

Japan: Foes in METI tried to nix nuclear fuel cycle — Crisis may doom multitrillion yen project LDP, utilities green-lighted

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In spring 2004, young bureaucrats at the Ministry of Economy, Trade and Industry urged their boss to halt the government-backed nuclear fuel cycle project, which involves reprocessing spent nuclear fuel to produce plutonium that can be reused to produce electricity.

“But we’re talking about \19 trillion!” one of the junior ministry officials shouted at the superior. “Do you really think it’s OK to slip that much money into the electricity bill?”

In what was effectively an attempted coup, the young bureaucrats who were opposed to using such a large amount of taxpayer money for the project tried to stop it at the last minute.

As the government and Tokyo Electric Power Co. continue to struggle to stabilize the Fukushima No. 1 power plant, the nuclear fuel cycle project is at a crossroads and the misgivings that METI officials expressed about the fuel cycle program seven years ago, albeit apparently more because of economic instead of safety concerns, is a factor now.

At the time, the METI officials produced a document titled “A bill of \19 trillion – the nuclear fuel cycle project that cannot be stopped,” and distributed it to ministries and around the Nagata-cho political hub.

The document estimated the cost of building and operating a reprocessing plant at around \19 trillion, and in one scenario as much as \50 trillion. The report also pointed out that there were no immediate, or specific, plans at the time to operate fast-breeder reactors, which use reprocessed plutonium to produce more plutonium. The only such reactor, the prototype Monju in Fukui Prefecture, suffered a sodium leak accident and fire in 1995 that its operator then tried to hide. It has only been in recent months that the push resumed in earnest to restart it – but March 11 put that on hold.

It also said the project would produce a huge amount of highly toxic radioactive waste.

“The nation cannot admit that it made a mistake, that its policy is obsolete. And the public will be forced to shoulder the costs,” it said.

At the time, a nuclear fuel reprocessing plant in Rokkasho, Aomori Prefecture, was about to start a test run. If the plant started operating, the facility would be contaminated and the cost of suspending operations would be huge.

The young METI bureaucrats thought it was their last chance.

“The utilities industry was also reluctant,” said a source involved in the project. “If a company decides on its own to abandon the project, (its management) will be held responsible for the decision. But if the government decides to stop the project, (a utility company executive) had said he

would follow the order.”

The ¥19 trillion cost is an estimate that the power industry came up with, suggesting the true cost may be even higher.

But Tepco and other utilities used their political connections to strike a deal with the Liberal Democratic Party-led government.

According to one former bureaucrat, when the government eased regulations in 2003, allowing more companies to sell electricity, the power industry in exchange demanded that they be allowed to raise electricity fees to cover the huge costs of operating reprocessing plants in the future. The government accepted the request.

What the document cast doubt on was this point.

With many people wary of the government’s nuclear fuel cycle project, the document questioning its safety and cost-effectiveness seemed to build momentum to halt it.

However, the move was defeated by politicians and power companies, and the young METI officials were transferred to other departments or quit the ministry.

Utilities subsequently raised electricity fees to build reserves to cover future reprocessing costs. So far, more than ¥2 trillion has been set aside.

But amid the Fukushima crisis, Prime Minister Naoto Kan has expressed his intention to rethink and possibly scuttle the nuclear fuel cycle project.

The project will only be effective if fast-breeder reactors are put into operation.

“It is taking a great deal of trouble to cool the reactors with water (at the Fukushima plant),” said a bureaucrat who asked to remain anonymous. “The public will think that operating fast-breeder reactors using sodium as a coolant won’t work.”

The reprocessing plant in the village of Rokkasho has effectively suspended operations since the end of 2007 due to technical problems.

But its equipment is already contaminated with radiation and it would cost several hundred billion yen to dismantle the plant.

Some say the ¥2 trillion reserve could be used for that purpose, but others argue it should be used to compensate victims of the Fukushima crisis.

Meanwhile, spent nuclear fuel continues to pile up in reprocessing plants and power plants. Storage facilities nationwide are nearly full, casting a shadow over the future of atomic power in Japan.

But whether the government decides to proceed with or abandon the nuclear fuel cycle project, a tough road lies ahead.

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P.S.

* <http://search.japantimes.co.jp/cgi-bin/nn20110730f1.html>