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February 17, 2010

## U.S. Supports New Nuclear Reactors in Georgia

By [MATTHEW L. WALD](#)

WASHINGTON — [President Obama](#), speaking to an enthusiastic audience of union officials in Lanham, Md., on Tuesday, underscored his embrace of nuclear power as a clean energy source, announcing that the Energy Department had approved financial help for the construction of two nuclear reactors in Georgia.

If the project goes forward, the reactors would be the first begun in the United States since the 1970s.

The [announcement](#) of the loan guarantee — \$8.3 billion to help the Southern Company and two partners build twin reactors in Burke County — comes as the administration is courting Republican support for its climate and energy policies. With climate legislation stalled in the Senate and its prospects for success dim, Democrats are seeking new incentives to spur clean energy development and create jobs.

At the same time, the president's embrace of [nuclear energy](#) has drawn the ire of environmental groups that have long opposed any return to a reliance on nuclear power.

In his speech, Mr. Obama portrayed the decision as part of a broad strategy to increase employment and the generation of clean power. But he also made clear that the move was a bid to gain Republican support for a broader energy bill.

"Those who have long advocated for nuclear power — including many Republicans — have to recognize that we will not achieve a big boost in nuclear capacity unless we also create a system of incentives to make clean energy profitable," Mr. Obama said.

Some Republicans, however, said that the announcement would have little effect on their votes.

Don Stewart, a spokesman for the Republican Senate leader, [Mitch McConnell](#), said that Mr. McConnell had repeatedly praised Mr. Obama for favoring additional loan guarantees for nuclear power plants. But, he said, this would not translate into support for a cap on carbon dioxide emissions.

"It won't cause Republicans to support the national energy tax," Mr. Stewart said.

He added that Republican and Democratic ideas on energy policy overlapped in some areas, but that much of Mr. Obama's energy program did not fall into those areas.

Robert Dillon, a spokesman for Senator Lisa Murkowski, Republican of Alaska, said that she thought nuclear power was "a core component of a comprehensive energy plan," but that she would vote on an energy bill as a whole.

“One or two provisions aren’t going to offset bad provisions,” he said.

The announcement of the loan guarantees, which had been signaled in advance, drew immediate praise from the nuclear industry and criticism from some environmental groups.

David M. Ratcliffe, the chairman and chief executive of the Southern Company, said that a nuclear renaissance was in the wings and that “we will get on with that at a more rapid pace now that we’ve made this first step.”

Carl Pope, executive director of the [Sierra Club](#), however, said that nuclear power was not the fastest or cheapest way to reduce the greenhouse gases linked to [global warming](#).

“The loan guarantees announced today may ease the politics around comprehensive clean energy and climate legislation, but we do not believe that they are the best policy,” he said.

Despite the financing, the reactors are far from a done deal: their design has not yet been fully approved by the [Nuclear Regulatory Commission](#), whose staff has raised questions about whether changes made to harden the plant against aircraft attack had made it more vulnerable to earthquakes.

The builders hope to have a license to build and run the plant by the end of next year, under a revised process that is supposed to eliminate problems that caused huge cost overruns in the 1970s and 1980s, when regulatory changes during construction added billions to costs. About 100 reactors were abandoned during construction in that era.

The Southern Company applied two years ago to the commission for permission to build and operate the reactors, adjacent to its Vogtle 1 and 2 reactors.

The loan guarantees were authorized by the Energy Policy Act of 2005. If the reactors are built and operate profitably, the borrowers will repay the banks and pay a fee to the federal government in exchange for the guarantee; if the borrowers default, the federal government will repay the banks. Critics have argued that the chance of default is high, and the loans have been delayed by protracted negotiations over what the fee should be.

The money for the reactors is the first award from \$18.5 billion in loan guarantees provided for under the 2005 act. But Mr. Obama proposed this month to triple that amount. The guarantees can cover up to 80 percent of the estimated project cost, although some builders may ask for less. Southern asked for 70 percent, but the project may also be eligible for loan guarantees from the Japanese government; the reactors were designed by Westinghouse, a unit of Toshiba.

The Energy Department is negotiating with potential borrowers for three other projects, two of which could win guarantees soon. The [Scana Corporation](#) and Santee Cooper want to build a nuclear plant near Jenkinsville, S.C., and UniStar is planning a reactor in southern Maryland, adjacent to the Calvert Cliffs reactors. A third project, in Texas, is in some doubt because of rising cost estimates and a lawsuit filed by the municipal utility serving San Antonio against its partner in the project, NRG of Princeton, N.J.

The United States has 104 operating power reactors, but all the reactors ordered after 1973 were canceled.

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