

Proposed Green River Nuclear Reactor Dead in the Water NEWS RELEASE

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Green River Nuclear Reactor Dead in the Water San Juan Water Conservancy District Terminates Blue Castle Project Water Rights

Moab, Utah. December 11, 2020 - Blue Castle Holdings Inc. (BCH) no longer holds a lease for 24,000 acre feet of water from the Green River for the proposed Blue Castle Project nuclear reactor near Green River, Utah. The 2007 Water Rights Lease Agreement between the San Juan Water Conservancy District (SJWCD) and BCH was terminated on March 25, 2019. BCH also has a Water Rights Lease Agreement with the Kane County Water Conservancy District (KCWCD) for 29,600 acre feet of water, for a total of 53,600 acre feet (~ 87 million gallons per day) for a 2-unit AP-1000 reactor. This means that BCH no longer has a right to 45% of the water appropriated for the Blue Castle Project.

A nuclear reactor at Green River would have had extreme long-term adverse impacts to the Colorado River Basin, the health and well-being of the citizens of Green River and nearby Utah and Colorado communities, the Canyonlands of South East Utah, local recreation and agricultural economies, endangered and threatened fish species, and all aspects of the local and regional environment.

The Lease Agreement was terminated by the SJWCD because BCH defaulted on its payment obligations. Without informing the Districts, BCH failed to make the expected lease payments, starting in 2016. BCH finally made payments to the District from 2018 to 2020. The status of the Water Rights Lease Agreement between the KCWCD and BCH for 29,600 acre feet for the Blue Castle Project is unclear.

BCH had no experience in the licensing, construction, or operation of a nuclear reactor. BCH never submitted an Early Site Permit Application (ESPA) to the Nuclear Regulatory Commission (NRC). BCH last contacted the NRC in 2011, informing the NRC that they would submit an ESPA in late 2012.

BCH has never admitted publicly that they defaulted on the Water Rights Lease payments, that one of the lease agreements has been terminated, or that the Blue Castle Project is dead.

According to Sarah Fields, Uranium Watch Program Director, “All along protesters and plaintiffs asserted that the Blue Castle Project was not economically feasible.”

“Protestors and plaintiffs questioned whether BCH could raise the money necessary to submit a license application and construct and operate a nuclear reactor.” “It turned out they did not even have the money to pay the Water Conservancy Districts for the Green River water.”

Background

From 2009 to 2016, BCH and the San Juan and Kane County Water Conservancy Districts convinced the State Engineer, Division of Water Rights; the Utah 7th District Court, and the Utah Court of Appeals that the BCH proposal to license, construct, and operate a 2-unit reactor about 4 miles west of Green River was economically feasible.

2007 — Water Rights Lease Agreements:

BCH (formerly Transition Power Development LLC) signed Water Rights Lease Agreements with the San Juan and Kane County Water Conservancy Districts for a total of 53,600 acre feet from the Green River for a proposed 2-unit nuclear reactor. The Agreements required the Districts to submit applications to change the use, place of use, and point of diversion for the Water Rights.

2009 — Water Rights Change Applications

March 30, 2009, and August 27, 2009, the KCWCD and SJWCD, respectively, submitted Applications for Permanent Change to the Division of Water Rights.

2009 — Water Right Change Public Notice and Protests

The proposed Water Rights Change Applications were noticed in September 2009. Protests and hearing requests were filed by Uranium Watch, Living Rivers, HEAL Utah, Center for Water Advocacy, Sierra Club, Grand County, Moki Mac River Expeditions, Holiday River Expeditions, Utah Rivers Council, and others.

2009 — Administrative Hearing

A DWR informal administrative hearing was held in Green River on January 12, 2010. Additional information was filed with the Division by the respective parties.

2012 — State Engineer Approves Change Applications

The State Engineer approved the appropriation of water from the Green River for the Blue Castle Project on January 20, 2012.

2012 — Request for Reconsideration and Denial

Uranium Watch et al. and HEAL Utah et al. requested reconsideration of the State Engineer’s decision in early February 2012. The State Engineer denied the requests for reconsideration on February 28, 2012.

2012 — Appeal of State Engineer's Decision

Then, on March 27, 2012, attorneys for Uranium Watch, Living Rivers, HEAL Utah, Center for Water Advocacy, Holiday River Expeditions, Utah Rivers Council, and others filed an appeal of the State Engineer's decision regarding the SJWCD and KCWCD Change Applications in the 7th Utah District Court for Emery County.

2013 — District Court Hearing

Starting September 23, 2013, Judge M. George Harmond, Jr. of the Utah 7th District Court held a 5-day hearing in Price, Utah, on the appeal of the State Engineer's appropriation of water from the Green River for the proposed Blue Castle Project. The proceeding was the culmination of a 4-year effort to bring some sense to the allocation of Utah waters for an ill-advised, risky, and speculative energy project.

2013 — 7th District Court Decision

On November 27, 2013, Judge George M. Harmond, Jr. issued a decision upholding the Utah State Engineer's appropriation of 53,600 acre feet from the Green River for the proposed Blue Castle Project.

2014 — Appeal of 7th District Court Decision

On May 16, 2014, attorneys for the Plaintiffs filed a Notice of Appeal of the 7th District Court's decision to the Utah Court of Appeals.

2016 — Oral Arguments and Court of Appeals Decision

Oral arguments were held on January 26, 2016, before the Utah Court of Appeals. The opinion of the Court of Appeals, upholding the 7th District Court's decision was issued on July 21, 2016.

2016 — State Engineer's Decision Becomes Final

Plaintiff's did not file a petition to the Utah Supreme Court for review of the Appeals Court decision within 30 days, finalizing the Appeals Court decision upholding the State Engineer's decision

2016 — Conclusion of Court Challenges

The court challenges concluded in September 2016, when plaintiffs did not appeal the Court of Appeals affirmation to the Utah Supreme Court. Soon after, the first pre-operational payments to the Districts were due: \$80,000 to SJWCD and \$100,000 to KCWCD. Those initial Water Rights Lease Agreement payments were not made. BCH had defaulted on its Water Rights Lease Agreement obligations.

2018 — SJWCD letter to BCH

On March 15, 2018, SJWCD informed BCH that they had 120 days to cure the default, or they would receive a Notice of Termination.

2019 — Notice of Termination

The Notice of Termination was issued on March 25, 2019. BCH did arrange a payment schedule with the District and made payments to the SJWCD over the next year.

2020 — Final BCH Payment to SJWCD

BCH made a final payment to the SJWCD, for a total of \$258,533.69 paid to the District.

Additional Information:

- Lease Termination Letter:

https://uraniumwatch.org/sjwcd/SJWCD_toBCH_LeaseTermination_032519.pdf

- Lease Payment:

https://uraniumwatch.org/sjwcd/SJWCD_toBCH_PaymentsDue_100119.pdf

- Lease Payment Schedule:

https://uraniumwatch.org/sjwcd/SJWCD_BCH_PaymentSchedule_093919.pdf

- Blue Castle Project Water Rights History and Links to Documents:

<https://uraniumwatch.org/bluecastle.waterrights.htm>

- No Green River Nuke! 2012 Protest:

<https://www.youtube.com/watch?v=2xpX4I3kc8c>

- No Green River Nuke! 2015 Protest:

<https://www.youtube.com/watch?v=4KZNt8uLUn0>