



NUCLEAR INFORMATION AND RESOURCE SERVICE

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NEWS FROM NIRS

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EPA CARBON RULE OFFERS MISGUIDED SUBSIDIES FOR UNECONOMIC, AGING AND DANGEROUS NUCLEAR REACTORS

CARBON REDUCTIONS WOULD BE GREATER AND COSTS LOWER IF SUCH REACTORS WERE REPLACED WITH RENEWABLES AND EFFICIENCY

The Environmental Protection Agency's (EPA) proposed rules on carbon reductions from existing power plants released today would encourage states to provide ratepayer subsidies for continued operation of nuclear reactors that cannot compete economically in the current electricity marketplace.

Six nuclear reactors have either closed permanently or announced their planned early shutdown (San Onofre-1 & 2, Crystal River, Kewaunee, Vermont Yankee, Oyster Creek) and a dozen or more other reactors have been widely reported to be operating close to or at a financial loss. Some of these reactors face potentially costly post-Fukushima safety modifications as well, calling their long-term viability into doubt. Most recently, five reactors owned by Exelon, the nation's largest nuclear utility, were shut out of last week's PJM auction because of their high costs and lack of need for their electricity. (See *Exelon loses big in PJM electricity auction* <http://safeenergy.org/2014/05/28/exelon-loses-big/>)

According to the EPA, about six percent of the nation's nuclear capacity could be expected to close early over the next few years. This amounts to about 5.7 GW of electricity, or less than 1½ percent of the nation's electricity supply, a miniscule level easy to replace with clean energy sources.

The EPA proposal cites a Credit Suisse study that indicates "nuclear units may be experiencing up to a \$6/MWh shortfall in covering their operating costs with electricity sales." The EPA proposal leaves actual implementation of its carbon reduction goals up to the states, but states,

“EPA views this cost as reasonable. We therefore propose that the emission reductions supported by retaining in operation six percent of each state’s historical nuclear capacity should be factored into the state goals for the respective states.”

Said Tim Judson, executive director of Nuclear Information and Resource Service (NIRS), “While we celebrate the EPA setting a path for reducing carbon emissions, the proposed subsidies for nuclear power are both misplaced and ineffective. If the agency is concerned about the emissions impacts of closing uneconomical nuclear plants, it should just ensure that they are replaced with renewable energy sources and efficiency. Uneconomical reactors can be replaced more cost-effectively that way, and ratepayers shouldn’t be forced to throw good money at fifty-year old technology forever. In fact, EPA’s projections for renewable energy are so low that retiring nuclear plants could actually be an incentive for further developing renewables and driving the shift to a green energy economy. Even though nuclear reactors have low “tailpipe” emissions, nuclear power has a much larger carbon footprint than wind, solar, and efficiency. Replacing uncompetitive reactors with sustainable sources would in fact be another option to reduce emissions, a net positive for the economy and the climate.”

The EPA proposal would also include new reactors, including the five currently under construction (Vogtle-1 & 2, Summer-1 & 2, and Watts Bar-2), as counting toward meeting CO2 emissions goals.

On renewable energy, the EPA supplied a state-by-state chart of renewable energy targets, many of which even EPA admits are lower than existing state Renewable Energy Standards require. EPA also predicts a slower growth rate for renewable energy than is currently the case. The proposal thus understates the potential for renewable energy to supplant both existing coal and nuclear power plants.

Added NIRS’ President, Michael Mariotte, “The EPA should drop all support for nuclear power in its final rule. The approach the EPA is taking is simply odd, and attempting to “preserve” the most uneconomic six percent of the nation’s nuclear capacity makes even less sense. Renewable energy and energy efficiency can more than make up for the retirement of these reactors—and should. This would provide greater carbon reductions, lower electricity rates *and* a higher margin of safety for the American people. Moreover, while we strongly support reducing the nation’s carbon footprint—and by a higher margin than the EPA’s proposal--it’s important to remember that carbon is not the only power plant pollutant. Nuclear reactors routinely release toxic radiation into our air and water, and continue to generate lethal radioactive waste for which the U.S. has no disposal plan. The EPA’s goal should be to reduce carbon emissions using the cleanest and safest means possible. Support for dangerous, dirty and uneconomic nuclear reactors fails that test.”