

Energy Insider by William Engdahl

NRC nominees can end moratorium

Reagan's choices could help save the United States billions in energy costs.

The Reagan White House has ended months of speculation and a lot of intense political wrangling by declaring it intends to nominate two people to sit on the five-member Nuclear Regulatory Commission (NRC).

The administration has nominated Nunzio J. Palladino, a past president of the American Nuclear Society, to succeed Joseph Hendrie, whose term is expiring, as chairman of the NRC, and Thomas M. Roberts as commissioner to fill a post vacant since last December.

Senate confirmation of these two people could help end one of the most destructive policies enacted by the Carter administration: the de facto moratorium on the U.S. nuclear energy development program.

The new chairman must be prepared to take on the sophisticated obstructionism of the two remaining anti-nuclear commissioners, Gilinsky and Bradford. Gilinsky, a Rand clone whose term expires in 1984, has been on the NRC since its creation in 1974.

Palladino is one of the best-qualified persons in the nation for the awesome task of reversing the Carter administration's deliberate wrecking of nuclear power development through regulatory bottlenecks. Palladino is a 64-year-old nuclear engineer who has been dean of the Penn State college of engineering and a past chairman of the NRC's advisory committee on re-

actor safeguards.

Palladino's first job must be to deal with the more than 25 almost-completed nuclear plants which are depending on various NRC licensing decisions. Between now and 1984, 22 electric utilities across the U.S. have a total of 33 nuclear units scheduled for completion. These 33 reactors would expand the nation's operating nuclear electricity capacity by 40 percent in just 2.5 years; and these plants will generate the electricity equivalent of 300 million barrels of oil per year, or 1 million barrels daily.

Although, as we have said in this space before, to build the industrial export economy the world needs we must develop all the oil, coal, and uranium we can muster, the impact of just one nuclear plant is almost overwhelming.

To replace the capacity of one nuclear plant with a coal-fired plant, it would cost rate-payers \$21 billion *more* over the 30-year life of a reactor. Moreover, there is a little-understood dimension to the importance of undoing the regulatory sabotage at the NRC imposed by the Naders, Fondas, Gilinskys, Bradfords, et al.

Fremont Felix, an engineering consultant for the Gibbs & Hill engineering construction firm, has completed a 41-nation comparison over the 1972 to 1978 period, that emphasizes, "electricity growth is, practically by itself, the 'locomotive' of GNP growth."

Felix stresses that "to those who would write off growth in electricity use as a luxury to be dispensed with, this a powerful reminder that whatever limitation is placed on electricity growth will amputate economic growth correspondingly."

As we are forced to contemplate an increasing likelihood of a Middle East oil embargo, it is useful to remember that nuclear-generated electricity is more immune to supply disruptions. Since one nuclear plant is roughly equivalent to a giant 500-million-barrel oil field, the addition of only the 33 nearly completed nuclear plants will provide a substantial counter to oil price inflation—700 percent over the last seven years. Over the past 2 decades, the cost of burning oil for a utility has increased about 1,000 percent. The cost of nuclear generation has remained essentially constant from 1960 to 1979, on a constant dollar basis. Thus, the capital construction cost of building nuclear facilities is made much more reasonable.

Appointing Palladino and Roberts can give the administration an extraordinary opportunity to reverse one of the world's most costly blunders. The NRC has become a regulatory nightmare whose only purpose, as certain anti-energy advocates around the Natural Resources Defense Council will admit, has been to prevent electric power growth. Since at least three of the five commissioners will end up being Reagan appointees, if the well-respected Dr. Palladino doesn't shrink from the head-knocking and firm public education job that is urgently required, he will have made a profound contribution to the future of the United States.