

Press Conference:

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Austin City Councilmember Jennifer Kim

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On Monday, Oct. 29th, the Board of Trustees of CPS Energy will decide whether to invest in two massive nuclear power plants at the STNP - South Texas (Nuclear) Project site in Matagorda County in southeast Texas. NRG submitted their application to the Nuclear Regulatory Commission in September, and its the first full application for a new reactor in the US in 30 years.

Today, we're here to urge CPS to slow down, and to join with the City of Austin in examining the many possible energy paths our cities and region can take at this time.

Later, Austin will also have to make a decision on whether to invest in these same nuclear plants, but the city intends to hold public meetings before doing so. Austin owns 16% of the existing two nuclear units at the South Texas Project site. In San Antonio, citizens had to repeatedly demand a chance to speak at the upcoming meeting on Monday. A decision of this magnitude should not be rushed. Nuclear plants have serious problems and risks with wastes, transportation and safety, and the related uranium mining.

A few basic facts:

NRG is a company that has never built a nuclear plant and first became involved with nuclear power at the STP site in 2006. The company filed for bankruptcy in 2003. The new reactors would be Advanced Boiling Water Reactors – which have never been built in the United States. The track record of these plants so far in Japan is one of mishaps and radiation leaks. A recent earthquake in Japan

caused barrels of radioactive material on site to rip open, and the Sea of Japan became radiated.

Given that the plant would generate 2,700 megawatts of power, NRG is assuming a price tag of \$2,400-3,150/kilowatt. In their October 2007 edition, Moody's Corporate Finance estimates an "all-in" cost of roughly twice as high – at \$5,000-6,000/kilowatt⁷, **putting the price of STP as high as \$16.2 billion.**

And we should not ignore the past. The construction on STNP reactors 1 and 2 mushroomed to 6 times over the original estimate (\$900 million to \$6.6 billion). The plants came online 8 years late.

Moody's Corporate Finance maintains that the first to apply for a construction license with the Nuclear Regulatory Commission will face lengthy and costly litigation. That distinction now belongs to NRG, and must also be factored into the cost and time estimates.

There are many clean affordable and sustainable ways to generate the power we need. Optimal Energy recently found that 80% of Texas' projected energy needs can be met through improved energy efficiency, and renewable energy sources, like wind and solar, and combined heat and power – capturing and using waste heat energy from buildings – can make up the difference.

Austin and Austin Energy are recognized nationally for our strong and progressive programs for energy efficiency in our homes and buildings, for greenbuilding programs, for solar rebates that are moving the solar industry forward, for Green Energy options, a chilling station system that cools downtown buildings affordably and efficiently, for saving energy through retrofitting homes instead of investing in a coal plant, and more recently for our plug-in hybrid car program and a new Net-Zero Energy home program.

The Texas legislature passed an energy efficiency bill this session, HB 3693, that will make improvements statewide by requiring efficient lighting systems in state buildings and on campuses, and requiring utilities to pursue efficiency measures.

Our state is now the top producer of wind energy in the country, and more wind power is set to come online. (5,880 MW)

Nuclear power is not a solution to limited supplies of fossil fuels nor is it a solution to global warming. Shifting from fossil fuels to nuclear power is irresponsible at best.

There are risks of exposure to radiation every step of the way, from the mining of uranium – and Neil will talk more about the impacts on South Texas citizens from uranium mining – to transportation, to processing of fuel to loading fuel rods and decommissioning plants and storing radioactive waste.

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The risk of a meltdown is the ultimate nuclear nightmare, and while the US has been lucky in recent years, our nuclear plants are having problems. There was a leak of radioactive material outside of the reactor vessel at one of the nuclear plants at the South Texas Project in 2003. The Three Mile Island accident in 1979 was a partial meltdown. In August of 2006, the Forsmark nuclear plant in Sweden was 7 minutes away from meltdown. They got lucky – and the cooling water held. If they had not been lucky, the city of Stockholm would have been radiated – according to the nuclear physicist at the plant.

The nuclear industry's shoddy safety record and insufficient response to the growing threat of terrorism suggest that new nuclear power plants -- or the continued operation of aging plants -- could lead to more wide-spread social and environmental problems than they solve.

Finally, there is still no sound solution to the problem of radioactive waste created in nuclear reactors, and most plants wreak havoc on the surrounding environment and public health, from massive water intake and outtake to uranium mining.

We are asking the CPS Board to reject investments in nuclear power and instead invest in energy efficiency and renewable energy like wind and solar power, and to work together with the city of Austin on joint projects and clean energy solutions.