

Duke Energy CEO reveals doubts about nuclear plant

A schedule that cannot be met is the responsibility of the CEO.

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Duke Energy Chief Executive Jim Rogers said Friday he was growing pessimistic about the company's chances of building a nuclear power plant on schedule -- or at all -- because of concern over costs and other issues.

Rogers spoke about his doubts to boost his case for building two coal-fired units for the utility's Cliffside facility 55 miles west of Charlotte.

"I'm not a true believer. ... We're talking about a renaissance in nuclear. I don't see it," he told members of the N.C. Utilities Commission at a hearing to help determine whether Duke can build the coal-fired units.

It was his strongest language yet to commissioners that the proposed nuclear plant might not be built.

Duke had hoped to have the two nuclear reactors at the proposed plant in Cherokee County, S.C., running by 2016 to meet predicted energy demand.

But Rogers told the commission in Raleigh that Duke is unlikely to meet that deadline as long as issues of where to store nuclear waste and financial challenges are unresolved. They include the rising costs of building nuclear facilities and getting permission from the state to recover the development costs from ratepayers if the plant is not built.

The commission this week held three days of hearings on the Cliffside project, whose costs have increased from \$2 billion to \$3 billion. It will review testimony from supporters and opponents before making a decision by Feb. 28.

Duke has said the planned S.C. nuclear plant, about 55 miles south of Charlotte, would cost \$4 billion to \$6 billion and take about a decade to build and develop. Company spokeswoman Paige Sheehan said the costs could rise above \$6 billion.

In an interview after the hearing, Rogers said nuclear plants are becoming more of a challenge to build. "There are scenarios I can imagine that it's not built at all," he said about the company's planned nuclear facility. But he said Duke was still committed to the project.

For years, environmentalists have opposed construction of new nuclear plants. They cited potential dangers to the public and environment from accidents.

But nuclear energy has gained acceptance in recent years by some environmental groups because it's considered a clean-air technology that could help reduce carbon dioxide -- which scientists say is a major cause of global warming.

Coal-fired power plants are among the largest producers of carbon dioxide -- a fact that crystallized the opposition on display Friday during the hearing.

The testimony and cross-examinations Friday of Rogers and other Duke witnesses provided a glimpse into the corporate thinking and strategy of the Charlotte power company.

Rogers urged the commission to approve the Cliffside project, in part, because he hopes the units will be exempted from carbon regulations being debated in Congress. The new Democratically controlled Congress has pledged to pass legislation to curb carbon gas emissions by using a tax or a complicated pollution credit system, which might cost Duke and other power companies.

Cliffside could be exempted from any possible legislation because it recently received \$125 million in clean-coal technology credits from the federal government, Rogers said.

Duke has said it needs the 800-megawatt coal-fired units at Cliffside and the new nuclear plant to meet future demand.

Rogers reiterated his position Friday that Duke needed coal as a hedge against the price volatility of natural gas and the uncertainty of nuclear plant projects, which in the past have run into political and regulatory obstacles.