

Summary of Under Construction Reactors at Plant Vogtle

What's happening? Two new Toshiba-Westinghouse AP1000 reactors with estimated costs of \$15.5 billion are under construction at Southern Company's existing Plant Vogtle near Waynesboro, Georgia in Burke County along the imperiled Savannah River. The Georgia Public Service Commission (PSC) reviews Georgia Power's semi-annual Vogtle Construction Monitoring report¹ and holds public hearings that allow for public comment. **The five elected PSC Commissioners need to hear the concerns of Georgia Power customers.**

How are you being affected? Georgia Power is allowed to charge their customers in advance for these risky new reactors because of anti-consumer legislation passed by the Georgia state legislature in 2009, Senate Bill 31, the Georgia Nuclear Energy Financing Act. Georgia's "nuclear tax," also referred to as "CWIP" for "construction work in progress," allows the Company to charge their customers in advance for financing costs associated with building the new reactors.² Essentially, customers are paying today for future Georgians' electricity, with no refund if a family moves away or a business closes. **Unless Commissioners look out for customers' interests, Georgia Power's shareholders will benefit while ratepayers bear the risk.**

The proposed Vogtle reactors are over budget. Original estimates were ~\$14.1 billion for both reactors with Georgia Power's certified cost set at ~\$6.1 billion. Their portion has now increased to \$6.7 billion³ for a total estimated project cost of ~\$15.5 billion. And this will likely further increase.

The proposed Vogtle reactors are delayed. Original operation dates of April 1, 2016 & 2017 are now estimated at December 31, 2017 & 2018; a delay of at least 21 months. In fact, expert witnesses for the PSC are not even able to determine when the reactors will come online as serious construction challenges remain and the project *still lacks* a finalized schedule.⁴

Delays cost money. Up to \$2 million per day.⁵ The longer the delay, the more Georgia Power customers will pay – not only in pre-paid financing costs from Georgia's nuclear tax but also for the overall project. And the longer the project is

¹ The semi-annual Vogtle Construction Monitoring docket is #29849. Find correspondence here: <http://www.psc.state.ga.us/factsv2/Docket.aspx?docketNumber=29849>.

² See <http://blog.cleanenergy.org/2014/10/01/money-and-power-how-much-will-georgia-powers-reactors-cost-us/>.

³ Georgia Power, Eleventh Semi-Annual Vogtle Construction Monitoring Report, Docket 29849, August 2014, Table 1.1, p. 37. Available at <http://www.psc.state.ga.us/factsv2/Document.aspx?documentNumber=154916>.

⁴ Direct Testimony of Steven D. Roetger and William R. Jacobs, Jr., Ph.D., Docket No. 29849, Eleventh Semi-Annual Vogtle Construction Monitoring Period, November 21, 2014, pp. 32-33. Available at: <http://www.psc.state.ga.us/factsv2/Document.aspx?documentNumber=155941>.

⁵ Direct Testimony of Philip Hayet on behalf of the Georgia Public Service Commission Public Interest Advocacy Staff, Docket No. 29849, Eleventh Semi-Annual Vogtle Construction Monitoring Period, November 21, 2014, p. 4. See <http://www.psc.state.ga.us/factsv2/Document.aspx?documentNumber=155941>.

delayed, the less “benefit” customers receive. ***For families and businesses that are already struggling to make ends meet, paying for increasingly expensive reactors will only make this worse through higher electric bills.***

Over \$1 billion has been collected from Georgia Power customers.

Georgia’s nuclear tax has been collected since January 2011. In 2014 alone, a Georgia Power household using a monthly average of 1000 kilowatt hours (kWh) would have paid nearly \$75.⁶ That will increase slightly in 2015. And Georgia Power makes money on these pre-paid financing costs.⁷

The Vogtle project still has a long way to go. Georgia Power has spent \$2.8 billion in cumulative construction and capital costs as of June 30, 2014.⁸ This means that Georgia Power has spent almost half of the estimated project costs, leaving significant risk that costs will increase further.

Plant Vogtle is a water hog. Plant Vogtle doesn’t only drain wallets. It is along the Savannah River, the 3rd most toxic in the country. More reactors will result in much more water required—competing with other important needs, including drinking water supplies. With the proposed expansion of Plant Vogtle, more water will be lost as steam from the two existing and two proposed reactors than is currently used by all residents of Atlanta, Augusta, and Savannah combined.⁹

Clean, safe & affordable energy choices exist: Using less electricity through energy efficiency options is the most affordable way to save people money on their electric bills while also protecting Georgia’s natural resources and dealing with global warming. Renewable energy choices such as wind and solar are also affordable options and pose far less risks.¹⁰

Voice your concerns with the PSC:

Contact the Commissioners today and reference docket #29849:

- Online via: <http://www.psc.state.ga.us/content.aspx?c=/commissioners/>
- Phone: (800) 282-5813
- Mail: Georgia PSC, 244 Washington Street, SW, Atlanta, GA 30334-9052

For more information, visit www.cleanenergy.org.

⁶ Calculate the monthly charge you pay for Georgia’s nuclear tax or the “Nuclear Construction Cost Recovery Rider” here: <http://www.psc.state.ga.us/calc/electric/GPcalc.asp>.

⁷ The PSC currently allows Georgia Power to collect its return on equity (“ROE”) of 10.95% on these prepaid financing costs. See http://www.cleanenergy.org/wp-content/uploads/F_SACEbrief_9_10VCM_080814.pdf.

⁸ Georgia Power, Direct Testimony of David J. Clem, Kyle C. Leach, and David L. McKinney in Support of Georgia Power Company’s Eleventh Semi-Annual Vogtle Construction Monitoring Report, Docket No. 29849, October 17, 2014, p. 5. Available at <http://www.psc.state.ga.us/factsv2/Document.aspx?documentNumber=155466>

⁹ Georgia Water Coalition Dirty Dozen 2014 report, <http://www.garivers.org/gawater/dirtydozen2014.html> and <http://blog.cleanenergy.org/2014/05/29/vogtle-reactors-guzzle-more-from-savannah-river/>.

¹⁰ See <http://www.cleanenergy.org/wp-content/uploads/FINAL-SACE-Technical-Comments-on-Clean-Power-Plan-120114.pdf>.