

4/12/17 – Sara Barczak, High Risk Energy Choices Program Director, Southern Alliance for Clean Energy - Comments on the Westinghouse Bankruptcy Impacts at SCE&G Ex Parte Briefing Before the South Carolina Public Service Commission

The financial meltdown of Toshiba and subsequent bankruptcy of the design/build company for the AP 1000 nuclear reactor, Westinghouse, subsidiary of Toshiba, has created a worst-case scenario for electric power customers in South Carolina and Georgia, where there are four under-construction reactors that are billions of dollars over budget and many, many years delayed – all four should have been operational by now.

It is unknown whether today's briefing will provide answers, but there is likely no path forward that won't cause additional financial pain for customers. The average residential SCE&G customer has more than 18% of their electric bill or ~\$27/month, going towards the new reactors at the V.C. Summer plant with further increases expected. Very simply this is a mess that exemplifies the high risks associated with new nuclear generation that all of us here today repeatedly warned utilities, regulators and state and federal lawmakers of.

In this period of crisis the utilities and regulators involved should ground their decisions in some basic principles to provide guidance and most importantly, to protect consumers:

1. No electric customer should be forced to continue to pay for construction of an electric generation facility that the utility cannot accurately predict the cost of completion of the facility and if and when that facility will be completed.
2. If the cost of completing the facility can no longer be accurately predicted, the project should be closely and thoroughly reevaluated in an open and transparent process that allows for public engagement to reflect updated market conditions before more ratepayer money is committed to the high risk project.
3. Companies that chose to build electric generation facilities with unknown costs to complete and unknowable schedules should have their shareholders carry the risk, not ratepayers who have been unfairly burdened thus far with potentially no end in sight.

The Southern Alliance for Clean Energy (SACE) has laid down an impressive record of concern about the risks inherent in these facilities. Most of the concerns that we brought forward are now playing out in real time. We need utilities to own up to their errors as they have lost credibility and regulators who are going to do their job, to protect citizens' financial interest from this unfolding disaster.

There are no easy answers here, but first, the financial hemorrhaging must stop; the projects must be reevaluated with current market conditions in an open and transparent process; who the builder will be must be identified (if there is one), and the exposure of ratepayers to the project going forward must be capped with a realistic binding schedule.

If these very basic things cannot be done, it is time to walk away, and stop throwing away good money after bad.

Contact: sara@cleanenergy.org, 912-201-0354 or via SACE's media line: 865-235-1448