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NEWS RELEASE

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Nuclear Plant Proposals Challenged by Southeast, National Groups

Legal Action Says Westinghouse Design is Plagued by Flaws, Four Years' Delay

DURHAM, NC – An attempted revival of U.S. nuclear power is plagued by design problems that have severely delayed federal approval of the reactor most chosen by utilities hoping to build new plants. A coordinated legal action announced today by watchdog groups across the Southeast and in Washington challenges the licensing process by the U.S. Nuclear Regulatory Commission (NRC) as unlawful.

The NRC has canceled a 2007 pledge to review and recertify the standard design by 2011, and has missed several deadlines for committing to a new timetable. The groups say plant designs must be completed and genuinely certified before the agency or others can assess safety and financial risks of the multi-billion dollar projects.

The Westinghouse AP1000 was pronounced “certified” by the NRC in January 2006, a step deemed vital to standardizing the blueprint before utilities began filing applications late last year to build and operate the plants. Since then, problems involving major components and operating systems have multiplied.

The NRC cannot approve a plant’s license until the design is fully certified. But continuing design modifications have created a quandary for NRC staff and opponents trying to review the license applications by Progress Energy, TVA, Duke Energy, Southern Company, SC Electric and others. Applications are deeply rooted in more than 6,500 pages of technical design documents, and the agency is attempting to review and approve the complex and evolving design separately from the applications themselves.

Westinghouse recently submitted the 17th version of the AP1000 design, but all the plant applications are based on an earlier, uncertified version. The seven organizations filing legal action contend that the utilities are now required to resubmit applications based on the latest design.

“The NRC appears to be making up the process as they go,” said Sara Barczak of the Southern Alliance for Clean Energy, a regional group contesting plants in Georgia and elsewhere. **“The application and design reviews are leap-frogging each other, but both keep sliding backward.”**

The alliance is filing parallel motions in various NRC proceedings across the Southeast involving Westinghouse projects. Similar motions are being filed this month by attorneys for Texas and Virginia opponents of a General Electric design that’s being plagued by similar flaws. The groups are also coordinating opposition in state rate commissions and other venues. Attorneys with the NC Utilities Commission last week cited unresolved design problems in questioning whether Duke Energy could afford to build the AP1000 at its Lee site in South Carolina.

“It is clearly unlawful for the NRC to review license applications prior to genuine certification of the AP1000 design,” explained Lou Zeller of the Blue Ridge Environmental Defense League, which is leading the federal intervention against Duke Energy’s proposed Lee 1&2 reactors in South Carolina, along with TVA’s Bellefont project in Alabama. **“The industry jumped the gun before the blueprints were finished, but they cannot redirect their problem onto interveners and NRC staffers trying to review these ever-changing, complex documents.”**

Contentious meetings between NRC, Westinghouse and AP1000 applicants have continued to reveal additional disputes over regulatory, technical and legal requirements. The latest version of the AP1000 is not yet available to the public. But in the now sidelined previous iteration, only 21 of 172 sections had been cleared by the NRC in over two years of review. Last week the agency proposed a new approach to handling design changes that are expected to continue throughout the approval process: granting licenses, possibly by 2012, then later amending them in order to incorporate alterations to the design.

Standardization is considered crucial to avoiding the interlocking mistakes, delays and cost overruns during licensing and construction that forced scores of costly midstream cancellations in the 1980s. FORBES magazine blamed state rate commissions and industry executives for most of that debacle, calling it **“the largest managerial disaster in business history.”** French-owned AREVA, Inc. is already in trouble while building a plant in Finland that has suffered a 50% cost increase and is years behind schedule.

“Without having the current configuration, design and operating procedures in the application, neither the costs nor the risks of severe accidents can be determined,” said NC WARN Attorney John Runkle. **“Until major components are incorporated into the application for a full review, much of the interaction between components cannot be resolved.”**

"This disarray goes to the heart of the so-called nuclear revival," said Louise Gorenflo of the Bellefonte Efficiency and Sustainability Team. **"No standardization. No schedules. And no protection for electricity customers and US taxpayers if these**

companies keep plowing millions of dollars into these risky projects." Southeastern legislatures recently shifted much of the financial risk to ratepayers, although Wall Street still insists it won't finance nuclear plants without 100% backing by federal taxpayers.

The groups contend that alternatives to new plants – efficiency and renewable power – are far better for reducing greenhouse gases and for protecting against the skyrocketing power bills new nuclear plants would likely cause.

As Dr. Arjun Makhijani, a technical expert following the new reactor issue, stated last month in Raleigh: **“The same Wall Street that eagerly invested in sub-prime securities has been saying ‘no’ for three years to new nuclear projects unless hundreds of millions of taxpayer dollars are backing the loans. That ought to mean something to Congress.”**

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