

# Committee on Electricity

NARUC  Summer  
Policy Summit

# Committee on Electricity

## Business Meeting

# Agenda:

1. Update on Westinghouse Bankruptcy  
Jim Spearman, SC Commission Staff  
Hon. Tim Echols, GA  
Sheree Kernizan, GA
2. Honorary Resolutions
3. Policy Resolutions



# **Update on Westinghouse Bankruptcy:**

- Jim Spearman, SC Commission
- Hon. Tim Echols, GA, Vice Chair  
of Subcommittee on Nuclear  
Issues -Waste Disposal
- Sheree Kernizan, GA

# **Update of Westinghouse Bankruptcy and Vogtle Unit 3&4 Construction**

- **March 29, 2017 Westinghouse files for Chapter 11 reorganization in Southern District of New York Bankruptcy Court. Cost overruns at both Vogtle & Summer nuclear units cited as major contributor.**
- **On March 29, 2017 Georgia Power, on behalf of the Vogtle Co-owners, entered into an Interim Assessment Agreement with Westinghouse which allows for the transition of project management from Westinghouse to Southern Nuclear and Georgia Power once the current engineering, procurement and construction contract is rejected. 30-day Initial interim assessment agreement was set to expire April 28, 2017.**
- **Interim Assessment Agreement which allows work to continue on the site -extended May 12, June 3, June 22 & July 20.**
- **June 9, 2017, new service agreement finalized which allows Georgia Power and Southern Nuclear to assume project management from Westinghouse by late July. The agreement continues to progress through the approval process and will take effect once all required approvals are received, including approval of the bankruptcy court and rejection of the current engineering, procurement and construction contract by Westinghouse.**
- **The scope of the service agreement includes engineering, procurement and licensing support from Westinghouse, as well as access to Westinghouse intellectual property needed for the project. To allow time for all approvals, the interim assessment agreement has been extended through July 20.**

# Update of Westinghouse Bankruptcy and Vogtle Unit 3&4 Construction- cont'd

- June 9, 2017, agreement announced between Georgia Power and Toshiba, Westinghouse parent company, concerning the Parental Guarantee which remains in place and continues to affirm the value of Toshiba's guarantee at \$3.68 billion – providing additional protections for Georgia electric customers. The first payment, of \$300 million, from Toshiba under the agreement is expected in October 2017.
- Georgia Power and the Vogtle Co-Owners continue to conduct a comprehensive schedule and cost-to-complete assessment, as well as a cancellation cost assessment, to determine the impact of the Contractor's bankruptcy filing on the construction of the Vogtle Units. According to Southern CEO Fanning, this assessment may be complete sometime in August 2017.
- The Project has incurred additional delays and costs. The current schedule of June 2019 & 2020 is unachievable according to the Company.
- PTC extension HR 1551 passed House unanimously, June 20. Received in the Senate 6/21/17.
- The Georgia Public Service Commission continues to monitor these developments and will determine the best path forward for customers- continued construction of both or one unit, conversion to natural gas or project cancellation- once a filing has been made by Georgia Power Company.

*Prepared by Sheree Kernizan- Director, Electric Unit, Georgia Public Service Commission*

# Honorary Resolutions:

Hon. Don Bailey, North Carolina

Hon. Libby Jacobs, Iowa

Hon. Daniel Logsdon, Kentucky

Hon. James Volz, Vermont

# Policy Resolutions

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## **Hon. Jeremy Oden, Alabama**

Urges Congress and the Administration to adequately fund all aspects of the National Laboratories to promote continued advancements in deployable technological solutions while ensuring the nation's energy security.

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**Hon. Lauren McDonald,  
Georgia**

Urges Congress to immediately  
enact and/or support re-establishing  
a functioning Nuclear Waste  
Program, etc.

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