

Economic benefits, cons of nuclear energy explored

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SALT LAKE CITY — The economic benefits and some of the financial hurdles of nuclear power as an energy source were featured in a Tuesday public policy discussion hosted by the Sutherland Institute.

"In the United States, nuclear power can be a major factor in keeping (energy) prices low," said Edward Kee, vice president of the National Economic Research Associates and a nuclear power and electricity industry consultant.

"This is an investment that goes for your children and grandchildren. If you look at it for today, it may not be the best, but if you look at it for 60 years from now, it almost always certainly is," he said.

Kee was one of three panelists interviewed by Paul Mero, president of the conservative think tank organization, which hosted a series of nuclear-power forums this summer exploring issues related to the industry's use of water and its implications on the environment and public safety.

Tuesday's forum specifically addressed the economics behind a nuclear power plant, both short term and long term, especially in context of a proposed two-unit nuclear power plant in Emery County's Green River.

Proposed by Blue Castle Holdings, of which former state Rep. Aaron Tilton is chief executive officer and president, the plant would require 50,600 acre feet of water per year in its production of 3,000 megawatts of power.

Applications to use that water, which would be leased from a pair of water districts, are pending before the state engineer and have been the subject of protests by environmental groups and anti-nuclear activists.

Kee and the other panelists said nuclear power plant construction is expensive with its upfront costs and dogged by a level of uncertainty because of the layers of regulatory and environmental requirements that have to be met, a process that takes years.

That process can be daunting to investors skittish about such a long-term commitment or those too easily swayed about the "guess-work" that goes into predicting an overall price tag.

Pointing to the findings of one study that projected construction costs jumping 15 percent per year for a nuclear power plant, Kee said such predictions are just that — not grounded in any factual basis.

"Those finding are not correct. We have not built a nuclear power plant in this country in a long time," he said. "Any study looking at nuclear power plant construction costs will be based on just that — projections and estimates."

Those upfront costs are high, he added, but the long-term benefit is a power source that lasts 60 years and provides a level of certainty and continuity in the power grid once it's operational.

While Utah enjoys some of the lowest electrical rates in the county, that could quickly change, panelists warned, with the advent of any air-quality program that aggressively caps carbon emissions — a cost that would then be passed onto consumers.

Nuclear power is eco-friendly from an emissions standpoint and uses a market-stable commodity, uranium, that is not subject to the price fluctuations like natural gas, Kee said.

"Uranium is stable," he said. "It is only used for energy production."

Kee also rejected the premise that public policy makers should reject locating a nuclear power plant in Utah should its energy production be marketed elsewhere.

"Utah coal plants are using Utah water and putting carbon into Utah's air — all for California customers," he said. "This is a Western power market, not a Utah power market."

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