

NO RATEPAYER BAILOUTS FOR EXELON'S "NUCLEAR HOSTAGE CRISIS"

David A. Kraft, Director, Nuclear Energy Information Service
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Exelon's VP Joseph Dominguez's bizarre attempt [*Chicago Tribune*, March 30] to make a case for making ratepayers bail out decades of bad corporate decision making should be fought by ratepayers and rejected by the Legislature.

His argument ignores several important facts, any one of which should disqualify any proposed bailout:

- While it's unfortunate for them that Exelon's Illinois nuclear plants have lost money the last 5 years, recall that this occurred in the so-called "free-market" which Exelon claims it favors, and which its lobbyists help create in the late 1990s. You made it; live with it.
- Decades of building nuclear capacity to the exclusion of renewable energy resources, while frequently fighting conservation and efficiency programs was a corporate decision in which the public – whose pockets Exelon now proposes to pick – had no say. This monolithic, anachronistic business model was one which ComEd/Exelon was repeatedly warned against by many stakeholders in and out of Illinois, warnings which Exelon's corporate execs and shareholders chose to ignore. It's the kind of model most recently decried as obsolete by former Energy Secretary Steven Chu during a visit to Chicago [1]. Its failure should not be rewarded.
- The notion that nuclear reactors now should suddenly get "extra credit" for simply doing the job they were built to do, and for which they were already rewarded with repeated ratehikes, is a double-dip with chutzpah. If reactors qualify for special benefits simply for performing in the manner they were designed and which ComEd/Exelon used as a selling point to justify building them, shouldn't other energy resources get similar financial credits for *their* unique abilities and societal benefits? Energy efficiency does not create nuclear waste, a societal cost for the next 6,000 generations. Shouldn't EE get credit for this avoided cost? Unlike nuclear power, neither wind nor solar power contributes to nuclear weapons or materials proliferation. Since they consume no fuel at all, they produce ZERO pollution. Shouldn't wind and solar get special, additional non-nuclear proliferation or zero-pollution credit for these major societal benefits?
- Dominguez's "observation" that "Much is at stake. Exelon's Illinois nuclear plants employ 5,300 skilled men and women and spend more than \$400 million annually with 3,217 in-state businesses," in less-polite circles would be called – extortion. Besides showing what a bad actor and lousy neighbor Exelon is, it's another example of the perverse "too big to fail" mentality which plagues our society and economy at all levels. Clearly, such losses will have a negative impact on Illinois, unless creatively mitigated. That said, it is surely the same argument made by blacksmiths and wheelwrights across Illinois in the early 20th Century, when new technologies and better systems left the old behind. The Legislature should not delay this needed transition to 21st Century electric service providing with a bailout that finances 20th Century business models and technology.

If the Legislature is to be involved in any way in this Illinois nuclear hostage crisis, its proper role would be to work for the release of the nuclear hostages – unharmed; not reward the hostage takers.

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Gratefully,

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[1] *“Steven Chu Solves Utility Companies' Death Spiral,”* Forbes, March 21, 2014;
<http://www.forbes.com/sites/jeffmcmahon/2014/03/21/steven-chu-solves-utility-companies-death-spiral/>