



NUCLEAR INFORMATION AND RESOURCE SERVICE

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NEWS from NIRS

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22,500+ AMERICANS TELL SECRETARY OF ENERGY:

“NO TAXPAYER LOAN FOR GEORGIA NUKE PLANT!”

But DOE Refuses to Accept Petitions, Claims Box of Paper is Security Risk

November 8, 2013, Washington, DC—Yesterday afternoon, a national environmental group went to the Department of Energy to deliver more than 22,500 petitions opposing an \$8.3 billion taxpayer loan for a failing nuclear power project in Georgia. When Nuclear Information & Resource Service (NIRS) staff went to DOE headquarters to deliver the petitions, agency staff refused to accept them and called security when NIRS staff took a photo documenting the delivery. Security then forced NIRS to delete the photo. NIRS coordinated the national petition drive over concerns that taxpayers could get stiffed for billions of dollars when the credibility of federal energy subsidies is already in question.

The petition, which NIRS did in cooperation with CredoMobile can be accessed here:

<http://www.credomobilize.com/petitions/stop-taxpayer-loan-for-new-nuclear-reactors>

In February 2010, President Obama announced that the Department of Energy would make an \$8.3 Billion taxpayer loan to Southern Company and its partners for construction of two nuclear reactors at the Vogtle site in Georgia. DOE and the Office of Management and Budget must approve the issuance of the loan. Because it is federally-guaranteed and in fact would be issued by the Federal Financing Bank, a default by Southern or any of its partners would be borne by taxpayers. The White House's Office of Management and Budget reportedly has declined to approve the loan so far, based on the high risk of default.

“Southern Company officials have said several times over the past three years that they don’t even need this loan to build the Vogtle reactors.” said Michael Mariotte, executive director of NIRS. “What they really want is a sweetheart deal, with well-below-market interest rates and all

of the risk to be put on taxpayers. That's not the kind of deal our government should be making with wealthy utilities.”

At the time the President announced the loan, the Vogtle reactors were projected to cost \$14 billion and would be completed in 2016 and 2017. Only three years in and less than 20% complete, the project is already more than two years behind schedule and up to \$1.6 billion over budget. Wall Street analysts have repeatedly downgraded Southern Company's investment rating over the project, which they believe could ultimately cost the utility \$20 billion, about five times as much as a natural gas-fired power plant of equivalent size.

“This loan was announced during the heady days of the nuclear ‘renaissance,’ when utilities said they would be building 30 or more new nuclear reactors before the end of the decade,” said Tim Judson, associate director of NIRS. “But that ‘renaissance’ has fizzled. Instead of new reactors, 2013 has seen a record number of permanent reactor shutdowns, new reactor abandonments, and even power uprate cancellations. It's time for the Obama Administration to recognize that risking taxpayer money on new nuclear power projects is both bad fiscal management, it's bad energy policy too. It's also time for Secretary Moniz to be a little more accepting of public participation and involvement in energy issues. Calling on DOE security to protect the agency against a box of paper petitions won't make the issue go away, but it does call into question the Obama Administration's commitment to openness.”



NIRS' Denise Jackobsberg holding petitions outside DOE before attempting delivery.

Southern Company is currently funding the project on the backs of Georgia electricity customers. The state Public Utility Commission has approved a controversial financing scheme that allows the utility to charge customers for the costs of construction while it is still in process. Such “Construction Work in Progress” (CWIP) schemes were a factor leading to massive cost overruns on nuclear plants in the 1980s and 1990s.

NIRS' petition urges Secretary Moniz to put the issue to rest and protect taxpayers from taking the biggest hit yet on an ill-advised energy project. The group will seek to deliver the petitions by mail, but agency security personnel said it was unlikely they would ever reach the Secretary's desk.