

News from Beyond Nuclear

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Beyond Nuclear denounces President Obama's decision to transfer financial and safety risks of new reactors to U.S. taxpayers

TAKOMA PARK, MD – Beyond Nuclear today denounced President Obama's granting of a conditional loan guarantee to Southern Nuclear Operating Company for the construction of new atomic reactors at its Vogtle Nuclear Power Plant site in Waynesboro, Georgia. Two new Westinghouse-Toshiba Advanced Passive (AP) 1000 reactors are proposed at Plant Vogtle. President Obama's award comes despite an announcement by the U.S. Nuclear Regulatory Commission (NRC) in October of a major safety flaw with the AP1000 design.

An [NRC media release dated October 15, 2009](#) documents that the AP1000 shield building, as currently designed, is vulnerable to severe weather such as tornadoes and hurricanes, and natural disasters like earthquakes. This raises the concern that the design is also vulnerable to terrorist attacks such as intentionally crashing airliners. Thus, the shield building's intended protection of the reactor's primary radioactivity containment is questionable, as is its ability to provide radiation shielding during normal operations as well as to support a large emergency cooling water supply tank.

“It is utterly irresponsible of President Obama to risk public safety and the environment by financing the incomplete and flawed AP1000 design at Vogtle and, worse still, at taxpayers' financial risk,” said Kevin Kamps of Beyond Nuclear. “Even if ultimately fixed, the AP1000's major design flaw risks delays in construction and cost overruns, the same problems that delivered death blows to scores of atomic reactors three decades ago.”

The Congressional Budget Office has predicted that over half of new reactor owners will default on their loan repayments. The federal nuclear loan guarantees would finance up to 80% of the total project cost for a new reactor. Cost estimates for certain proposed new reactors in the U.S. have already surpassed \$10 billion. The two new reactors at Vogtle are currently estimated by proponents to cost \$14.5 billion, a figure expected by critics to significantly increase.

“Making federal atomic reactor loan guarantees conditional upon a Nuclear Regulatory Commission license won't protect U.S. taxpayers,” Kamps said. “The nuclear industry has a long history of defaulting on loans in the post-licensing period due to design flaws, construction mistakes, cost overruns, lengthy delays, and other problems that President Obama and Energy Secretary Chu cannot foresee, stumbling blocks which are not eliminated by NRC granting a construction and operating license,” Kamps added.

In the past, 21 atomic reactors were cancelled during construction, 22 were cancelled after receiving a license but before construction began, and 1 was even cancelled after construction had been completed.

President Obama's award of billions of dollars in taxpayer-backed loan guarantees to Southern Nuclear is intended to resurrect the nuclear power industry, after a 36 year hiatus in the building of new atomic reactors in the U.S. This loan guarantee is the first to be disbursed from an \$18.5 billion atomic reactor loan guarantee fund appropriated by Congress, and approved by President George W. Bush, at Christmas, 2007. The nuclear loan guarantee program was first authorized by the Energy Policy Act of 2005.

BACKGROUND

Due to Toshiba-Westinghouse's proposed seventeenth revision, the AP1000 design cannot receive final NRC approval until a year from now, at the earliest. In addition, the Vogtle Units 3 and 4 combined Construction and Operating License Application (COLA) itself cannot receive NRC approval until mid-2011, at the earliest.

The two reactors currently operating at Vogtle were originally predicted to cost only \$660 million to construct, but the price tag ultimately skyrocketed to \$8.87 billion, a 13-fold or more than 1,000% cost overrun.

Earlier this year, DOE's short list for nuclear loan guarantees was revealed by media reports to also include: Constellation Energy and Electricite de France, which propose a French Areva "Evolutionary Power Reactor" (EPR) at Calvert Cliffs, Maryland; NRG Energy and CPS Energy, which propose a Toshiba-Westinghouse "Advanced Boiling Water Reactor" (ABWR) at the South Texas Project nuclear plant near Bay City, Texas; and SCANA Corp. and South Carolina Electric and Gas, which propose an AP1000 at the Summer nuclear power plant in South Carolina.

Nuclear safety regulators in France, Finland, and the U.K. have recently questioned the safety of the EPR design. A nearly 75% cost overrun, and three year construction schedule delay, have resulted from 3,000 documented design and construction flaws at an EPR being built at Olkiluoto, Finland.

NRG and CPS are now battling in court over a \$4-5 billion cost escalation in the price tag for the two ABWRs proposed at South Texas Project.

Thus, each of the new reactors under consideration by DOE for the initial nuclear loan guarantee awards is plagued by safety flaws, incomplete designs, skyrocketing costs, and/or construction delays. More information about this can be found at: <http://www.psr.org/nuclear-bailout/>.

Beyond Nuclear aims to educate and activate the public about the connections between nuclear power and nuclear weapons and the need to abandon both to safeguard our future. Beyond Nuclear advocates for an energy future that is sustainable, benign and democratic. The Beyond Nuclear team works with diverse partners and allies to provide the public, government officials, and the media with the critical information necessary to move humanity toward a world beyond nuclear.

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