

Energy Dept. announces nuclear insurance

Nothing new here,

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Utility companies interested in building the next six new nuclear power plants in the U.S. can qualify for a portion of \$2 billion in federal risk insurance, Department of Energy Secretary Samuel Bodman said Friday.

"Companies that take risks and enter the market first after a 30-year hiatus should not be penalized by hold-ups that are not their fault," Bodman said in a release. "This risk insurance protects them against bureaucratic and legal issues that delay their start-up."

The risk insurance, which was authorized by the Energy Policy Act of 2005, covers costs associated with certain regulatory- or litigation-related delays that are no fault of the company. Up to \$500 million in coverage is available for the first two plants under construction, and up to \$250 million is available for the next four plants.

Many companies throughout the country, including Virginia-based Dominion Resources Inc., and Duke Energy Corp. in North Carolina, have expressed interest in applying for construction/operating licenses for new nuclear reactors as early as next year. But none have ordered one, according to a list compiled by the Nuclear Energy Institute, the industry's trade group in Washington.

Bodman's announcement is part of a campaign highlighting the first anniversary of the Energy Policy Act, which also streamlines applications and offers loan incentives and tax credits for new plants. The rule establishing the process by which companies can qualify for the insurance will soon be posted on the department's Web site, according to Friday's announcement.

Events that would be covered by the risk insurance include delays associated with the Nuclear Regulatory Commission's reviews, and those associated with litigation in federal, state or tribal courts. The insurance does not cover normal business risks like employment strikes and weather delays.