

14 TOP ENERGY COMPANY BENEFICIARIES OF NUCLEAR LOAN GUARANTEES SPENT \$48 MILLION ON LOBBYING

Co-op America Urges Citizens To Oppose Waste Of Taxpayer Dollars On Nuke Reactor Loan Guarantees to Companies with \$34 billion in Profits

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Washington, DC -- Data released today by Co-op America demonstrates that 14 Top Energy Companies spend a combined \$48 million in lobbying expenses. The energy industry seeks to benefit from the energy bill now before Congress, which would allow for unlimited loan guarantees to finance nuclear plants. If passed, the government would provide a 100% guarantee of loan repayment if companies default—a promise worth more than \$50 billion of taxpayer money.

The 14 companies encompassed in the Coop America researching reporting \$48 million in lobbying expenses are: Ameren (\$1.8 million), Constellation (\$500,000), DTE (\$940,000), Dominion (\$920,000), Duke (\$1.9 million), Exelon (\$1.3 million), Entergy (\$880,000), FPL - Florida Power and Light (\$2.7 million), NRG Energy (\$102,000), Progress Energy (\$1.8 million), PPL Corp (\$1.2 million), Southern Company (\$13 million), TVA (\$200,000), and General Electric (\$21 million).

The 14 companies also reported \$34 billion in combined profits: Ameren (\$547 million), Constellation (\$936 million), DTE (\$433 million), Dominion (\$1.4 billion), Duke (\$1.9 billion), Exelon (\$1.6 billion), Entergy (\$1.1 billion), FPL - Florida Power and Light (\$1.3 billion), NRG Energy (\$621 million), Progress Energy (\$571 million), PPL Corp (\$865 million), Southern Company (\$1.6 billion), TVA (\$329 million), and General Electric (\$21 billion).

Co-op America is asking concerned consumers and business owners to send a message to their elected officials to oppose these guarantees at <http://www.coopamerica.org/takeaction/noNukes> to oppose \$50 billion in corporate welfare for some of the richest energy companies in America.

Co-op America's data also shows that the energy companies in question reported \$34 billion in profits and pay some of the highest CEO salaries in America -- including \$17.8 million in 2006 to Entergy head J. Wayne Leonard.

(See the Co-op America research chart online at <http://www.coopamerica.org/PDF/20071114-NukeCoFactSheet.pdf>.)

Of chief concern to taxpayers is a provision in the energy bill now before Congress allowing for unlimited loan guarantees to finance nuclear plants. If passed, the government would provide a 100% guarantee of loan repayment if companies default—a promise worth more than \$50 billion of taxpayer money.

“Companies should not expect American taxpayers to shoulder the risks of building new nuclear power plants,” says Co-op America Corporate Responsibility Programs Director Todd Larsen. **“Nuclear power already failed once in the United States. If the energy industry wants to revive nuclear power, with all of its risks, these firms and Wall Street should bear the burden of likely defaults, not the US taxpayer.”**

The top six Wall Street investment companies have declared nuclear power too risky to invest in because of the dangers and uncertainties. Each new nuclear reactor takes at least 10 years to construct, often going well over budget, and the Department of Energy estimates that during this time, projects will have a 50 percent chance of defaulting on loans. The only way nuclear power can be financed in the US is if the government provides extensive loan guarantees.

The Senate Energy Bill exempts this loan guarantee program from the Federal Credit Reform Act, which requires that loan guarantees receive an appropriation or be subject to a cap. This means that the Department of Energy could give out unlimited loan guarantees without congressional oversight.

The electric industry is highly profitable, and pays low taxes, but seeks to benefit from these loan guarantees. In 2003, the U.S. utilities/gas/electric industry paid an average of 1.9 percent income tax with many companies reported paying zero income tax. Not consequently, the industry is also one of the top industrial lobbyists in the country, spending a total of over \$104 million for their interests in 2006.

Touting the myth that nuclear energy is an emission-free and a solution to global warming, the nuclear industry is diverting valuable loan guarantees from truly innovative alternative energy sources. A Harvard International Review states that “about 800 large reactors would have to be built around the world by 2050 just to achieve a significant reduction in the expected increase in carbon dioxide emissions. This would require building as many as one reactor every 18 days for 40 years” None of the reactors planned would be ready within the 10-year window that climate scientists say we have to effectively address climate change.

ABOUT CO-OP AMERICA

Co-op America is a non-profit membership organization founded in 1982 with the mission to harness economic power—the strength of consumers, investors, businesses, and the marketplace—and to create a socially just and environmentally sustainable society.

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