Japan to Provide $12.5B to Nuclear Plant Operator

YURI KAGEYAMA,AP Business Writer

TOKYO (AP) — The government approved on Wednesday a 1 trillion yen ($12.5 billion) public bailout for the operator of Japan's tsunami-devastated nuclear power plant and put it under temporary state control.

In exchange, Tokyo Electric Power Co. has appointed new management and pledged to cut costs while raising utility rates as it works to stabilize the crippled Fukushima Dai-ichi nuclear plant and compensate tens of thousands of victims of the worst nuclear disaster since Chernobyl.

"I hope Tokyo Electric will work to win back public trust," Economy and Trade Minister Yukio Edano said. He stressed the need for TEPCO to become more transparent amid criticism that it did not release complete and timely information about the disaster.

TEPCO has come under fire for being unprepared for the massive earthquake and tsunami that ravaged Japan's northeastern coastline last year. The cooling systems at the plant failed, causing meltdowns of at least three reactor cores and the release of large amounts of radiation.

The plan calls for 3.3 trillion yen ($41.3 billion) of cost cuts over 10 years by TEPCO.

Still, the bailout may not be enough as compensation costs balloon.

Four reactors at Fukushima Dai-ichi are being decommissioned, a process which is expected to take decades.

The nuclear disaster has forced thousands of people to leave no-go zones near the plant, and the livelihoods of farmers and ranchers have suffered as a result of radiation contamination.

The utility has already raised electricity bills for corporate customers. It plans to do the same for households, a move likely to be unpopular with taxpayers.

The anti-nuclear movement has grown following the disaster, with frequent protests demanding an end to nuclear power.

All of the country's 50 nuclear reactors are currently shut down for routine maintenance checks. None can be restarted without passing new safety tests required after the disaster and receiving consent from local communities.

The government is eager to restart them because of the high costs of gas and oil

now used to generate electricity and fears about power shortages.

___

Follow Yuri Kageyama on Twitter at http://twitter.com/yurikageyama *[1]*

Source URL (retrieved on *11/23/2014 - 7:02am*):
http://www.chem.info/news/2012/05/japan-provide-125b-nuclear-plant-operator

Links:
[1] http://twitter.com/yurikageyama