



New York State Energy Research and Development Authority

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October 5, 2010

Dr. Inés R. Triay
Assistant Secretary for Environmental Management
U.S. Department of Energy
1000 Independence Avenue S.W.
Washington, DC 20585

Dear Dr. Triay:

I want to thank you for your leadership and understanding in our mutual efforts to remediate and decommission West Valley. The Department of Energy (DOE) and the New York State Energy Research and Development Authority (NYSERDA) worked cooperatively during the past year to achieve very significant successes. Through the Environmental Impact Statement (EIS) process, we have agreed upon a path forward for the West Valley cleanup. Phase 1 decommissioning will, among other things, remove the highly contaminated Main Plant Process Building (MPPB), the source of the strontium-90 groundwater contamination, and the radioactive waste water treatment lagoons. We also have reached agreement on cost sharing for performing the cleanup activities, ending decades of disagreement between our agencies on cost responsibilities. I am writing now to draw attention to the importance of maintaining adequate funding in order to continue our momentum on the West Valley Demonstration Project (WVDP.)

First, I want to commend DOE on the commitment of American Recovery and Reinvestment Act (ARRA) funding to the WVDP. This additional funding has saved or created more than 100 jobs and accelerated progress on major WVDP activities including decontamination of the MPPB; installation of a tank and vault drying system to help ensure the integrity of the high-level radioactive waste tanks; installation of a new and innovative permeable treatment wall to mitigate the spread of the strontium-90 groundwater plume; and the processing of low-level and transuranic wastes stored at West Valley.

Unfortunately, as we look ahead, the WVDP funding picture is becoming worrisome. The recent diversion of \$11 million of the ARRA funding from the WVDP will delay the treatment of liquid wastes stored in the MPPB, the characterization of the HLW tank 8D-4 liquids and the disposition of newly generated radioactive wastes. Even more critical, the end of the ARRA funding in FFY 2011 will result in the WVDP Federal appropriation dropping to \$60 million from an average Federal funding level of \$86 million per year over the last 10 years. This will result in the loss of cleanup momentum and a significant reduction in the highly skilled jobs that are so important to the West Valley cleanup, the Western New York economy, and President Obama's initiative to put people back to work.

In 2011 the Department will award a new WVDP contract to begin work on nearly \$1 billion of Phase 1 decommissioning activities. The new WVDP contract also will include approximately \$40 million in interim end state activities remaining from the current WVDP contract. DOE West Valley staff has stated that DOE funding of \$75 million to \$80 million per year would be necessary to complete the Phase 1 work within 8 to 10 years. Sufficient annual funding is needed now to maintain the pace of the WVDP and complete Phase 1 decommissioning within 10 years to avoid a potential increase in the Total Project Cost.

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NYSERDA requests that DOE increase future WVDP funding to \$85 million per year throughout the Phase 1 decommissioning period. The \$85 million per year funding level can accelerate decommissioning and dismantlement work from the start and help reduce the annual site operation and maintenance (O&M) cost in the out years. As the O&M costs decrease, more of the annual funding can be applied toward decommissioning activities. Federal funding for the WVDP at a level of only \$60 million per year will extend the completion of Phase 1 work well beyond 10 years, and the total cost of the WVDP will grow substantially.

NYSERDA looks forward to continuing to work cooperatively with DOE on the very important cleanup at the West Valley site. I would be pleased to discuss the WVDP funding picture with you further. Please do not hesitate to call me at 1-800-NYSERDA, ext. 3320.

Sincerely,

A handwritten signature in cursive script, reading "Francis J. Murray, Jr.", written in black ink.

Francis J. Murray, Jr.
President and CEO