



NUCLEAR ENERGY POSITION

Great River Energy is a not-for-profit electric cooperative that supplies electricity to 28 customer-owned electric cooperatives across Minnesota and part of Wisconsin. Our company measures its performance based on a triple bottom line: affordable rates, reliable energy service and environmental stewardship.

To ensure that we deliver strong performance in each of these vital areas for the benefit of our members, Great River Energy utilizes a broad mix of energy sources, including wind, coal, natural gas, oil, hydropower and biomass. We believe this diversified generation portfolio is essential to our continued ability to provide our members with electricity that is environmentally responsible, reliable and affordable.

The Nuclear Power Option

Nuclear energy is the top source of emission-free baseload electricity in the U.S., providing almost 20 percent of the nation's electric power. In some states, nuclear energy plants account for as much as 73 percent of total electricity generated. In Minnesota, nuclear energy plants provide about 25 percent of our energy, with another 60 percent coming from coal-powered plants. Great River Energy, however, does not have any nuclear-powered generation.

In 1994, the Minnesota Legislature passed a law prohibiting the construction of any new nuclear energy plants in our state. The Next Generation Energy Act of 2007 prohibits the construction of coal-based power plants to serve the energy needs of Minnesotans. This means, in effect, that virtually any source of baseload electricity is off limits in Minnesota. Without new nuclear energy plants, it may be difficult for regional utilities to produce enough carbon-neutral electricity to meet future needs. There is a better way to approach our energy challenges.

Great River Energy supports the Electric Power Research Institute (EPRI) model for cost-effective greenhouse gas reduction in the electric utility sector. The EPRI model suggests that utilities can achieve a 45 percent reduction in carbon dioxide emissions and still meet the growing demand for electricity through action in seven specific areas:

- Boosting energy efficiency
- Improving the operating efficiency of advanced coal-based power plants
- Investing in renewable energy
- Expanding nuclear power capacity
- Capturing and sequestering carbon dioxide emissions
- Adding distributed generation resources

- Increasing the number of plug-in hybrid electric cars on the road

In this model, low-carbon nuclear energy plays a significant role, along with other energy sources, new generation and transportation technologies and more effective conservation efforts.

In November 2008, a national public opinion survey by Bisconti Research, Inc., for the Nuclear Energy Institute found that 69 percent of Americans believe the U.S. should build more nuclear energy plants in the future. Nearly 89 percent believe that the U.S. should take advantage of all low-carbon energy sources, including nuclear, hydropower and renewable energy.

Many Minnesotans share this view. In a non-scientific, non-partisan poll taken at the 2009 State Fair, 54 percent of respondents agreed that the state's ban on new nuclear energy plants should be lifted. The state's business community also agrees. A recent poll by the Minnesota Chamber of Commerce found that 84 percent of its member businesses would support government policies that promote nuclear power. Among non-member businesses, 65 percent supported pro-nuclear energy policies.

Nuclear energy has one of the lowest impacts on the environment of any energy source because it does not emit air pollution, requires a relatively small amount of land and isolates its waste from the environment.

Waste from existing nuclear energy plants in Minnesota is stored at the plants in on-site dry casks authorized by the Minnesota Legislature. Although the federal government has begun preliminary development of the Yucca Mountain site in Nevada as a designated national nuclear waste repository, Congress has not yet passed the legislation needed to approve the site and begin operations.

While Great River Energy has no immediate plans to build a nuclear plant, we urge the Minnesota Legislature to repeal the prohibition against new nuclear plant construction. We also urge the federal government to finalize and approve development of a national repository for nuclear waste. We believe these steps are part of a comprehensive, balanced approach to meeting our future energy needs as well as our emission reduction goals.

December 14, 2009