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## **Secretary Bodman Announces Federal Risk Insurance for Nuclear Power Plants & Touts Robust Economy**

**ATLANTA, GA** – After touring Georgia Power and speaking to its employees, U.S. Department of Energy (DOE) Secretary Samuel W. Bodman today announced completion of the final rule that establishes the process for utility companies building the next six new nuclear power plants in the United States to qualify for a portion of \$2 billion in federal risk insurance. The rule will be available on DOE's web site soon.

“Providing federal risk insurance is an important step in speeding the nuclear renaissance in this country,” Secretary Bodman said. “Companies that take risks and enter the market first after a 30-year hiatus should not be penalized by hold-ups that are not their fault. This risk insurance protects them against bureaucratic and legal issues that delay their start-up.”

This risk insurance, which was authorized by the Energy Policy Act of 2005 (EPAct), will provide an important incentive to begin the licensing and construction of the new nuclear power plants essential to meeting our future energy needs, safely, economically and in an environmentally sound manner. The risk insurance covers costs associated with certain regulatory or litigation related delays - that are no fault of the company - that stall the start-up of these plants. Up to \$500 million in coverage is available for the initial two plants for which construction is started and up to \$250 million is available for the next four plants.

Events that would be covered by the risk insurance include delays associated with the Nuclear Regulatory Commission's reviews of inspections, tests, analyses and acceptance criteria or other licensing schedule delays as well as certain delays associated with litigation in federal, state or tribal courts. Insurance coverage is not available for normal business risks such as employment strikes and weather delays. Covered losses would include principal and interest on debt and losses resulting from the purchase of replacement power to satisfy contractual obligations. In formulating the final rule, DOE evaluated and took into account comments received from industry and public interest groups, including comments on the need for greater clarity on how premiums for the risk insurance will be calculated.

On May 24, President Bush discussed the importance of nuclear power in Limerick, Pennsylvania. The President said, “nuclear power is safe. It is safe because of advances in science and engineering and plant design. It is safe because the workers and managers of our nuclear power plants are incredibly skilled people who know what they're doing. For the sake of economic security and national security, the United States of America must aggressively move forward with the construction of nuclear power plants.”

Secretary Bodman visited Georgia Power Company in Atlanta, to tour the transmission control center that services two million customers across the State of Georgia and address Georgia Power employees. The Secretary discussed the important role that nuclear power can play in delivering clean, emissions-free energy for electricity production. Expanding nuclear power is a key component of the Energy Policy Act (EPAcT) that President Bush signed into law on August 8, 2005.

“The Energy Policy Act has set the country on a path forward to increasing clean energy sources that will power our robust economy for future generations,” Secretary Bodman said at Georgia Power. “Through this important legislation, we are expanding the role of nuclear energy and modernizing our energy infrastructure, particularly our electric power transmission system, to meet the demands of our growing economy and population.”

Secretary Bodman also discussed the overall health of the U.S. economy, underscored by employment figures released today. In addition to touting the 113,000 jobs created nationwide last month, the Secretary discussed the positive impacts research and development can have on strengthening America’s energy and economic security. The economy has now produced 35 consecutive months of job growth for a total of over 5.5 million jobs since August 2003; 1.7 million jobs have been added in the past year. These figures indicate that the American economy is strong by almost any measure.

Secretary Bodman is holding events around the country to highlight the first anniversary of the signing of EPAcT. After kicking-off the celebration with an event on Capitol Hill with Senator Pete Domenici and Congressman Joe Barton, the Secretary visited Illinois to announce \$250 million for two new bioenergy centers, which will accelerate basic research on the development of cellulosic ethanol and other biofuels. The Secretary then traveled to a wind turbine manufacturer in Cedar Rapids, Iowa, where he highlighted the nation's efforts to improve wind energy technology and reduce the cost of wind generated electricity. Next week, the Department of Energy will release guidelines for federal loan guarantees that will help spur new investment for novel projects that will help strengthen our nation’s energy security, and will also issue a study that will outline congestion points in the electricity transmission grid to help guide further transmission line construction.

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