



Nuclear Energy Information Service

Illinois' Nuclear Power Watchdog since 1981

Office and Mail: 3411 W. Diversey Avenue, #16, Chicago, IL 60647-1245
(773)342-7650 www.neis.org neis@neis.org

PRESS RELEASE

For immediate release: Friday, October 3, 2014

Contact: David Kraft, Director, NEIS, (773)342-7650 (office)

NUCLEAR INDUSTRY REPORT: DELIBERATELY DESIGNED TO MISLEAD LEGISLATURE? -- WATCHDOG WONDERS

CHICAGO— A study released Thursday by the nuclear power trade group alleging dire economic consequences for Illinois should currently unprofitable nuclear reactors be closed by Exelon Corporation leaves safe-energy advocacy groups wondering – was this report designed to deliberately mislead the Illinois Legislature?

The Nuclear Energy Institute (NEI) of Washington, D.C. released a 29-page report titled, [*The Impact of Exelon's Nuclear Fleet on the Illinois Economy*](#). The report alleges that, “the consequences for the state’s economy and environment would be dire,” should Exelon make good its threat to close as many as 5 reactors in Illinois.

“Rarely have we seen so short a report by the nuclear industry filled with so many errors of omission and commission, inconsistencies, and faulty analysis,” observes David Kraft, director of the Chicago-based Nuclear Energy Information Service, a nuclear watch-dog organization. “On its own that would not be such a bad or unexpected thing. But this report is designed to manipulate legislators into prying an initial \$580 million out of Illinois ratepayers’ pocketbooks,” Kraft continues.

“This report is largely a collection of ‘water is wet’ findings that there would be negative consequences for local communities and the state if Exelon decides to close nuclear reactors,” notes Kraft. “The report uses inflated figures, figures inconsistent with what the Legislature was previously given, and completely leaves out critical and substantial information that would seriously contradict their findings,” Kraft points out.

Among the larger flaws of the study are:

- A co-mingled presentation of the positive economic effects of operation and negative effects of closure between in some instances all 11 operating reactors, versus the 5 reactors Exelon has stated it might close, with the effect of muddling the true economic picture.
- Enormous inconsistencies between the numbers presumably provided by Exelon to the Legislature in passing [HR1146, – a resolution](#) passed in May in support of continued nuclear reactor operation -- and the numbers presented in the NEI report (as well as the [Exelon Corporate website](#), see attached Table), suggesting...
- Questionable and seemingly padded assumptions about numbers and multiplier effects used to reach their conclusions.
- A failure to acknowledge let alone analyze the positive effects on the economy after such plant closures from job creation from reactor decommissioning and in the energy sectors like renewable energy, efficiency and presumably natural gas that would occur to provide replacement power for the closed reactors.
- A failure to use the readily available history of ComEd’s closure of the two Zion reactors in 1998, and the devaluation of the Clinton reactor when it was sold as examples of how communities – and apparently Illinois -- managed to survive when a nuclear utility like Exelon unilaterally pulled the plug on them.

An excellent and more detailed critique of the NEI study titled, [“NEI’s Exelon Numbers Don’t Add Up.”](#) has been done by Michael Mariotte, President of the Nuclear Information and Resource Service (NIRS) of Takomoa Park, MD.

“The NEI report is released during an election year and written with a tone designed to create a sense of fear and dire emergency in legislators who will be voting in the Spring on whether to subsidize Exelon’s five unprofitable nuclear reactors to the tune of at least \$580 million, with more subsidies possible in the future. With intelligent analysis and design, these predictable negative effects can be minimized and dealt with,” Kraft asserts.

The NEI is the trade association for the U.S. nuclear power industry. While there is nothing unusual for the NEI to defend nuclear power, it should be noted that Exelon Corporation – the beneficiary of this report – contributes over \$7.2 million per year to the operation of the NEI (FY 2012 numbers); and Exelon CEO Philip Crane is also NEI’s current Chairman. These facts cast legitimate skepticism on the report’s accuracy.

[NOTE: The NEI was previously taken to task in 1998 by the Better Business Bureau’s National Advertising Division over NEI ads making unqualified claims about the benefits of nuclear power that BBB ruled were unjustified, noting that in advertising law, “a claim that is technically truthful can still be misleading....”.]

On a parallel track, and as a result of the passage of HR1146, four State agencies are currently preparing reports on topics similar to those addressed in the NEI report. These State reports are due out in November, after the election.

“NEIS is concerned that these State reports will be equally misleading,” Kraft warns, “in that the agencies were not given the staff or financial resources to conduct research beyond the narrow prescripts mandated in HR1146, and no public process or means of input was created. Despite the best efforts of the staffs involved, these reports may end up being nothing more than expensive ‘studies to show,’ and not provide the Legislators with the complete set of balanced, pro-and-con information they will need to make a competent decision,” Kraft states.

“The State is hereby put on notice – we will not quietly accept biased industry studies and self-fulfilling prophecies from state agencies as ‘justification’ to pick the ratepayers’ pockets to the tune of \$580 million or more,” Kraft asserts. “A ‘Nuclear war’ on renewables can get quite messy, and fast,” Kraft notes.