

AUGUST 10, 2016

PRESS ADVISORY * PRESS ADVISORY *** PRESS ADVISORY**

ENVIRO GROUPS DROP GREEN RIVER NUKE APPEAL

BUT GROUPS SAY OVERWHELMING EVIDENCE SHOWS PROJECT IS FLOUNDERING AND WILL STRUGGLE TO MAKE WATER PAYMENTS NOW DUE

Representatives from HEAL Utah, Uranium Watch and Living Rivers – the three principal groups who have fought the proposed Green River nuclear reactors – announced today they are dropping the legal challenge to the project’s water rights.

However, the groups made very clear, all facts available show the project is struggling, having attracted very little investment and no interest from utilities. Dropping their legal appeal will likely hasten the project’s demise, the groups said, because Blue Castle Holdings, the company behind the troubled, nearly-decade-old reactor plan, will now have to make large cash payments to southern Utah water districts.

“Blue Castle may be winning in the courts, but they’re losing everywhere else,” said Matt Pacenza, HEAL Utah’s executive director. “When no one wants to invest in your company and no utility wants to buy your power, you’re in deep trouble.”

The three groups have been fighting the proposed nuclear project, the brainchild of former Rep. Aaron Tilton, since it was first announced in 2007. Most notably, they challenged the appropriation of 53,000 acre-feet of Green River water for the project in a protest before the State Engineer, Division of Water Rights. Subsequently they appealed the State Engineer’s approval in a 7th District Court trial in 2013, and then at a Court of Appeals hearing earlier this year. Several weeks ago, the Court of Appeals ruled in favor of the Water Conservancy Districts and Blue Castle, upholding the appropriation of water from the Green River for the reactor project. On Wednesday, the groups announced they would not appeal that ruling to the Utah Supreme Court.

Sarah Fields noted that the Blue Castle bid has “never been a viable project. The Court of Appeals decision does not change that.”

Fields, the program director of Moab-based Uranium Watch, pointed out that from the beginning, there has been almost zero interest in the project from utilities. Without interest from companies who distribute and sell power, Blue Castle simply hasn’t gained any traction.

“None of the utilities in Utah and the surrounding states have agreed to join the project at any level,” Fields said. “There is no realistic source of funding to construct nuclear reactors in Utah.”

Fields offered up a particularly damning bit of evidence: Even though Blue Castle is allegedly in the process of putting together a permit application from the federal Nuclear

Regulatory Commission, the next step they would have to take to move forward with their plan, Blue Castle has had *no formal communication with the NRC since 2011*.

Now that Blue Castle has secured their water rights, they face hefty payments: Under the terms of their lease agreements with the Kane County Water Conservancy District and the San Juan Water Conservancy District, the company must now start to pay the water districts \$180,000 per year for the first five years and \$580,000 a year thereafter until the reactor comes online.

Given what was revealed during the trial about Blue Castle's precarious finances, the company may very well struggle to meet those obligations. The company told the court in 2013 that it has raised just \$500,000 from outside investors since CEO and former state Rep. Aaron Tilton formed the company in 2007.

The company testified that they had spent another \$16 million on the project, which came from a Grand Junction, Colorado-based natural gas pipeline company they owned called Willow Creek LLC. However, according to press reports last year, Blue Castle no longer owns Willow Creek, apparently drying up their only significant source of revenue.

John Weisheit of Living Rivers added that water availability also remains a huge issue for Blue Castle. "The project is a non-starter for one very important reason: There isn't enough water from the Colorado River. The demand for water by the seven states of this basin exceeds the natural supply."

With the effects of climate change becoming more serious each year, Weisheit added, the massive withdrawal of water for Green River nuclear reactors looks worse and worse by the. "Increasing aridity is becoming a major depletion," he said. "Over the last 16 years the average decrease in the natural flow has been 20 percent, or 3 million acre-feet."

The three groups made clear during the press conference that their resolve to stop the Green River nuclear proposal remains strong, despite their decision to drop their legal case. "Utahans shouldn't worry that this means Aaron Tilton's nuclear dream are now surging forward without opposition," Pacenza said. "This remains a project which is floundering because it's such a poor fit for Utah's energy future. It uses too much water, poses unacceptable risks, costs too much – and there are better alternatives."

For more information, contact

HEAL's Matt Pacenza at 801-864-0264

Uranium Watch's Sarah Fields at 435-260-8384

Living River's John Weisheit at 435-260-2590