



# Nuclear Energy Information Service

*Illinois' Nuclear Power Watchdog since 1981*

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## Opposition to SB2814, Amend. 2 -- Exelon's Future Energy Jobs Bill

Legislators – Please use the right end of the telescope!

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### I. The Age of Energy Transformation: Illinois “Energiewende”

Illinois' energy legislation debate is occurring during an period of international energy transformation. The decisions made on this legislation will determine whether Illinois advances into the 21<sup>st</sup> Century of technological innovation as a leader, or remains mired in the 20<sup>th</sup> century of outdated technology and utility models.

### II. Exelon's Legislation Thwarts That Transformation:

- **“It's not about Exelon's “unprofitable” nuclear plants”:** The Exelon nuclear bailout is nothing more than a \$1.6+ billion wealth transfer from Illinois ratepayers to Exelon shareholders. How can money-losing Exelon in Illinois ask Legislators for a \$1.6 billion bailout; yet afford to offer to purchase one, possibly two money-losing reactors in New York state and Massachusetts? and owe the IRS \$1.45 billion in back taxes and penalties over their reactors? Several other mechanisms suggested by NEIS for Exelon to gain funding and/or stem losses at its money-losing reactors have not been discussed or examined in any detail. It is premature therefore to pick the pockets of Illinois ratepayers to guarantee the profitability of this private corporation without first exploring these other options.
- **“It's not about a ‘closing nuke plants’ crisis”:** NEIS, in correspondence with the NRC has confirmed in writing that even if a reactor is closed, and its license terminated, a potential exists to re-open the reactor at a later date. Exelon's reactor closure “crisis” can be undone. The implications of this fact have not been examined in any detail.
- **“It's not about meeting the Clean Power Plan objectives:”** Exelon's own spokespeople admitted this in *Crain's Chicago Business* on Nov. 11<sup>th</sup>. If an Exelon/Dynegy “agreement” bails out Southern Illinois coal plants and allows them to stay open, more CO<sub>2</sub> will be produced. Further, the Legislature under the influence of Exelon and ComEd lobbyists has not seen fit to fix the State's Renewable Portfolio Standard (RPS) for the past 4 years, preventing thousands of new, carbon-free mega-watts of power generation from coming on line.
- **“It's not about jobs:”** Environmental “Just Transitions” to renewable energy and energy efficiency could benefit many if not all 118 Illinois legislative districts, especially the impacted coal districts; not just two Exelon reactor communities and 5 more hosting ComEd's vastly overpriced “pilot community solar” projects. The 2015 Clean Jobs Bill would have provided 13 times more jobs, in more IL districts in one year, than the Exelon nuclear bailout will save. A \$1.6 billion Exelon nuclear bailout to save 2,300 reactor community jobs means that ratepayers would be paying on average \$695,652 for each job saved.
- **“It IS about a nuclear Bailout” – Crain's article; implications**
  - A Nuclear Bailout further delays the implementation of EE/RE, and the inevitable energy transition. This is a “zero-sum” game.

- A Nuclear Bailout now sets a precedent for an “annual Exelon bailout drama”, as more and more reactors become uncompetitive. Bloomberg Press has already reported that Byron may be listed as uncompetitive as early as 2017.
- The Legislature should *insist* Exelon use other funding and regulatory mechanisms to preserve *their* currently money-losing assets, some previously submitted by NEIS.
- **“It IS about ‘power’”-- Exelon and ComEd retaining control:**
  - The problems with “legislative sausage” is -- Exelon/ComEd always win
  - If Exelon/ComEd get the “demand charge” and kill net metering, the negative effects on the solar industry will offset any RPS gains.
  - There should be no compromise needed or negotiated on fixing the state’s RPS – a program that has already been passed by the Legislature. It should be fixed *first, before* any other discussion or negotiation about a bailout take place.
- **What is “Plan B” if no agreement can be reached?**

### III. What has gone ignored so far:

- No discussion of establishing an ongoing “just transitions” program to protect essential public services from the inevitable closure of reactors and the negative economic impacts closure would mean has been discussed or enacted by the Legislature. This should be a pre-requisite before any talk of nuclear bailouts proceed.
- No discussion of the inadequacies of Illinois reactor decommissioning statutes has occurred or been studied, despite the ongoing threats from Exelon of reactor closures.
- The Legislature has failed to do its due diligence to meaningfully study in depth the impacts of subsidizing nuclear reactors on the much more job intensive renewable energy and energy efficiency sectors, the way it studied the effects of reactor closure in HR1146.
- The Legislature has failed to examine the implications of being able to re-license closed reactors.

### IV. NEIS’ Recommendations:

- **NO bailouts for Exelon’s aging, money losing reactors**
- **Fix the Renewable Portfolio Standard (RPS)**
- **Oppose ComEd’s legislatively mandated “demand charge,” and monopolistic community solar plan; preserve solar net-metering**
- **Enact a “just transitions” program for reactor communities and displaced workers;**
- **Enact strong reactor decommissioning laws**
- **Ensure environmental and economic justice, particularly for low income communities, indigenous populations, rural communities and communities of color by:**
  - **Investing in clean renewable energy and energy efficiency, prioritizing community-based where practicable.**
  - **Prohibiting monopolistic utility control of community solar.**
  - **Expanding resources, energy-related job creation and programs for low-income communities, communities of color and communities with the highest burden of pollution to make up for the higher pollution burden and historic disinvestment.**