

Correcting the Record on Nuclear Opponents' Conference Call

The Energy Information Center responds to conference call held by anti-nuclear energy opponents.

Venice, FL/October 3, 2012/. Today a small group opposing nuclear power plants in Florida held a media conference call to re-state their beliefs about a lawsuit they filed to cut off funding for proposed nuclear plants in Florida. Although no members of the public nor technical experts were allowed to provide balanced input, the Energy Information Center monitored the event and noticed multiple miss-statements designed to falsely characterize the rules and laws relating to Florida's system for developing a reliable portfolio of energy supply.

The opponents relied heavily on hyperbole and ad hominem to characterize nuclear plant financing as a "tax". To the contrary, says experts at the Energy Information Center, www.energyinfocenter.org. In a regulated utility state such as Florida, all of the power plants we need for electricity supply are developed by utilities under a system whereby the cost of the electricity is capped by a government agency (the Florida Public Service Commission or PSC). In return for the regulatory caps, the utilities are reimbursed by ratepayers for the costs they must spend to plan, design, build and operate those plants. Those costs are approved only after a public hearing conducted by the PSC and only if it is determined that the expenditures meet the legal test of being "prudent". Typically, this "prudency" hearing is conducted after the plant is constructed and supplying electricity. The legislatures of Florida and other states recognized, however, that because nuclear plants take longer to build, the delay in holding prudency hearings would result in unnecessary costs for financing which ratepayers would later be obligated to pay. Therefore legislation was passed in multiple states to allow "pay-as-you-go" financing whereby the PSC conducts annual hearings to consider reimbursements periodically. This modified system also applies to integrated gas combined cycle power plants.

As stated by Jerry Paul, Contributing Expert to the Energy Information Center and a ratepayer in Florida who attended the call, ***"[t]here is no reason to pay interest on debt for building a plant when we could pay as we go."*** The savings is estimated to be almost \$2 billion for a typical 2-reactor power plant. ***"If the law were repealed, my fellow Florida ratepayers and I would pay more for our electricity, not less."***

The opponents, including 2 of the 160 members of the Florida Legislature, have been campaigning against the law for a number of years. During the call, the opponents argued that the law should be repealed because "these plants may never get built". But, as pointed out by James Tulenko, Professor Emeritus, University of Florida Department of Nuclear Engineering who also attended the call, ***"90% of the cost recovery in the request for reimbursement before the PSC has been for expansion of existing nuclear power plants providing an additional 590 Megawatts of clean, emission-free electricity without building a new plant. Those expansions, called EPU's, are nearly complete and already supplying much of their new output to the electric grid"***.

Paul also pointed out that a typical nuclear plant saves additional money due to the avoided expense of the fossil fuel purchases necessary for alternative base load power plants – almost \$4 billion savings for the current nuclear plant expansions which make up most of the current expenses being considered by the Public Service Commission. ***"This fuel cost savings is more than the cost of the expansions themselves"***, said Paul. ***"That's smart economics"***, he said, ***"and it's worth the investment for cleaner air from nuclear plants which emit no greenhouse gases"***.

During the call, opponents also charged that the law was adopted as a “last minute amendment that had never been discussed”. ***“This is false”***, said Paul who served in the Florida Legislature until 2004 when he was appointed by the President to become Deputy Administrator of the U.S. National Nuclear Security Administration within the U.S. Department of Energy. ***“This concept was discussed nationally as a follow-on to the Federal 2005 Energy Policy Act as part of a dialogue state-by-state on how to facilitate more clean energy including solar, wind and nuclear.”*** Paul, a DOE official, was invited back to Florida in the Fall of 2005 to provide DOE input on Florida’s potential energy policy to be developed for the legislative session in 2006 when the bill became law. ***“This concept was discussed in the public panel discussions long before the legislature even filed its energy bill in the Spring of 2006”.***

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