

No More Nuclear Subsidies!

by [beyondleft](#)

Mon Jun 22, 2009 at 12:05:47 PM PDT



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That is \$38.5 billion in subsidized lending to one industry. What could \$38.5 billion in loan subsidies do for the housing foreclosure crunch, crumbling infrastructure, or improving education?

This comes on top of the 60 year history of subsidizing nuclear energy research done by the Atomic Energy Commission and offspring the Energy Department which, for the first 20-30 years of its existence, focused almost solely on nuclear energy research and development. I don't know how to put a number to this because much of the information is classified, due to DOD involvement, but suffice it to say that solar, wind, and geothermal, would be much more cost efficient if we had been investing in them at similar levels for 50 years.

Other subsidy highlights (this list is not at all inclusive):

Energy companies are blessed with the right to charge rate payers for construction costs of nuclear power plants From the Alanta Journal Constitution Feb 23, 2009:

In the past two weeks, Florida Republicans, including the state Senate president pro tem, drafted two bills aimed at a 2006 law requiring power customers to pay early for new nuclear reactors.

The bills are a reaction to public outrage, after those nuclear fees had an unexpectedly expensive and politically disastrous debut this winter.

One power company's customers saw already spiking bills go up an extra 11 percent due to the nuclear fee....

Meanwhile in Georgia (also from the AJC):

Georgia Power wants to build two additional reactors at its Vogtle nuclear plant near Augusta, with the reactors expected to go online in 2017...Georgia is one of 21 states that allow early financing for big projects like nuclear reactors. Most of those, including Georgia, require utility regulators to sign off, according to the most recent survey available...

SB 31 would strip the Georgia Public Service Commission of that authority.

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SB 31 would let the utility begin collecting \$1.6 billion in project financing charges six years earlier, when construction begins.

The charges include about \$600,000 in debt interest and \$1 billion in "return on equity" — roughly, profit — for Georgia Power shareholders.

Such a deal! Guaranteed profits on a facility that won't be completed for SIX years!

And lets not forget the largest potential subsidy of all...

The Price-Anderson Nuclear Industries Indemnity Act! (from Wikipedia)

The Act establishes a no fault insurance-type system in which the first \$10 billion is industry-funded as described in the Act (any claims above the \$10 billion would be covered by the federal government)...The Price-Anderson Act has been criticized by various think tanks and environmental organizations, including Union of Concerned Scientists, Greenpeace International, Public Citizen and the Cato Institute. Public Citizen has been particularly critical of Price-Anderson; it claims that the Act understates the risks inherent in atomic power, does not require reactors to carry adequate insurance, and would therefore result in taxpayers footing most of the bill for a catastrophic accident.

The collective cap on nuclear operator liability is \$10.2 billion. This compares with an estimate by Sandia National Laboratory that a worst-case accident could cost \$700 billion, a sum equal to the recent U.S. financial bailout. So anything above \$10.2 billion would be covered by taxpayers. ([Source](#))

Since power companies don't have to insure their plants against catastrophic failures beyond 10 billion dollars, they have been receiving an insurance subsidy of between \$2.3 million and \$3.5 billion PER YEAR, (depending on whose economic analysis you believe. The CBO estimate of \$600,000 seems woefully low) for about 25 to 30 years. (Source: Wikipedia) Even with the lower \$237 million estimate, over 30 years this comes out to \$7.11 TRILLION dollars.* Even if this (admittedly rough) estimate is off by a factor of 10, it still comes out to \$711 BILLION dollars in insurance subsidies for one industry.

It's time to pull the nuclear plug and stop subsidizing the construction of new nuclear plants. If they are such a great deal, let the private marketplace provide insurance and financing at market rates and see how it completes with wind, solar, geothermal, tidal, sustainable biofuels, and (let us not forget) improved efficiency. (Wouldn't this reliance on markets be music to the Repuglicans in Congress?) Better yet, lets take this subsidy from nuclear power plants and move it to the alternative energy providers and see what they can do with this level of guaranteed funding.

PS: This is my first diary, so be gentle...I am not a scientist, just a person interested in sustainable energy alternatives.

*I did this calculation by multiplying the subsidy estimate by 30 years (taking 1978 as the year that all nuclear power plants were online and no new ones built after this). I don't know how to take inflation, power plant decomissioning, and other factors into account, hence my 1 order of magnitude hedge on final costs.

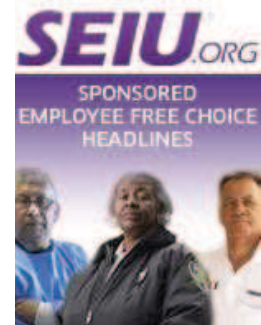
Update I: VA Classical Liberal correctly pointed out that fossil fuel based energy generation also gets massive subsidies. I agree that those subsidies should go away as well. Further, fossil fuel generated energy should pay upfront for the pollution it creates instead of the energy companies taking the profits and leaving the cleanup costs to the rest of us.

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