

Response to CPS Energy's Presentation from June 29, 2009

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CPS says: "Balanced portfolio of reliable, affordable energy will continue to attract new jobs to our community."

- Nuclear is not affordable. The two reactors would cost up to \$22 billion, nearly twice the CPS estimates according to Clarence Johnson, formerly with the Office of Public Interest Council and the Public Utility Commission.
- Reliable? Not if cooling water is too hot, if hurricanes hit, if fuel supply is disrupted, if there is human error or technology fails, or if terrorists attack the reactors.
- Jobs from nuclear power would go to Japan and Bay City. San Antonio would benefit more from local jobs with efficiency and renewable solar, wind and geothermal power.

CPS says "Nuclear Power is the
cheapest resource for generating
electricity over the long term."

- However, Federal Energy Regulatory Commission data says that nuclear power is the most expensive way to generate electricity.
- Peter Bradford, former NRC Commissioner, estimated that San Antonio ratepayer bills could increase up to 60% if nuclear power is pursued.

CPS says: "Nuclear power is generated
without air emissions."

- Nuclear power plants routinely emit radionuclides, known to cause cancer, birth defects and genetic mutations.
- While carbon is not released during normal operations, significant global warming impacts come from the mining, processing and transport of fuel and from construction and decommissioning of nuclear reactors.

CPS says “We need additional generation.”

Nuclear power is not needed.

- CPS has recently taken 314 MW of natural gas generation out of service.
- The Spruce 2 coal plant comes online next year.
- CPS is selling power to customers outside of their service area. There is plenty of power available to meet San Antonio’s needs.
- CPS’ energy efficiency plan will reduce demand while creating local jobs. Pursuing nuclear power could risk the viability of the new STEP plan.

CPS says they are “committed to sustainability.”

This sounds good, but nuclear power won’t help in terms of sustainability...

- Note that CPS’ cost figures include \$2,131 million for environmental upgrades.
- This money is for long-overdue controls on existing polluting coal-burning power plants.
- CPS agreed to install coal plant controls because of citizen demand and a legal settlement.
- The Save for Tomorrow Energy Plan, renewable investments and smart grid infrastructure all make sense, but CPS is only pursuing 27 MW of solar so far and should do more to reach their 100 MW solar goal.

CPS says “Nuclear energy moderates CPS Energy electricity prices”

What?

- CPS is planning rate hikes for nukes – up to 7-8% more every 2 years for the next 10 years.
- CPS compared price increases of residential electricity with unrelated price increases in bread, milk, and gasoline. What’s the point?
- Changes in natural gas prices were included, but CPS failed to compare relative cost increases of wind, solar, geothermal power. Why?

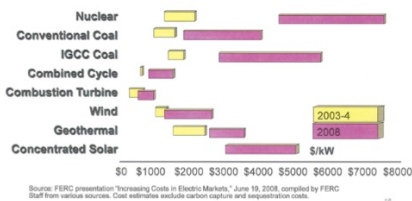
CPS says “ Nuclear power is the basis of our cost-competitive bills today”

- CPS frequently includes only fuel costs when comparing to other energy sources, leaving out the capital costs for construction and the related interest.
- CPS purchased Central Power & Light’s share of nuclear power for 40 cents on the dollar. Remaining capital costs are still being paid off by ratepayers in Corpus Christi, Laredo and South Texas, making nuclear power costs appear artificially low.
- Building additional nukes would raise rates in San Antonio substantially.

CPS says “Nuclear energy is the least expensive option.”

- Federal Energy Regulatory Commission Cost Data

Estimated Cost of New Generation



CPS says “Nuclear enables major carbon reductions.”

But...

- CPS Energy and partner NRG failed to adequately analyze carbon emissions from their proposed nuclear reactors in the license application for the South Texas Project.
- The charts used by the Nuclear Regulatory Commission for this purpose are based on outdated information - from 1974 and 1976.

CPS says “STP is an asset worth expanding.”

- STP is a liability and the nuclear expansion should be halted before good money is thrown after bad.
- Problems include:
 - No solution to the radioactive waste problem.
 - The reactors consume vast quantities of water. The additional units would use 40,000 gallons of water/minute on average.
 - Risk of nuclear meltdown or terrorist attacks.

CPS says “Design approved by the Nuclear Regulatory Commission.”

- The Advanced Boiling Water Reactor (ABWR) design was approved by the NRC years ago.
- However many changes have been made to the design, some of them very significant.
- The design has only a single computer system, with no backup. Other proposed reactors have one or more backup computers. **What happens when the computer goes down?**
- Is safety through redundant systems a thing of the past?

CPS says STP is a “top rated facility”

- STP recently announced high safety ratings but provided little data.
- STP’s recent emergency drill to test their response to an airplane attack was inadequate: Many workers at the plant were instructed to continue working, no sirens sounded outside the reactors, apparently protective gear to guard against radiation was not used, and the drill may have assumed no radiation release. Bay City has only a volunteer fire department.

CPS says STP is “supported by the Matagorda County community.”

- The Chamber of Commerce does support construction of new reactors.
- However, there is local opposition in Bay City and Matagorda County. The South Texas Association for Responsible Energy (STARE) formed to oppose the STP expansion and is represented as a party in the intervention process.
- Taxpayers may have to bear infrastructure costs for schools, roads and hospitals.

CPS’ cost estimate for STP 3 & 4 is \$13 billion with financing included

The CPS estimate is way too low:

- Moody’s - two similar reactors - \$16.2 billion
- Dr. Arjun Makhijani – Institute for Energy & Environmental Research – up to \$17.5 billion
- Clarence Johnson – expert formerly with Office of Public Utility Council at the PUC – up to \$22 billion
- CPS can’t even agree with project partner, NRG, whose estimate is \$10 billion. What kind of start is this? Can this partner be trusted? How soon will it be before lawsuits are filed if reactor plans move forward?
- The first two reactors were underestimated. They ended up 6 times over budget and 8 years late, and lawsuits ensued.

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