



## **Business Plan June 2010**

Nevadans 4 Carbon Free Energy (NV4CFE) was formed in late 2009 to develop a plan to create jobs and revenue for Nevadans by utilizing Yucca Mountain nuclear waste repository as part of the Yucca Energy Park. A non profit corporation was created to educate the people of Nevada of these opportunities and to implement the plan.

### **Background**

Through various relationships and circumstances, five business people, Gene Humphrey, William McCraley, John Dunn, Mike Nusbaum and Randall York, began to meet to construct a vision to improve the economy, business climate, and every day lives of Nevadans and Nevada. They feel a unique, maybe a once in a lifetime opportunity exists to tap into a unique resource that has been developed over the last 25 years with more than \$13 billion in utility pass through funds. The Yucca Mountain nuclear waste repository was identified and selected in the 1980's as a permanent storage facility for nuclear waste generated as spent fuel from the nation's 100+ nuclear power plants, as well as some military and other sources of nuclear power usage. When first envisioned it was thought that this material would have to be permanently stored for upwards of 10,000 years. This was approximately 25 years ago when the site was designated. In the ensuing years, technology has changed, as well as all of the research and testing of the site for suitability, which yielded a new or updated set of parameters that has created the opportunities these five leaders recognize.

### **The Vision**

Nevada's economy is suffering as a result of the housing collapse of 2007, which has caused the highest unemployment rate in the USA. Foreclosures, bankruptcies, and reduced tourism have all resulted in large budget deficits for the State. It is projected that the legislature will face a \$3.5 to \$4 billion shortfall in the 2011 legislative session for FY 2011-12. This is unprecedented in this state of just over 3 million people. The members of NV4CFE fear that tax increases will drive business from our state and further injure our economy. A plan to generate revenue from a new source is needed to improve the economy and create jobs to get Nevadans back to work. The big picture vision is to take Yucca Mountain, and the resources that have been set aside by the utilities as a result of the 1987 Federal legislation, to utilize them for the benefit of the people and the State. This will also be a solution for the long standing problem of what to do with nuclear spent fuels and the storage nightmare for each of the power plant

operators and the states where they operate. Our vision not only creates a new revenue stream for our state, but also solves a national problem. It will open up the possibility of new, clean, carbon free nuclear energy plants to help the nation reduce its dependence on foreign oil. It is a vision that creates a world class energy park where new technologies, education, research and future, yet to be developed energy sources can be birthed. We liken it to the Silicon Valley of the nuclear industry.

## **The Plan**

### **Short Term, One to Three Years**

There are three key elements to our short term plan. They include a benefit for the people of Nevada through an annual dividend program crafted similar to the Alaskan Permanent Fund, a contribution to the State for the general fund, and sufficient monies to operate the Yucca Energy Park.

Our state, for the most part, is made up of wide open, vast spaces with little population stress. These wide open spaces are a natural resource for our state, similar to the vast oil deposits under Alaska. Why shouldn't we take advantage of this resource? By opening Yucca Mountain as a temporary and permanent storage site for the nation's nuclear spent fuels, we have identified the immediate potential for as much as \$4 billion of revenue for our state. We believe that all legal citizen of our state should have a share of this revenue for their stake in the resource. Our objective is to distribute up to half of the revenue we will receive for storage through the Nevada Permanent Fund, which will wisely and prudently be invest these monies for now and generations to come.

With the economy struggling, we recognize that the State government needs a new revenue source to help offset lost revenues. Our intention is to take a quarter of the annual revenue received for storage and deposit it into the state general fund each year. The Executive branch and the legislature will decide on how those funds will be spent. Additionally, sales tax and other revenue sources for the state should increase substantially when the public begins to spend their dividend check each year.

The other quarter of the revenue will be used to operate the Energy Park and to fund research and development, education, and new energy technologies as they are developed. We anticipate 1,500 jobs will be created almost immediately when the plan is implemented. These will be high paying, high skilled positions to run the park and manage the program. Another 4,000 to 5,000 support jobs will be created in Southern Nevada to support the infrastructure and construction needs. Both UNLV and UNR will participate in this plan, and we can see the need for research grants creating more university jobs.

### **Mid Term, Three to Five Years.**

Reprocessing is already being done in Europe and China. Although it is not commercially viable (profitable), and is subsidized by the respective governments, it has prompted interest and research into ways which we can reprocess and recycle existing and future nuclear spent fuels. Our objective will be to settle on a process that will allow us to take the spent fuels already in short term storage and begin a recycling program which is commercially viable and generating more revenue for the energy Park. These

profits will further enhance the distribution plan implemented in the short term plan. More money will be spent on research into emerging technologies and energy sources to fuel the next generation's energy needs.

