



Savannah River Site Watch

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Energy Legislation before South Carolina General Assembly Includes Unjustified Giveaways to Nuclear Industry; in Ill-Advised Move, Elevates Role of Nuclear Advisory Council (Industry Promotional Body)

Unlearned Lesson: Current Dominion Energy Electricity Bill Includes Hidden Charge of 5.6% for Failed V.C. Summer Nuclear Reactor Construction Project, Customers on the Hook for another 15 Years

Columbia, South Carolina – The sweeping energy legislation now being discussed by the South Carolina legislature contains little-discussed and overlooked giveaways to the nuclear industry by forcing electricity customers to pay for speculative or abandoned nuclear power projects.

The nuclear handouts in the bill that mimic the rightfully maligned Baseload Review Act (BLRA), under which electricity customers were forced to pay in advance for SCE&G's terminated reactor construction project, according to a public interest watchdog that tracked the failed V.C. Summer project since its inception. Further, the bill ignores a host of problems facing "small modular reactors" and, in an attempt to manipulate the energy market, wrongfully promotes this imaginary technology, which exists only on paper.

The legislation, H. 5118 - the "South Carolina Ten Year Energy Transformation Act" - includes anti-customer provisions that allow a utility to recover costs for research and planning for a nuclear project, even if no application to the Public Service Commission (PSC) for their consideration has been made. The bill also allows for reimbursement for nuclear projects even if they are cancelled, if the Public Service Commission determines that such cost recovery from customers is "reasonable and prudent," the definition of which is undefined.

Tom Clements, director of the public-interest group Savannah River Site Watch and representative of the environmental group Friends of the Earth in that group's intervention between 2008 and 2019 before the PSC on the failed V.C. Summer nuclear reactor construction project, said "Though the track record of new nuclear projects in South Carolina has been abysmal over the past two decades and have not meet our energy needs, special interests are at it again and want to stiff electricity customers with the costs of speculative nuclear power projects even if they fail. The ill-conceived nuclear provisions in the bill make it radioactive and it should be rejected," said Tom Clements, director of Savannah River Site Watch, based in Columbia.

The bill promotes so-called “small modular reactors” (SMRs) a type of reactor that only exists on paper and which could cost more per kilowatt hour and generate more nuclear waste than larger reactors. The speculative NuScale SMR, the first SMR project that was being loudly promoted (in Idaho), was cancelled in November 2023 when not enough investors could be found. “There is no evidence that imaginary SMRs should merit special financial and regulatory protection in South Carolina but the bill tries to give these reactors an advantage not merited,” said Clements.

Of great concern in the bill is that the role of the Nuclear Advisory Council (NAC), a body which has repeatedly demonstrated poor judgment and willingness to back the nuclear industry over public concerns, is elevated. The NAC, which is directed to promote non-existent SMRs, failed to question the cost or schedule of the terminated V.C. Summer project - resulting in a loss of about \$9 billion on construction. And, for a decade the NAC gave unquestioning support to DOE’s plutonium fuel (MOX) project at the Savannah River Site, which was terminated in 2017 at a loss of \$5 billion on construction. “The NAC was repeatedly warned in public comments about failing nuclear projects but refused to act, giving it a black eye and a damaged reputation,” said Clements. “Due to poor past performance and demonstrated bias, it would be folly to place nuclear power promotion in South Carolina the hands of the discredited Nuclear Advisory Council,” added Clements.

To underscore that the BLRA has left an indelible negative mark on South Carolina and must not be repeated, Dominion Energy customers are now paying 5.6 % of the monthly bill on the terminated V.C. Summer project. That amount, hidden from the public and not shown on the monthly bill, was revealed in a document recently obtained from the S.C. Office of Regulatory Staff (ORS) in response to a Freedom of Information Act (FOIA) request by Savannah River Site Watch. When Dominion took over SCANA in January 2019, the PSC allowed over \$2 billion to be collected from ratepayers over 20 years, so a nuclear hidden abandonment fee - which should be shown on the bill - will be collected for another 15 years.

“In the bill, the legislature is setting up electricity customers to again bear the brunt of ill-conceived nuclear reactor projects and for that reason alone this “son of BLRA” must be stopped,” added Clements.

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Notes

Link to H. 5118, see “Article 9” and onwards for sections on the Nuclear Advisory Council and nuclear promotion and cost collection: https://www.scstatehouse.gov/sess125_2023-2024/prever/5118_20240215.htm

Link to Nuclear Advisory Council website - next meeting April 29 in Columbia (agenda not posted yet) - people are urged to attend to see how they function and how the public is mostly excluded: <https://admin.sc.gov/transparency/nuclear-advisory-council-nac>

Office of Regulatory Staff (ORS) document obtained by SRS Watch with current Baseload Review Act (BLRA) monthly charge in December 2023 of 5.6%: <https://srswatch.org/wp-content/uploads/2024/03/SCEG-Rate-8-History-rcvd-Feb-24-2024.pdf>

See small box at lower right labeled “Bill Makeup” for 5.6% amount. Dollar amount at the top of the small chart is for a “typical” customer’s monthly bill, of which \$8.20 is for the terminated nuclear plant cost. BLRA charges for 2009 to 2017 are also shown in the document. And, since 2005, it is shown in another box at the bottom that 8.42% of the bill increases have been due to the BLRA.