for Idaho because it would support about 360 employees with average salaries of approximately $85,000 a year, plus over a thousand jobs over three to four years during on-site construction of the plant. NuScale has already teamed up with Blackfoot business, Premier Technologies, for component fabrication. NuScale is working on a plan so that SMR facilities can complete with combined cycle natural gas plants.

In response to committee questions regarding the costs for a SMR, **Mr. Hopkins** said that a 16,000-line item estimate and overnight costs was prepared that forecast $2.9 billion for the cost of the first SMR. He further stated that the intent was for costs to go down. The 12 SMRs that have been purchased did not have a bydown on the construction supplies, which would be one factor in cutting cost.

Doug Hunter, CEO, UAMPS Utah Associated Municipal Power Systems, is a nonprofit utility consortium of 46 municipal utility communities across six western states. UAMPS is project based with no electricity purchase requirements. Members are concerned about potential carbon regulation in the future, and 34 of 46 members are involved in the SMR project. SMRs will be eighty-year resources for communities if they are re-licensed, fit municipal sizing and be cost effective. Mr. Hunter outlined the cost savings and projections with a transaction plan with NuScale to not exceed 6 cents per kilowatt hour. Mr. Hunter said they have been working with the Tennessee Valley Authority in their pursuit of SMRs, so they have a lot of expertise on renewables, and the DOE has been a huge supporter in getting SMR technology off the ground. He informed the committee that it is a new age that allows them to work in a symbiotic way with renewables and allows municipalities to offer up 100% clean energy portfolios. The municipalities see SMRs as a cost-free option to be able to provide 100% clean energy, which is a hedge against future regulatory changes in the future.

In response to committee questions about the SMR project's commercial viability, **Mr. Hunter** replied that it is detailed in a contractual concept called an economic competitive test with financing structure around the overnight costs and cash flow payments that builds in times for testing competitiveness. It is based on a 16,000-line estimate which forms the bases of the cost mode. Mr. Hunter further discussed the phases of the project, costs, DOE cost sharing, infrastructure leasing, collateral, and clean-up costs. Mr. Hunter advised the committee members that 12 SMRs are being assembled or manufactured in Blackfoot, with 2 going to INL and 10 to UAMPS.

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 2:29 p.m.

Representative Raybould
Chair

Lorrie Byerly
Secretary