#### Long Term, Ten Years and Beyond.

With the technologies to be developed, and a final solution to nuclear waste, there is no reason why Nevada shouldn't capitalize on the work already done and build its own nuclear power plants. The location and size will be determined, but the objective will be to produce and export electricity to other states. Other carbon-free power plant technologies developed that can demonstrate cost efficiencies will also become a part of our strategy. This will be another source of revenue for the new Nevada Energy Park and will further benefit our people and state.

### **Income**

#### Short Term, One to Three Years

Since the Nuclear Waste Act was passed in 1987, utilities have been paying into a Federal fund to offset the cost of spent fuel storage at Yucca Mountain. They pay a mill rate of \$.001 per KWH, which is passed through to their rate payers on their monthly bills. This amounts to about \$.50 per rate payer per month. In 25 years the Federal Government has collect more than \$30 billion and has spent about \$13 billion on the development of Yucca Mountain. Our goal is to have the Federal Government release the remaining \$17 billion to Nevada upon our agreeing to store all the existing fuels at the 104 sites in 34 states. That money would be immediately invested and would produce income of about \$3 billion per year. Future payments to the Yucca Energy Park would be the mill rate currently paid to the government which is currently estimated at \$1 billion annually. As new nuclear plants are built, this income will increase as demand for storage increases.

Some experts are telling us that the Federal Waste Fund exists in an IOU only and we would be hard pressed to collect it. In light of that, we have developed a plan "B". In order to do all we propose, we will need a change in existing Federal law. As a part of that change we will propose that the Department of Energy change the mill rate from \$.001 to \$.004. This will generate about \$4 billion annual revenue for Nevada, which we will in turn agree to take all the existing and future spent fuels. The rate will remain the same (\$.004) for new fuels sent to Yucca Energy Park.

Receipts will be invested and dispersed according to the distribution scenario stated above. Income from the money invested will be added to the fund. Long term energy exporting will be another source of long term revenue, both of these are difficult to forecast but should well exceed the income of the short term plan.

#### Mid and Long Term, Three Years and Beyond.

As a part of changes we anticipate to the current Federal law, we will propose that the spent fuels sent to Yucca Energy Park become the property of the park or held as an asset for the benefit of the park if title cannot be transferred, and any recycling or reprocessing profits will be credited to the company. At this point, it would be difficult to project additional income, since profitability of recycling and reprocessing is an unknown.

## Short Term Cash Needs.

To date NV4CFE has collected a minimal amount (less than \$25,000) through donations and loans from the Board. In order to effectuate the grass roots support, it is imperative to raise about \$500,000 in the near term. We anticipate contacting potential major donors (those who could donate \$25,000 or more) who have a vested interest in seeing a solution to the spent fuel storage problem, are in the nuclear energy business, have environmental concerns about carbon based fuels, and those who support new and innovative energy technology concepts. We will work on raising these funds in July and August of 2010.

Once we launch our public campaign we hope to secure hundreds of smaller donations through our web site and our television advertising. These funds will allow us to continue to fund our grass roots efforts through September 2010.

The majority of expense will be to launch a television campaign in July and August 2010. We have produced a 30 second add which quickly states our mission and drives the audience to our web site. Additional expense will be incurred for travel expenses to meet with donors, and possibly politicians, to get the ball rolling on legislative changes. Here is a recap of anticipated expenses:

Television add campaign	\$300,000
Radio	\$ 50,000
Local media advertizing	\$ 50,000
Airfare	\$ 25,000
Hotels and meals	\$ 25,000
Meeting expenses	\$ 50,000

## Implementation

Currently we are making PowerPoint presentations to small groups in the greater Reno area. This activity has been going on for about six months and has yielded little in the way of funds, but has helped us shape our direction and plan.

We sense an opportunity in July and August of 2010, between the primaries and the general election where voter sensitivity is high and candidate advertising is low. This may carry into September, but especially in Nevada we suspect the political ads will flourish. Our objectives will be:

1. Contact potential major donors for donations.
2. Start our media campaign with both TV and radio advertising in three markets.
3. Schedule interviews in all media markets with local shows.
4. Schedule meetings in Las Vegas, Reno and Elko at our own expense if needed to get in front of business and community leaders.

5. Meet with candidates running for state and federal offices to get their endorsements.

6. Continue meeting groups and doing PowerPoint presentations when invited. This should bring us into the campaign season and by the end of September we should have raised enough public awareness that NV4CFE will be a part of every political conversation in Nevada. Grass roots support should carry us into the next season which will make us a major player in the 2011 legislative session as a means to deal with the budget deficit.

We will need to travel to Washington in the fall to begin developing relationships with staff and senators who will play a vital role in getting the changes we need to the 1987 Nuclear Waste Act made. Before we can expect state lawmakers to sign off on our plan we will need assurances at the federal level that changes are coming. The difficulty of this task will be hinged on the outcome of the senatorial race in Nevada.

An updated business plan will be needed late in 2010 to set our direction for 2011. Too many unknowns exist at the moment to project where our efforts and funds will be directed.