



Savannah River Site Watch

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Westinghouse Official to be Sentenced on November 20 for Role in South Carolina Nuclear Reactor Construction Debacle at V.C. Summer Site

Columbia, SC – After various delays, the sentencing of the last admitted felon in the collapse of the ill-fated V.C. Summer nuclear reactor construction project is scheduled to be sentenced in federal court in Columbia, South Carolina on November 20, 2024.

According to a note posted by the judge in docket 3:23-cr-902 on October 10, 2024, the “NOTICE OF RESCHEDULED HEARING as to Jeffrey Alan Benjamin Sentencing set for 10/15/2024 10:00 AM cancelled and rescheduled to: Sentencing set for 11/20/2024 10:00 AM in Columbia # 2, Matthew J. Perry Court House, 901 Richland St, Columbia before Honorable Mary Geiger Lewis.” As is always the case with these federal proceedings, the date could change.

As outlined in the U.S. Attorney’s “sentencing memorandum,” filed in the docket on September 26, 2024, Mr. Jeffrey Alan Benjamin withheld key information from private utility South Carolina Electric & Gas (SCE&G) as well as state and federal regulators about huge schedule delays and cost overruns with the project, causing the project to collapse in 2017 and SCE&G to go bankrupt and be taken over by Dominion Energy in 2019.

The federal attorney’s office recommends that the court “impose...the maximum sentence contemplated in the plea agreement -- incarceration for twelve months and a financial penalty of \$100,000, with supervised release to follow.” The sentencing memorandum includes a number of internal email messages and documents indicating the role of Benjamin in covering up the fact that the project was in dire trouble long before project termination.

Efforts by Westinghouse and SCE&G to construct two Westinghouse AP1000 reactors near Jenkinsville, SC, faced years of problems from the beginning of construction in 2008 to project collapse on July 31, 2017. Two SCE&G officials have been sentenced to prison for their role in the bungled project and one Westinghouse official received 6-months home detention, all sentenced by the same judge.

Benjamin, former senior vice president with the Westinghouse Electric Company in charge of new nuclear reactor construction for Westinghouse, was originally charged in 2021 by the U.S Attorney “in a federal indictment with sixteen felony counts including conspiracy, wire fraud, securities fraud, and causing a publicly-traded company to keep a false record.” In December 2023, Mr. Benjamin pleaded guilty to a single felony.

Friends of the Earth (FOE), public interest intervenor in the case before the South Carolina Public Service Commission, warned from the official start of the project in 2008 - in PSC docket 2008-196-E – that “the cost of the reactor project will be astronomical and, given current indicators, likely to spiral out of control.” That warning and subsequent information from FOE proved to be prescient but was unfortunately ignored at every turn.

To their own eventual demise, PSC regulators played along with cover-up of problems and approved nine rate hikes for the project between 2009 and 2017, exploiting electricity customers put on the hook by an unjust law (Baseload Review Act) passed by the S.C. legislature in 2007. Though the exact amount spent on the project is being withheld from the public, it appears that around \$12 billion has been spent to date, with the cost going up monthly.

In January 2019, the PSC approved takeover of SCE&G by Dominion Energy and saddled ratepayers with \$2.3 billion in costs, to be paid over 20 years. As of December 2023, customers were paying 5.6% of the monthly bill for the defunct V.C. Summer project, as revealed in a S.C. Office of Regulatory Staff document obtained by Savannah River Site Watch via a Freedom of Information Act request. SRS Watch, a non-profit public-interest group founded in 2014 to monitor the U.S. Department of Energy’s Savannah River Site nuclear weapons facility, cooperated with Friends of the Earth and the South Carolina Chapter of the Sierra Club in monitoring the ill-fated V.C. Summer project on behalf of the public.

“This ugly chapter in the history of the nuclear industry will not end when Mr. Benjamin finally receives the sentence he deserves but will endure as long as electricity customers continue to pay for the misguided V.C. Summer nuclear project that was foisted on us by the problematic alignment of regulators, Westinghouse and electricity utilities,” said Tom Clements, director of SRS Watch. “As Westinghouse now pushes its AP1000 nuclear reactor design on Central and Eastern Europe, the words “V.C. Summer” will serve as a stark warning about what troubles may well be faced with any nuclear construction projects that are proposed in Europe or in the U.S.,” added Clements.

The idea of some to revive the V.C. Summer project is reflected in a flawed September 2024 report by the South Carolina Nuclear Advisory Council - *Trip Report Evaluation of the Site Conditions of the Cancelled Units - Virgil C. Summer Nuclear Plant*. The report overlooks a host of issues that render restart of the project highly unlikely, including no interest in it by Dominion Energy and junior partner Santee Cooper, cancellation of the project’s construction permit by the U.S. Nuclear Regulatory Commission in 2019, lack of documentation as to status of on-site equipment since project termination (likely meaning it can’t be used), lack of review of the role of customers and the PSC in any restart effort and no financial entity known to be interested in getting involved.

“One reason the V.C. Summer project failed was a near-total lack of an analysis of viable cleaner and cheaper alternative energy sources before the project was approved by the South Carolina Public Service Commission,” said Clements. “With solar, wind and battery storage now surging and becoming much cheaper, a repeat of the V.C. Summer nuclear mistake will be less likely but the public must be vigilant not to let special interests and their legislator friends put them on the financial hook again for misguided nuclear or fossil-fuel projects.”

Check the docket or contact SRS Watch immediately prior to the November 20 sentencing date to see if the date has changed.