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DTE Energy chairman says nuclear energy will play a crucial role in addressing global climate change

DETROIT -- DTE Energy Chairman and CEO Anthony F. Earley, Jr. said today that for the U.S. to achieve ambitious targets of reducing carbon dioxide emissions, nuclear energy will be one of the most effective climate control strategies for the nation's electric utilities.

Speaking at The National Summit, a three-day meeting in Detroit featuring prominent business, government and academic leaders, Earley said that nuclear energy will play a crucial role not only in addressing global climate change, but also in meeting the country's growing electricity needs.

"Nuclear energy provides clean, reasonably priced electricity at extremely high levels of safety and reliability," he said. "In 2008, the U.S. fleet of nuclear plants operated at just over 90 percent capacity – the highest level ever. Nuclear power has proven itself safe, clean, reliable and affordable. And that's with a generation of plants designed in the 1960s and 1970s."

Earley said today's nuclear power plant designs are much improved and more standardized, making them simpler, more compact, safer and less costly to build and operate. But he said there currently is a shortage of suppliers to provide the materials necessary for the construction of new nuclear plants.

"One of the challenges we'll face with the resurgence of nuclear energy is also one of our biggest opportunities," he said. "The number of U.S. nuclear suppliers has shrunk and global competition is already heating up for the limited material and manpower now available.

"There's no doubt we need more suppliers, as well as highly-skilled construction workers to build nuclear units, and more qualified operators to run new plants," Earley said. "At the peak of construction, a nuclear plant will employ an estimated 2,300 skilled workers. And upon completion, approximately 700 skilled workers will be required to operate and maintain the plant – at wages 36 percent above those for workers in similar jobs at non-nuclear facilities."

Each year the average nuclear plant generates approximately \$430 million in sales of goods and services in the local community and nearly \$40 million in total labor income, Earley said. According to the Nuclear Energy Institute, the average nuclear plant generates state and local tax revenue of almost \$20 million each year and federal tax payments of approximately \$75 million each year. These tax dollars benefit schools, roads and other state and local infrastructure.

While nuclear energy will play a significant role in meeting the country's growing demand for electricity, Earley cautioned that there is no single solution to the nation's energy challenge.

Most utilities are working to increase their mix of renewable energy – and this is an area where the country will see incredible growth over the next decade, he said. Wind power is now the fastest-growing renewable energy source in the nation,

accounting for about 30 percent of all new power generating capacity added in the U.S. last year.

“But windmills and solar panels will never power an auto assembly line or a cold-rolled steel mill,” Earley said. “You need big baseload coal-fired and nuclear plants to keep them running and to form the reliable backbone of a national grid.”

Earley also warned that the nation’s energy infrastructure is nearing “the end of its useful life,” noting that the average age of a power plant in Michigan is 48 years. Given that the useful life of a plant is usually 60 years, and that it can take a decade to plan and build a new plant, change is definitely on the horizon.

“To accommodate our growth, cope with plant retirements and deal with environmental concerns, we’ll need to make massive investments to our infrastructure – as much as \$2 trillion by 2030,” he said. “And that doesn’t include the unknown costs of potential climate change legislation and state or federal renewable portfolio requirements.

“The road to a clean, safe and secure energy future will require creative thinking, hard choices and huge investments,” Earley continued. “And it will require adaptability – to shifting government policy, advancing technology, an uncertain economy and fickle consumer preferences.

“Buckle your seat belts. It’s going to be an exciting ride.”

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