

## **UTAH TAXPAYERS ASSOCIATION: NEW INFORMATION DISCLOSED IN MEETING CLOSED TO PUBLIC POINTS TO MAJOR BUDGET COMMITMENTS, DELAY RISKS IN UAMPS POWER PROJECT**

***“We Need Public Hearings and We Need Public Votes”:* UTA Calls for Full Transparency and Accountability Ahead of September 14<sup>th</sup> Deadline; Parallels Seen to Ohio, Illinois and South Carolina Nuclear Controversies Where Public Was Kept in the Dark.**

**SALT LAKE CITY – August 4, 2020** – Utah Associated Municipal Power Systems (UAMPS) and NuScale Power held an “online town hall meeting” on July 21<sup>st</sup>, but there was just one problem: due to a quirk in Utah’s open meeting laws, the town was not invited. Not only did UAMPS/NuScale fail to be transparent in terms of the meeting about their controversial small modular nuclear reactor plans, but they also failed to disclose new and troubling information that emerged during the behind-closed-doors virtual session, according to the nonprofit Utah Taxpayers Association (UTA). UTA and Peter Bradford, a former U.S. Nuclear Regulatory Commission (NRC) member, warned that potentially higher costs, project delays, and other risks could be costly for UAMPS members and ratepayers.

A total of 34 municipalities in Utah, Idaho, New Mexico and California (see full list below) are participating in the UAMPS small modular nuclear project. Ratepayers will be locked into more than \$100 million in commitments by a September 14th deadline and billions of dollars of risks later on if UAMPS members do not opt out of the project. The need for openness is particularly important while the nuclear industry is currently facing major credibility problems with scandals in Ohio, Illinois, and South Carolina.

On July 21<sup>st</sup>, UAMPS and NuScale held a so-called “online town hall meeting,” which was not made open to the media under a special Utah exemption for UAMPS for open meeting requirements. [A video copy of the UAMPS/NuScale event](#) was acquired after the fact. (The timecodes shown below refer to various points in the video.)

Rusty Cannon, Vice President, Utah Taxpayers Association, said: **“The UAMPS project will lock in 27 municipalities in Utah and several in surrounding states for a share of billions of dollars in costs and unclear risk in the pursuit of a cluster of small modular reactors (SMRs) touted by Oregon-based NuScale Power, which repeatedly has delayed timelines and increased costs associated with its SMRs.”**

Cannon added: **“This risky project with massive cost escalations is being conducted largely out of the public eye. Most recently the public was barred from a late July online ‘town hall meeting,’ the content of which has since come to light and which raises serious concerns about what has not been disclosed to the general public. The Utah Taxpayers Association urges elected officials involved with UAMPS to disclose all relevant information to the public so decisions can be made in the open and city officials can be held accountable. We are urging city councils in Utah that are subscribed to the project to vote in a public meeting before the September deadline to withdraw from the project.”**

Also speaking at today’s news event was Peter Bradford, a former member of the U.S. Nuclear Regulatory Commission who served as chair of both the New York Public Service Commission and the Maine Public Utilities Commission. He has been an expert witness in many cases involving nuclear power economics, and he has taught Nuclear Power and Public Policy at the Vermont Law School as well as Energy Policy and Environmental Protection at the Yale School of the Environment.

Peter Bradford said: **“There is the very real possibility of large rate increases to the customers in these communities due to inadequate safeguards in this project. It is difficult to understand the case for taking on this risk given the certainty of cheaper clean energy alternatives as clearly shown by recent purchases of firm combinations of renewables, energy efficiency plus storage elsewhere in the West. The cost of lack of transparency plus unwise and secretive deals has**

**resulted in the nuclear energy industry becoming embroiled in multiple debacles. UAMPS members and ratepayers should take heed and avoid making the same mistakes.”**

Just what is UAMPS and NuScale failing to disclose to the public?

