



MISSOURI SENATE
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Debating the Future of Energy in Missouri

Moving Our State to a Cleaner Form of Energy

The last time I wrote about our state's need for another nuclear power plant, lawmakers had already heard testimony in the [Senate Commerce, Consumer Protection, Energy and the Environment Committee](#) on [Senate Bill 228](#). This measure, a bill I am sponsoring in the Missouri Senate, would address the emerging need for more energy production in our state. Now my legislation has advanced to the full Senate where it is under consideration by my colleagues.

We are at the end of our rope in terms of building new energy production facilities in our state. Natural gas is one of the two energy sources available for base load production. Base load production is the minimum amount of power a utility or distribution company must make available to its customers. Natural gas is more expensive to produce compared to nuclear energy and it also creates a competitive environment with home heating fuel, which drives the costs of fuel up for both usages.

Our state has many coal-powered plants. A couple of years ago, several rural electric co-ops proposed a new coal power plant in Norborne, Mo. These groups spent thousands of dollars preparing that facility as a combination plant for the collective co-ops. Due to the amount of opposition and the cost of using clean coal, that plant was abandoned. Consequently, many of those rural electric co-ops are planning to invest in the plant Ameren is proposing to build if Senate Bill 228 becomes law.

This is an important time for citizens in our state in regards to establishing future energy policy for our state. This is the time to address the issue of an additional nuclear plant. It has been more than 30 years since a nuclear plant has been constructed in the United States, and nuclear energy has proven to be safe, efficient, and cost the least to produce.

The challenge that we face is the cost of building a new nuclear power plant. Ameren, a

company with the net worth of \$6-7 billion, needs to build a plant that is worth \$7-9 billion. There is no way Ameren can build a new plant with traditional financing, the financing that you or I might use to buy a house. Senate Bill 228 would renew what we used to have in Missouri. In the past, the cost of construction could be added to the rate base of the consumers. This alternative funding measure is called construction-work-in-progress, or CWIP. Senate Bill 228 would allow the cost of building certain types of plants, including nuclear, to be included in customers' utility rates during construction of the clean energy, low carbon-producing facilities. If we approve this measure, Missourians stand to gain millions of dollars over the cost of a traditionally built electrical power plant.

As a Missourian who has felt the effects of our current economy, I know that there are a lot of reasons to oppose any type of rate increase. However, we are facing in America today huge rate increases if we just sit around and do nothing. If the current U.S. Congress has their way, Missouri consumers reliant on coal-based power could see their rates rise drastically based on Congressional decisions — decisions that would tax any type of production based on carbon. The advantage of nuclear energy is that it has no carbon footprint, which provides our state a real incentive to build a nuclear power plant in Missouri.

There are production tax credits offered by the federal government totaling approximately \$700 million. In addition to that, there are federal loan guarantees worth about \$1 billion. If you add to that the carbon tax savings at \$30 a ton (a \$378 million savings), and the incentive of building the new nuclear plant with CWIP rather than traditional methods of financing, there is \$3 billion in savings to do that.

The General Assembly has been sensitive in addressing this issue in regards to protecting Missouri consumers. There are a number of changes we have made to the original bill that do just that. Several provisions have been set in place that would protect customers in terms of recovery if the power plant is not built. It is better, I think, to pay a little more now than to have a huge increase whenever this plant is constructed. Senate Bill 228 would provide our state a much-needed economic boost and a foundation for future energy policy for Missouri.

If you have comments or questions about this week's column or any matter involving state government, please feel free to contact me at (573)751-8793 or by e-mail at: delbertscott@senate.mo.gov.

Senator Delbert Scott represents the people of Barton, Benton, Cedar, Dallas, Henry, Hickory, Pettis, Polk and St. Clair counties in the Missouri Senate.

