

PA Nuclear Handout

Pennsylvanians grab your wallets! Nuclear power companies want more money to provide consumers with electricity. But wait a minute. Didn't consumers in PA already fork over billions of dollars to nuclear power companies even while their shareholders were pocketing billions in profits? Yes, that's true. Confused? Don't be.

This is one of those stories that is complicated in the details and yet pretty simple in the fundamentals. People want to be treated fairly. They don't like being overcharged. And they really don't like it when public officials change the rules in the middle of the game to the detriment of hard-working citizens. Here's what's happening.

The Pennsylvania legislature is considering giving nuclear power providers a guaranteed market share under what's called the Alternative Energy Portfolio Standard Act. By guaranteeing nuclear power companies as many as half of the state's customers, state leaders will be forcing citizens to pay higher costs for electricity. The estimates range from an extra \$500 million to \$1 billion per year.

But didn't Pennsylvanians already pull extra money out of their wallets to give to nuclear power companies? Yes, they did.

Back in 1996, the legislature passed a law to create competitive markets for electricity. As part of the deal, the nuclear power companies were paid \$9 billion by ratepayers to compensate them for their assets. Since then, it's worked out great for everyone. Before competition, the state's electricity rates were 15 to 20 percent higher than the national average. Now they are 5 to 8 percent lower. The shale revolution has brought low cost natural gas-powered electricity and a manufacturing renaissance creating thousands of jobs. In just the last couple of years, private companies using their own money built 10 new natural gas power plants.

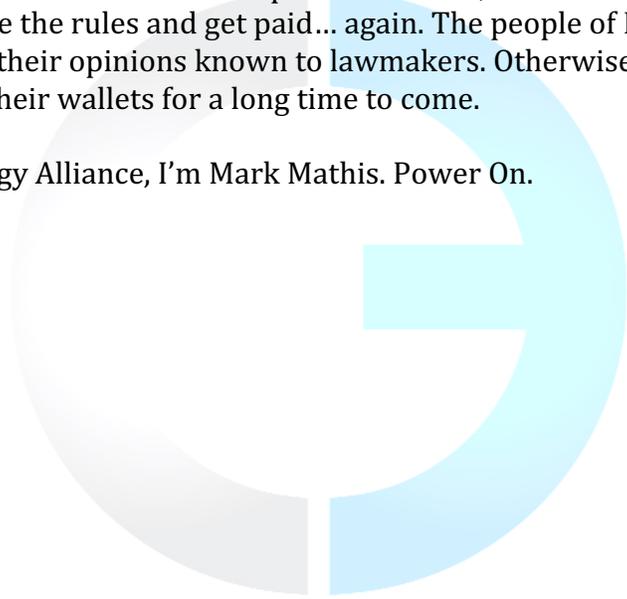
Here's where things really get sticky. Its true low-cost natural gas has made nuclear power less profitable, but four out of five of the state's nuclear plants are still making a healthy profit. Exelon Corporation, which owns three of these nuclear plants, made \$2 billion in profits in 2018 in addition to paying investors \$1.3 billion in dividends. Their Three Mile Island power plant is losing money, but that's because the plant has been operating on only one reactor since the partial meltdown of the #2 reactor in 1979. Pennsylvanians gave the nuclear power industry \$9 billion for their assets. Why wasn't Three Mile Island shut down, or reactor #2 rebuilt with part of that money?

Some people worry about the stability of the electrical grid if nuclear plants are closed down, but the regional transmission organization that oversees power distribution in 13 states has confirmed that even if uncompetitive nuclear plants are

shut down, the grid will remain reliable and resilient. Why? Because the competitive market works—in contrast to the state dictating winners and losers.

Let's be clear. The Clear Energy Alliance is not anti-nuclear. We are pro-consumer, pro-competition and anti-subsidy. Nuclear power companies were happy to take billions of dollars and enter into a competitive market, but now they want to keep that money, change the rules and get paid... again. The people of Pennsylvania should be making their opinions known to lawmakers. Otherwise, they'll be digging even deeper into their wallets for a long time to come.

For the Clear Energy Alliance, I'm Mark Mathis. Power On.



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