- **RAPIDLY ESCALATING CONSTRUCTION COSTS.** [NuScale's website currently explains to the public](#): “The estimated construction cost for the first NuScale 684 MWe (net) plant is about \$3 billion.” However, during the July 2020 “town hall,” UAMPS contractor Bob Squires (MPR Associates) calls the project a “roughly \$5 billion nuclear power plant development project with first of a kind technology.” (3:47:24) Even worse: [NuScale's 2020 Amended Budget & Plan of Finance](#) projects a total cost of approximately \$6.1 billion.
- **MAJOR MISSED DEADLINES.** In 2008, NuScale explained: “With timely application for a combined construction and operating license (COL), a NuScale plant could be producing electricity by 2015-16.” [In 2019, UAMPS publicly announced](#) that the NuScale nuclear power plant would begin construction in 2023, “with the first 60 MW module becoming operational in 2026 [and] [o]ther modules would come on-line soon thereafter.” However, during the non-public July “town hall,” Glenn Neises, nuclear director, Burns & McDonnell, announced for the first time that completion is now projected for June 2030, and the first module is not expected to become operational until June 2029. (3:22:25) And things could get even worse. Warning of possible new delays, Neises said: “I’d also like to stress that this is the current schedule and expect it to change as we see changes in funding, engineering moves forward, and as licensing advances.” (3:22:25)
- **LOW-BALLED ENERGY PRICE.** Doug Hunter, UAMPS CEO, said an undisclosed Economic Competitiveness Test (ECT) determined the UAMPS project power that could be generated would cost \$55/MWh in 2018 dollars. (24:30) The UAMPS/NuScale estimate contrasts sharply with other independent utility projections ([PacifiCorp's estimate of \\$95/MWh](#) and [Idaho Power's estimate of \\$125/MWh](#)). Doug Hunter confirms this in answering a question as to why large investor-owned utilities are not pursuing this project: “Right now they’re still relying on existing capacity, most of them, to fill in energy with renewables because that happens to be the lowest IRP.” (2:28:20)
- **DEPENDENCE ON UNPREDICTABLE FEDERAL SUBSIDIES.** Mason Baker, UAMPS chief legal officer, admitted during the “town hall” that project organizers are now banking on a “massive increase” in the federal government’s contribution to UAMPS, a jump from \$60 million to \$1.4 billion. (48:30) UAMPS now acknowledges taxpayer subsidies are necessary to achieve the \$55 per MWh price point. (53:50) In effect, U.S. taxpayers are being asked to subsidize roughly 25 percent of the UAMPS SMR project to artificially hold down energy costs. However, taxpayer subsidies of this sort are both objectionable on their merits, entirely unpredictable as to passage, and subject to being withdrawn at any time.

The Utah Taxpayers Association also noted that no town or city of more than 100,000 has opted into the UAMPS SMR project, which has not been successful in securing investments in it by investor-owned utilities. It is not apparent that any UAMPS member so far opting into the SMR project has been able to afford to do its own independent financial evaluation of the project, and, instead, may be over relying on assurances from the promoter, NuScale. Committing a municipal government to a long-term contract of this magnitude could result in massive sunk costs and higher rates and taxes on citizens.

[Listen to the Tuesday, August 4, 2020 press conference here.](#)

The following are the UAMPS members currently subscribed to the SMR project: **Utah** (Beaver City, Blanding, Bountiful, Brigham City, Enterprise, Ephraim City, Fairview City, Fillmore City, Heber City Light & Power, Holden Town, Hurricane City, Hyrum City, Kanosh Town, Kaysville City, Lehi, Logan City, Monroe City, Morgan City, Mt. Pleasant City, Murray City, Oak City, Paragonah Town, Parowan, Payson City, Santa Clara City, South Utah Valley Electric Service District, Spring City, Washington City, and Weber Basin Conservancy District); **Idaho** (Idaho Falls Power and Salmon River Electric Cooperative, Inc.); **California** (Lassen Municipal Utility District and Plumas-Sierra Rural Electric Cooperative); and

**New Mexico** (Los Alamos County). The total size of the subscriptions is 160.4 megawatts, with 133.4 megawatts going to the state of Utah.

The Utah Taxpayers Association is a non-profit 501(c)(4) organization that works to limit state and local taxes, making Utah an attractive place to live and do business. [www.utahtaxpayers.org](http://www.utahtaxpayers.org)

*Important note: The Utah Taxpayers Association has no position on nuclear energy. The Association's interest in this matter is limited to the extent to which public business of interest to ratepayers/taxpayers is conducted in an open and transparent manner in order to ensure maximum accountability to the public.*

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