Newport -- A change in the national strategy for the long-term storage of nuclear waste is raising concern among environmental groups and raising legal issues for DTE's plans for a new reactor south of Detroit.

Yucca Mountain in southern Nevada has been designated as a final resting place for nuclear waste collected throughout the United States. And for the past 20 years, utility customers across the nation have been chipping in to a fund to transform the mountain into a repository.

Despite 25 years of study the Obama administration has indicated Yucca Mountain is no longer an option. That means that for the foreseeable future, Michigan's nuclear plants must continue to store the waste on-site, usually within a few miles of the Great Lakes.

The unresolved storage issue is causing problems for DTE's current nuclear plant, Fermi 2 in Newport, as well as its plans for the future.

While the U.S. nuclear industry has been waiting for a resolution, nuclear waste -- 58,000 metric tons of it -- has piled up at temporary facilities at 121 sites in 39 states. Michigan alone has 2,200 metric tons of uranium.

On Friday, the Maryland-based environmental group Beyond Nuclear filed an intervention request with the Nuclear Regulatory Commission asking for a hearing on security issues at Fermi 2 centering on the high-level waste storage.

DTE has proposed building a reactor in Newport to power southeast Michigan in the coming years. The reactor, Fermi 3, would be built next to the Fermi 2 plant. Environmental groups have opposed the project and now are using the Obama administration's decision about Yucca Mountain as fuel for their opposition. A coalition of groups, including the Sierra Club, Don't Waste Michigan and the Citizens Environmental Alliance of Southwestern Ontario, contend that no new nuclear plants should be considered without a long-term solution to the waste issue.

"The impending end of the Yucca Mountain dumpsite proposal further calls into question the safety of generating, storing and ultimately permanently disposing of Fermi 3's irradiated nuclear fuel," the groups charged in documents submitted to the Nuclear Regulatory Commission. "After all, the inventory of irradiated nuclear fuel and other high-level radioactive wastes already generated by the current generation of atomic reactors is far greater than what could have ever been accommodated by the planned space at Yucca Mountain."
Utility officials around Michigan said they can continue to handle the waste on-site through the use of dry storage -- sealing the waste in metal cylinders and placing those cylinders on a thick concrete pad.

"We will continue to store the used fuel safely as we have since 1973," said Mark Savage, a spokesman for Entergy, which operates the Palisades Nuclear Plant near South Haven. "The federal government has a responsibility to remove the fuel from our site. Until that occurs, we'll safely store it in our storage pool and dry casks."

DTE officials said the Obama administration's stance also gives the utility more reason to consider reusing the material.

"The contaminants can be taken out of the waste and the remainder can be re-enriched," said Ron May, the DTE senior vice president of major environmental projects. "You end up with fuel that is able to be reused at the facility." Peter Bradford, a former commissioner with the Nuclear Regulatory Commission and an expert on waste handling, said the stance of the power companies has changed.

"If you go back a few years, maybe six, you had the nuclear industry saying it would be the end of any hope for new nuclear plants if they didn't get a repository. So the industry itself thought this was a big deal."