



# Nuclear Energy Information Service

*Illinois' Nuclear Power Watchdog since 1981*

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## PRESS STATEMENT

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### Legislature Should Oppose Exelon Bailout

#### Company seeks to scam EPA carbon rules to subsidize nuclear power in Illinois and nation

Exelon's scheming to garner subsidies for unprofitable nuclear plants in Illinois uses the recent EPA carbon standards rule as a fig leaf for the enormous rip off it represents. It should be opposed by the Legislature.

Exelon's nuclear plants have been paid for numerous times over by ratepayers: through the rate hikes that built them; through the estimated \$6-\$11 billion in "stranded costs" awarded them when Illinois went from a regulated to a market-based system; and in the \$21 billion CUB reports these plants have earned Exelon in the last decade alone<sup>1</sup>.

Yet, the Chicago Tribune recently reported<sup>2</sup> that all eleven operating nuclear reactors in Illinois have lost money the past five years. While accepting legitimate federal subsidies for its wind farms, Exelon incorrectly has blamed growing Illinois wind capacity<sup>3</sup> for its financial troubles in politically manipulating the situation to justify some form of State bailout. It should not be the business of government at any level to **guarantee** a profit for a private company. That's the responsibility of the company CEO and Board, not elected officials who have an obligation to protect the public interest.

If this were really about limiting carbon and meeting the proposed EPA carbon standards, Exelon and House Speaker Mike Madigan would never have made the deal to thwart the expansion of wind power by deliberately failing to fix the state's renewable energy portfolio standard, in exchange for Exelon keeping failed nuclear plants open for 12 more months (read: *after* the elections). If meeting carbon limits was a real goal, Speaker Madigan's HR1146 – which pretty much guarantees nuclear and coal will be Illinois preferential energy choices -- would never have been ramrodded through the Legislature at the last minute without debate.

Exelon can complain about the market distortions of subsidies for wind and solar all they want – *after* they lobby to remove the 30+ subsidies nuclear power enjoys, according to a 2011 report<sup>4</sup> by the Union of Concerned Scientists.

And as for "clean" power – what is clean about creating 6,000 generations of dangerous high-level radioactive wastes that must be kept out of the environment, and at an enormous societal cost, as Exelon's reactors do continuously?

Exelon's disingenuous use of the EPA carbon rules to prop up its failed business model is actually part of its well-financed national "Nuclear Matters" campaign<sup>5</sup>, designed to guarantee nationwide subsidies for unprofitable nuclear reactors, while gutting renewable energy and energy efficiency.

Legislators need to make a decision: does Illinois move forward into the 21<sup>st</sup> Century of energy? Or do we stay stuck in the 19<sup>th</sup>, and expect more demands in the future for nuclear subsidization? They'd be wise to recall Jim Hightower's admonition that the only things in the middle of the road are yellow stripes and dead armadillos. ■

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<sup>1</sup> “Exelon must shoulder financial burden of its nuclear plants,” *Chicago Tribune*, March 30, 2014.

<sup>2</sup> “As Exelon threatens to shut nuclear plants, Illinois town fears fallout,” Wernau, Julie, *Chicago Tribune*, March 9, 2014.

<sup>3</sup> “Nuclear Giant Exelon Blasts Wind,” Nagin, Elliott, *Renewable Energy World.com*, June 5, 2014.

<sup>4</sup> “[Nuclear Power: Still Not Viable without Subsidies](#),” Union of Concerned Scientists, Feb 23, 2011.

<sup>5</sup> “Nuclear Giant Exelon Launches Front Group to Cover Its Assets,” Huffington Post, June 2, 2014;

[http://www.huffingtonpost.com/elliott-negin/nuclear-giant-exelon-laun\\_b\\_5428994.html](http://www.huffingtonpost.com/elliott-negin/nuclear-giant-exelon-laun_b_5428994.html)