

Committee on Communications, Energy, And Public Utilities

CS/CS/SB 1472 — Nuclear and Integrated Gasification Combined Cycle Power Plants

by Community Affairs Committee; Communications, Energy, and Public Utilities Committee; Senators Legg, Latvala, Simpson, and Brandes

The bill provides that the applicable rate for allowance for funds used during construction of a nuclear or integrated gasification combined cycle power plant is the rate in effect at the time the increment of cost is incurred and recovery is sought, which will, under current conditions, reduce costs to ratepayers.

The bill also establishes a process for review and approval by the Public Service Commission before a utility can continue with:

- post-license or post-certificate preconstruction work,
- purchases of preconstruction materials or equipment that exceed 1 percent of the total projected cost for the project, or
- the construction phase for a power plant

for which it is obtaining early cost recovery. The bill provides that in order for the commission to grant such approval and allow a utility to continue obtaining early cost recovery for the next phase of development, it must determine that the plant remains feasible and that the projected costs for the plant are reasonable.

The bill provides that within 10 years after obtaining the appropriate license or certificate, the utility must either begin construction on the plant or petition the commission to preserve the opportunity for future cost recovery, and the commission must determine if the utility remains intent on building the plant.

Finally, the bill provides that if a utility has not begun construction of a plant within 20 years of receiving the license or certificate, it may not use the early cost recovery statute to recover future costs relating to the plant.

If approved by the Governor, these provisions take effect July 1, 2013.

Vote: Senate 40-0; House 104-12