Missouri Loses Out on Sought-After Nuclear Project

ALAN SCHER ZAGIER, Associated Press

COLUMBIA, Mo. (AP) — A highly touted plan by Ameren Corp. and Westinghouse to design and build a series of next-generation nuclear reactors at the utility's Callaway County plant lost out Tuesday to a similar plan in Tennessee, dashing the hopes of state political leaders who envisioned an atomic energy revival in Missouri.

The U.S. Department of Energy announced that Babcock and Wilcox of Charlotte, N.C., will receive the federal government's five-year grant to develop small modular reactors with the Tennessee Valley Authority as part of what the Obama administration calls its "all-of-the-above strategy" for energy production.

The Energy Department did not provide a specific dollar amount, but the 50-50 cost-sharing award has been estimated to exceed $450 million. The agency's goal is to have commercial operations in place by 2022.

Missouri Gov. Jay Nixon, U.S. Sen. Claire McCaskill and other heavyweights in the political, civic and business realms had eagerly anticipated the federal investment, rallying support for the plan in July at a University of Missouri conference. Nixon, a Democrat, had said the grant could turn Missouri's nuclear industry into the equivalent of the auto industry's Detroit.

Both McCaskill and U.S. Sen. Roy Blunt quickly issued statements Tuesday.

McCaskill said she was "deeply disappointed." Blunt was dissatisfied with the Obama administration for "not heed(ing) my calls to strongly consider this application."

"Missouri's central location, key infrastructure and universities with nationally recognized nuclear engineering programs make it the best location for this project," the Republican lawmaker added.

Babcock and Wilcox will work with Bechtel, a San Francisco-based engineering and construction corporation, and the TVA on a project that seeks to build and license smaller nuclear reactors which can be built off-site and then —not unlike prefabricated homes — shipped to their eventual locations. The modular reactors are expected to appeal to smaller utilities that don't have the space or power grid capacity for traditional reactors.

The TVA released a statement, saying it was "pleased" to be selected for the grant.

"It supports TVA's mission of being a national leader in technological innovation and may provide a new source of clean base-load generation capacity in the future,"

said TVA senior vice president of policy and oversight Joe Hoagland.

The winning project also beat out NuScale Power of Corvallis, Ore., which wanted to build the reactors at the Savannah River nuclear site in South Carolina.

The runners-up could still get a hefty consolation prize. The Energy Department said it will also issue a "follow-on solicitation" seeking further modular reactor projects.

Officials with Pittsburgh-based Westinghouse Electric Co. and Ameren said they plan to pursue federal support in the project's second phase.

"Our alliance and the entire state of Missouri stand ready to capitalize on this important project that will also help create a cleaner energy portfolio for our state and our country," said Warner Baxter, president and chief executive officer of Ameren Missouri.

Just three weeks ago, Westinghouse and Ameren hosted a small modular reactor "supplier summit" at the Callaway nuclear plant near Fulton for 300 industry representatives, from heavy equipment operators to trade unions and design engineers.

Not everyone in Missouri was bemoaning the loss of a federal investment that could approach nearly half a billion dollars.

"If (small modular reactors were a good investment then Ameren Missouri should have no problem raising private capital to finance a nuclear reactor instead of looking to taxpayers and ratepayers," said Ed Smith, safe energy director for the Missouri Coalition for the Environment, which opposed the project.

"Nuclear power has been too risky for Wall Street for decades, is too risky for insurance companies to insure, and there is still no solution for storing radioactive waste," he said, "which remains a health threat for millions of years beyond its useful life in energy creation."

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