

Rebuttal Testimony
Pamela Prochaska

State of Minnesota
Before the Office of Administrative Hearings
for the Minnesota Public Utilities Commission

In the Matter of the Application of Northern States Power Company d/b/a Xcel Energy
for a Certificate of Need for Additional Dry Cask Storage at the
Monticello Nuclear Generating Plant Independent Spent Fuel Storage Installation
in Wright County

OAH Docket No. 8-2500-38129
MPUC Docket No. E002/CN-21-668
Exhibit____(PP-2)

Nuclear Policy and Operations

March 27, 2023

1 Q. PLEASE STATE YOUR NAME AND OCCUPATION.

2 A. My name is Pamela Prochaska. I am the Director, Nuclear Regulatory Policy
3 and Strategy for Xcel Energy. In this role, I am responsible for government
4 relations and regulatory filings with regard to Xcel Energy's fleet of nuclear
5 power reactors.

6

7 Q. ARE YOU THE SAME PAMELA PROCHASKA THAT FILED DIRECT TESTIMONY
8 IN THIS MATTER?

9 A. Yes.

10

11 Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

12 A. My Rebuttal Testimony addresses a request for clarification made in the Direct
13 Testimony of Department of Commerce – Division of Energy Resources
14 (Department) witness Ms. Danielle Winner.

15

16 Q. WHAT DID MS. WINNER REQUEST IN HER DIRECT TESTIMONY?

17 A. Ms. Winner requested that the Company clarify its position on whether the
18 proposed facility could become subject to the imposition of potential
19 environmental costs.

20

21 Q. WHAT IS THE BASIS FOR MS. WINNER'S REQUEST?

22 A. Ms. Winner cites Minn. Stat. § 216B.243, subd. 3(12):
23 Subd. 3. No proposed large energy facility shall be certified for
24 construction unless the applicant can show that demand for
25 electricity cannot be met more cost effectively through energy
26 conservation and load-management measures and unless the
27 applicant has otherwise justified its need. In assessing need, the
28 commission shall evaluate:

1 (12) if the applicant is proposing a nonrenewable generating plant,
2 the applicant's assessment of the risk of environmental costs and
3 regulation on that proposed facility over the expected useful life of
4 the plant, including a proposed means of allocating costs associated
5 with that risk.
6

7 Q. HOW DID MS. WINNER EXPLAIN HER INTERPRETATION OF THIS
8 REQUIREMENT?

9 A. Ms. Winner stated that she reads this statute to mean that the Commission's
10 assessment of need must include a discussion of whether the proposed facility
11 is likely to become subject to any monetary costs imposed by a legislative,
12 regulatory or otherwise eligible body specifically intended to capture
13 externality costs, including an assessment of how likely these costs are to
14 occur, and if they do occur, how they should be allocated. Ms. Winner also
15 noted that she understood that environmental costs in the power sector are
16 typically related to carbon dioxide and other air emissions, which are not
17 produced by nuclear generating plants.
18

19 Q. DO YOU AGREE WITH MS. WINNER THAT THE CITED STATUTE APPLIES HERE?

20 A. Not necessarily. The proposal underlying the Certificate of Need Application
21 (Application) is an expansion of the Independent Spent Fuel Storage
22 Installation (ISFSI) at the Company's existing Monticello Nuclear Generation
23 Plant (Monticello Plant or Plant). That said, given that the grant of the
24 Certificate of Need is necessary to the continued operation of the Plant, the
25 Company believes it is reasonable to address Ms. Winner's request for
26 clarification.

1 Q. WHAT IS YOUR ASSESSMENT OF THE LIKELIHOOD OF THE IMPOSITION OF ANY
2 MONETARY COSTS INTENDED TO CAPTURE EXTERNALITY COSTS WITH
3 RESPECT TO THE ISFSI OR THE PLANT?

4 A. I am not aware of any current legislative or regulatory proposals to assess any
5 sort of fee or cost related to spent nuclear fuel or radiation, nor am I aware of
6 any externality costs that have been assigned to either spent nuclear fuel or
7 radiation to date. Therefore, I do not believe that it is likely that either the
8 ISFSI or the Plant will be subject to an assessment of externality costs going
9 forward.

10

11 Q. DO YOU HAVE ANY OTHER OBSERVATIONS WITH RESPECT TO MS. WINNER'S
12 TESTIMONY?

13 A. Yes. Ms. Winner states that “[i]n a sense, Xcel is already subject to a
14 radioactive waste internalized externality cost; like all nuclear-generating
15 facilities, it must pay the Department of Energy (DOE) \$0.0001/kWh
16 generated, to be used for the eventual permanent storage of spent fuel at
17 Yucca Mountain.”¹

18

19 To clarify, Xcel Energy has not been required to pay that fee since 2014, when
20 the DOE set the amount to be paid to \$0 in compliance with a court decision
21 that ordered the collection of the fee to be suspended until DOE provides a
22 legally adequate fee assessment or Congress either revives the Yucca Mountain
23 Project or enacts an alternative federal waste management plan. None of these
24 eventualities have occurred.

¹ Ex. DOC-___ at 37, n. 67 (Winner Direct).

1 Moreover, and as noted by Ms. Winner, if this fee was still being collected,
2 the fee would be an internal cost, and therefore would not properly be
3 characterized as an externality cost as contemplated by section 216B.243,
4 subd. 3(12). This fee was related to the DOE's contractual obligation as set
5 forth in the Nuclear Waste Policy Act of 1982 to accept spent fuel from the
6 Monticello Plant beginning in 1998. As Ms. Winner notes in her testimony,
7 DOE has failed to meet that contractual obligation.

8
9 Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

10 A. Yes, it does.