

State Senator Robert Mayer The Mayer Memo

Senator Robert Mayer - Serving Butler, Dunklin, New Madrid, Pemiscot, Ripley, Stoddard & Wayne Counties



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Business and Consumers' Role in Funding Start-up of Nuclear and Clean Energy Plants is Matter for Debate

There are bills currently under consideration in both the Missouri Senate and the Missouri House that would allow eligible power plants to charge customers through their utility rates for the cost of construction of certain types of “clean energy” and “low-carbon producing” power plants prior to the plant’s start-up.

[Senate Bill 228](#) and [House Bill 554](#), which both would create the Missouri Clean and Renewable Energy Construction Act, seek to repeal a 1976 law that prohibits utilities from charging the cost of building a new power plant to consumers until it starts to generate electricity. As you may know, AmerenUE is seeking to build a second new nuclear plant in Callaway County. The utility maintains that it cannot build a nuclear plant without the repeal of the existing law.

Other power plants that would be eligible under the proposed legislation include coal-fired power plants that use technology to reduce carbon emissions, and power plants that generate energy from renewable sources, such as wind, solar, and biomass.

The proponents of the bill point to its positive impact on the future energy policy of Missouri and stress the legislation applies to preconstruction costs only — not the cost of mortar, bricks, and steel. They also have indicated it would result in only a slight rate increase throughout construction and with little or no rate increase when the project is online and producing energy. Opponents of the legislation point to the hardship it would create for consumers and businesses — an estimated increase in electric rates between 29 and 40 percent according to the Missouri Public Counsel’s Office — and question whether this kind of cost should be borne by taxpayers.

While I support the expansion of renewable energy resources in Missouri and do not oppose nuclear power — which many agree is the most cost-effective and cleanest form of energy — I do have some concerns about the impact this legislation would have for consumers and the potential financial harm for businesses, including companies like Noranda Aluminum in New Madrid County — a large employer and consumer of power in southeast Missouri.

The Senate panel considering the bill has not voted yet whether to pass it and send it the Senate floor for debate. The House bill on this issue has been approved by a House panel and now heads to debate in the House chamber in the coming weeks. I intend to carefully examine and follow this legislation if and when it comes to the Senate for debate and will keep you posted on this high-profile and very important piece of legislation.

As always, if you have comments or questions about this week's column or any other matter involving state government, please do not hesitate to contact me. You can reach my office by phone at 1-877-291-5584.

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