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Nuclear Deal Won't Stand the Light of Day, Must Be Done in the Dark

Initial work toward first nuclear reactors in decades gets hidden from the public in San Antonio, Texas

Citizen pressure in San Antonio has led to CPS Energy and Mayor Phil Hardberger's altering of the electric rate hike request, nearly 20% of which was to fund two more nuclear reactors. The modified rate hike is scheduled to be voted on next Thursday, May 15' by the San Antonio City Council.

"This looks to me like a smokescreen," said Eric Lane, a member of San Antonio's Citizens' Energy Coalition. "We are not fooled. The utility is still stealthily pursuing expensive nuclear power. In fact utility representatives have said that without this rate hike, the project can't move forward. We call on the mayor and city council to halt the nuclear funding now."

"The shift shows that nuclear power is so unpopular that it had to be removed from the rate hike proposal" said Karen Hadden, director of the Sustainable Energy and Economic Development (SEED) Coalition. "However in order to accurately reflect their big agenda CPS Energy's strategic plan should be renamed *Muddying the Waters and Withholding Information: A Plan to Sneak Nukes Past the Public.*"

"We're happy to have more money going toward efficiency, but taking the nuclear title off the rate hike package won't stop the utility from aggressively pursuing nuclear power. It just won't show so clearly," said Loretta Van Coppenolle, a member of the Citizens' Energy Coalition and conservation chair of the Alamo Group of the Sierra Club.

Two reactors, STP 3 & 4, are planned for Matagorda County at an existing nuclear site. The Nuclear Regulatory Commission license for these plants is the first in the nation to move forward in 29 years.

The San Antonio municipal utility, CPS Energy, still refuses to reveal their cost estimate for the proposed two reactors, claiming first that they don't know and secondly that they're still negotiating. Other states require detailed cost analyses up front. Simple citizen requests for information go unanswered, and the utility got a ruling from the state's Attorney General that they don't have to answer some of them. Meanwhile CPS's would-be partner, NRG, significantly underestimates costs.

"The utility has been asking for a rate hike for nuclear power but refuses to give a cost estimate. Who would put a down payment on a house without knowing how much the house costs? It's not good business," said Karen Hadden. "The shift in the rate hike funding is good, but it doesn't stop CPS Energy from quietly pursuing the nuclear reactors in the dark. The public has never

been given a chance to vote. In fact, when citizens tried to attend the CPS Board meeting where an initial \$206 million was approved, they had to bang on the door for half an hour before being admitted to the room, after having been promised an opportunity to speak. Will we now see a massive shell game with money shifting all around?" asked Hadden. At least two more rate hikes will follow if the nuclear pursuit continues and former NRC Commissioner Peter Bradford has said that bills could increase 50-60%.

The two existing nuclear reactors at the Matagorda County site ran six times over budget and construction ran eight years late. If the Moody's Corporate Finance estimate of \$16.2 billion for two of the reactors is accurate, similar cost overruns could lead to a final price tag of over \$97 billion, enough to make 24 million homes more energy efficient.

The CPS Energy Board recently approved \$206 million, presumably for a study of the nuclear project. Now they concede that this money is actually for preliminary design and engineering work. The San Antonio City Council was never asked for its approval.

Purchases of reactor components have begun and a down payment on one reactor vessel has been made. If approved, the rate hike will allow the utility to replenish their coffers. "There is no accountability for CPS Energy and simple, basic questions go unanswered," said Eric Lane of the Citizens' Energy Coalition. The Citizens' Energy Coalition says the nuclear reactors aren't needed and wants energy efficiency to replace the proposed reactors. The utility's own 2004 efficiency study found that 1220 MW of energy could readily be reduced through existing programs, but CPS has only pursued energy savings of one tenth that amount. "Improving efficiency could reduce consumers' bills, make homes and businesses more comfortable, build the local economy and obviate the need for nuclear reactors," said Van Copenolle.

Getting investors involved in the project may prove challenging since NRG went bankrupt in 2003 and has recently had poor credit ratings. The City of Austin (Texas) voted against becoming involved in the project. The federal loan guarantees needed for the project may or may not be available with a new Congress. NRG's place at the head of the line at the Nuclear Regulatory Commission could be called into question as a result of the indefinite suspension in the licensing process by the NRC, a decision made in response to petitions filed by the SEED Coalition and the Southwest Workers' Union. The indefinite suspension was due to incompleteness of the NRG application.

Experts have been brought into town by citizens' groups in an attempt to talk with the Mayor, City Council, CPS Energy and various organizations. Dr. Arjun Makhijani analyzed costs of the proposed reactors for the SEED Coalition, and estimated that the STP reactors would cost \$12 - \$17.5 billion. NRG's questionably low estimates have risen from \$6.6 billion to \$9 billion, a nearly 30% increase in only a short period of time, and before the license application has even been completed. Although a supposedly standardized, pre-approved design has been chosen for the Advanced Boiling Water Reactors, numerous exemptions and changes to the design are being sought.

For more information regarding the proposed plants, the license application, petitions filed with the NRC and more, please visit www.NukeFreeTexas.org .

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