

Nuclear power plans surge ahead – 14 new plants set to go online in 10 states over next 20 years

The best news we could look for other than actually breaking ground on the first site.

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The nation's nuclear power industry, buoyed by support from President Bush and the Republican-led Congress, says it is charging ahead with plans to build the largest number of new generating plants in 20 years.

Despite a streamlined licensing process and new federal financial incentives, the first new plant won't produce electricity until 2014 at the earliest.

A total of 14 new plants are planned in as many as 10 states. There are already 103 plants at 64 sites in 34 states.

"We just have to be patient," says Mitch Singer, of the Nuclear Energy Institute, the trade association for the nuclear power industry.

"Companies are gearing up a decade in advance so that the additional electricity production we need will come on line by the time it's needed."

Industry estimates suggest as many as 10 nuclear power plants could be under construction by 2012, thanks to streamlined regulations, tolerance for the environmental impact of new plants and financial support on Wall Street. The last time that many plants were under way was in the 1980s, according to Adrian Heymer, the Nuclear Energy Institute's senior director of new plant deployment.

Bush reiterated support for nuclear power in his State of the Union address last week, saying that nuclear energy should meet 50 percent of the nation's electricity requirements by 2025.

Nuclear power currently accounts for 20 percent of the nation's electricity requirement, second only to coal-fired plants.

Bush added in remarks in Minnesota on Feb. 2: "If you're worried about the environment, which I am, it seems like to make sense that we use nuclear power. It's renewable and it's clean."

Bush's support, coupled with growing public concern over greenhouse emissions, fluctuating prices for natural gas and oil and unreliable access to energy supplies in the Persian Gulf and Russia, have changed the political calculus for nuclear power.

Nine companies, many taking advantage of financial incentives provided by White House-backed energy legislation enacted by Congress in August, have launched preliminary efforts to win Nuclear Regulatory Commission approval to build and operate nuclear power plants.

The licensing process could cost companies \$50 million per application to the NRC, which finances much of its operations from fees paid by applicants. The last new nuclear power plant, located at Watts Barr, Tenn., started producing electricity in 1996.

Singer says the industry expects the NRC to approve the first wave of licenses for new plants by 2010 with the first plants producing electricity by 2014. The five members on the NRC were nominated by Bush and confirmed by the Republican-led Senate -- including three commissioners who served during the Clinton administration and were nominated for additional terms by Bush.

New financial incentives adopted by Congress and signed into law by Bush are "going a long way to encouraging the industry, the electric utilities and Wall Street to take a good look at moving ahead with new plants," Singer says.

The incentives include 20-year renewal of the Price-Anderson Act providing immediate, no-fault insurance coverage for victims of any nuclear reactor accident; federal loan guarantees of up to 80 percent of the estimated \$1.5 billion construction cost of each plant; eight years' worth of tax credits for the first 6,000 megawatts of electricity generation capacity from new plants; and up to \$500 million in standby coverage to help cover the costs of any delays for construction or start up that are beyond the owners' control.

The nuclear power industry also is moving ahead because it sees the federal government making progress with plans to dispose of radioactive waste generated by nuclear power plants. The government has designed a specially built underground storage site at Yucca Mountain, Nev., for radioactive waste generated by electricity production.

The material is currently stored at the 64 sites across the country where nuclear power plants are operating.

"The industry sees progress on disposal -- otherwise companies would not be taking the steps they are taking right now to build new plants," Singer said.

The nine companies -- Dominion, NuStart, Entergy, Southern Co., Progress Energy, Duke, South Carolina Electric & Gas, Exelon and UniStar -- have started the process to locate 14 nuclear power plants at sites in as many as 10 states. The potential locations include: North Anna, Va.; Bellefonte, Ala.; Grand Gulf, Miss.; River Bend, La.; Vogtle, Ga.; Harris, N.C., sites to be determined in Florida, South Carolina and North Carolina; Clinton, Ill.; and either Calvert Cliffs, Md., or Nine Mile Point, N.Y.

Many of the new plants would be located adjacent to existing plants.

The Bush administration also is supporting the nuclear industry's drive to win 20-year license renewals for many of the 103 plants. Plants routinely receive an initial operating license for 40 years, followed by at least one 20-year renewal. Additional renewals are theoretically possible, subject to safety regulations.

Thirty-nine of the nation's plants have already filed for 20-year license renewals or are expected to file license renewal applications in the next six years. Thirty-nine other plants already have obtained 20-year extensions to their initial 40-year licenses.