

Nuclear Subsidy Contagion

Are you paying too much for electricity because of the high cost of nuclear power? That depends. You might say yes, but your neighbor may say no. That's because we all have our own beliefs about what's most important when it comes to powering our lives.

If you live in New York or Illinois, your state leaders have decided you need to pay significantly more to turn on the lights, use your phone, keep your personal space comfortable, and countless other activities.

This is happening because nuclear power plants in those states can't compete with lower-cost natural gas. Without taxpayer subsidies, the operators of five nuclear power plants say they would have had to shut those reactors down prematurely.

The cost to consumers in New York and Illinois will be painful, and the pain is going to last a long time. Cost estimates vary, but over the next dozen years New Yorkers will pay somewhere between \$5.7 and \$7.6 billion dollars in extra electricity costs to save Nine Mile Point, FitzPatrick, and Ginna nuclear plants. For a family of four, saving nuclear in New York will amount to an extra 12 to 15-hundred dollars a year. Ratepayers in Illinois will fork over an additional \$3 billion over 13 years to keep the Quad Cities and Clinton power plants operating. A family of four there will pay nearly a thousand dollars more for their electricity.

And this nuclear power subsidy contagion is spreading. Several other states are considering propping up nuclear as well.

In Pennsylvania, five nuclear plants supply 35 percent of the state's electricity, but all of them are suffering because of competition from natural gas. The problem is most urgent for the infamous Three Mile Island power plant. Its operator, Exelon Corp, has given notice that it will shut down the plant in the fall of 2019 unless it gets a taxpayer cash infusion similar to what operators in Illinois and New York have gotten. Interestingly, Exelon made more than one billion dollars in profit in 2016, so does it really need a bailout? That's something Pennsylvania lawmakers should be looking into.

You might be wondering, why Illinois and New York didn't simply let their power plants close and replace their nuclear output with clean, low-cost natural gas? And why don't Pennsylvania, Ohio and other states follow suit, saving their citizens a mountain of money? Free market advocates say that's exactly what should be happening. But, there are those who believe other factors need to be considered.

For one, once nuclear power plants are operational they don't generate any greenhouse gases. Secondly, local economies are significantly impacted when nuclear plants are shut down because of the loss of high-paying jobs. Some of those

positions are replaced by high-paying jobs at new natural gas plants, but more are lost than are gained, which is part of the reason why natural gas is a lower cost alternative to nuclear.

And thirdly, there is value in having a diversified power supply. In the event of natural disasters or, God forbid, war, having multiple sources for electricity production could prove to be helpful.

There are thoughtful arguments that can be made in support of—or against—paying more for electricity in the interest of saving nuclear power. Unfortunately, leaders in New York and Illinois made those decisions for their citizens without a whole lot of public education, discussion, and debate. And now it appears Pennsylvania and other states are going to do the same thing. That's unfortunate.

If a majority of people wants to pay more for their electricity because of other priorities, then so be it. But when it comes to spending your money, shouldn't government leaders try to figure out if subsidizing nuclear is something you want to do?

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