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SUN DAY CAMPAIGN

January 28, 2014

The Honorable Secretary Ernest Moniz
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585

cc: Office of Management and Budget

RE: VOGTLE LOAN GUARANTEES

Dear Secretary Moniz,

We, the undersigned, are writing to share critical information with you that has come to our attention, and, in light of the information, request that you deny federal loan guarantees for construction of the Southern Company's nuclear Plant Vogtle reactors 3 and 4 in Georgia. In addition, we request that further negotiations on this matter with Southern Company and its subsidiaries and partners cease.

We are concerned with the fact that, after four years of negotiation no agreement has been reached between Southern Company, its Vogtle partners and DOE regarding the requested \$8.3 billion tax-funded loan guarantees for Vogtle. Indeed, even as DOE has extended the deadline for a sixth time to January 31, 2014, Vogtle partner Municipal Electrical Association of Georgia (MEAG) is undergoing last-minute corporate structural changes, license amendment requests from the Nuclear Regulatory Commission, and contracting to sell power from Vogtle in Florida and Alabama.

In December 2013, Southern Company asked the NRC to transfer ownership and control of Vogtle licenses to several Municipal Electric Authority of Georgia (MEAG) subsidiaries or "special purpose vehicles" (SPV) requiring an NRC license amendment. The request was noticed in the Federal Register on January 21, 2014, with an opportunity to request public hearing and public comment period. The NRC has affirmed that no staff action will be taken until the public comment period expires on February 20, 2014. Therefore, the new MEAG entities cannot be licensed by the NRC prior to the January 31, 2014, loan guarantee closing deadline.

Analysis of 10 years of Georgia Power annual report data filed with the SEC shows that Georgia Power's 4.1% annual growth forecasts have not materialized, in fact, electricity sales are flat for both retail and wholesale markets for the 10 year period (2002-2012). The situation has resulted in Georgia Power currently being 46% over-built, well more than twice the national standard. The fact that the electricity from additional reactors at Plant Vogtle is not needed is underscored by MEAG's entering into contracts to sell a significant portion of its commitment to Jacksonville Electric Authority (Florida) and Power South (Alabama).

The climate for new reactors at Vogtle has changed in other ways since the loan guarantees were first requested. The anticipated new reactor construction boom has shriveled to a handful of reactors and the projects in South Carolina and Georgia are both experiencing significant delays and cost overruns. Economies of scale have disappeared even as contractors are failing to deliver and new contractors are having to be developed. Meanwhile, solar and wind power are setting records for rapid growth, falling prices, and enjoy the benefit of truly modular deployment. The trends are clear, and new nuclear power generation, at least in Georgia, is clearly not a good investment for the American people at this point in time.

Southern Company has publicly stated that it does not need federal loans in order to complete the project. That being the case, it is unnecessary to commit taxpayers to a project with a troubled past and inherent risks. Georgia ratepayers have already been paying the financing costs of Vogtle via rate increases and construction work in progress (CWIP), therefore, DOE withdrawal of the loan guarantees will simply allow the companies the freedom to choose whether to take the risk to invest in Vogtle or to cancel it since it is not needed.

It is troubling that negotiations continue to be conducted in secrecy without public input and scrutiny and that Georgia Power classifies information about itself as proprietary while the federal taxpayer is saddled with the very real risk of repaying the loan in the event of default. The credit subsidy fee of 0.5 to 1.5 percent which DOE has offered to Southern Company, would be insufficient to cover the risks the tax-payers are being asked to take.

Construction of Vogtle 3 and 4 is 21 months behind schedule, \$1.6 billion over budget, has had significant quality assurance issues, and is embroiled in lawsuits between the reactor designers and builders. Wall Street has downgraded partners involved in Vogtle. We urge you to protect the U.S. taxpayer from risky investment in Vogtle 3 and 4 by not offering federal loan guarantees to Southern Company, its subsidiaries or partners.

Respectfully,
— *please see following page for signatories* —

RESOURCE LINKS:

Georgia Power Key Financial & Operating Data 2002-2012
http://www.nuclearwatchsouth.org/pdfs/Final_GPC_Key_Fin_Stats.pdf

Vogtle Budget / Break Even Analysis
[http://www.nuclearwatchsouth.org/pdfs/GPC_Vogtle_Budget_BE_BS\(2\).pdf](http://www.nuclearwatchsouth.org/pdfs/GPC_Vogtle_Budget_BE_BS(2).pdf)

MEAG License Transfer Request to NRC, 12/2/13
http://www.nuclearwatchsouth.org/pdfs/MEAG_NRC_License_Transfer_Application_FINAL_in_ADAMS_12_11_2013.pdf

Southern Alliance for Clean Energy Vogtle Loan Guarantee FOIA Information:
<http://www.cleanenergy.org/taxpayers-kept-in-the-dark-as-deadline-looms-to-finalize-8-3-billion-nuclear-loan-guarantees-for-vogtle-reactors/>

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