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## **DTE moves ahead with nuclear plant**

DETROIT - A new nuclear power plant that could cost \$3 billion might sprout within the decade next to DTE Energy's existing Fermi 2 plant, the utility's chief said Monday.

"Today I am pleased to announce that DTE Energy has started work on preparing a license application for a new nuclear plant at our existing Fermi site near Monroe," said Anthony F. Earley Jr., DTE chairman and chief executive officer, during a speech at the Detroit Economic Club.

"This is the first step to providing clean, reliable and affordable energy for the better part of the rest of this century. And with it, we will provide thousands of highly paid jobs to highly skilled Michigan workers."

The plant, which could generate as much as 1,500 megawatts of electricity, would sit near the 18-year-old, 1,100-megawatt Fermi reactor and also would require construction of a third cooling tower on Lake Erie's shores.

Mr. Earley said the start of the application process didn't mean the utility was committed to the project. "Let me be clear that we have not yet made a final decision to build," he said. "Rather, we are preserving our option to build at some point in the future by beginning the long and complex process now."

"Given the four- to five-year timeframe for the federal licensing process, and the five- to six-year construction period, we need to take this step immediately to have any chance of having a new plant operating in the next decade," he said.

Last year, The Evening News reported that DTE was pondering a new plant and studying the feasibility of construction. Edison officials said Tuesday that study isn't complete, but the company has committed \$30 million to pursue a federal license for construction and operation.

Moving ahead now with the application also would give the company a chance to take advantage of financial incentives for new nuclear plant construction provided under the federal Energy Policy Act of 2005.

In order to be eligible for the incentives, DTE must apply for the license by the end of 2008

and break ground by the end of 2014. Mr. Earley said the earliest the company could begin construction would be in 2012 or 2013. He estimated the tax incentives would be worth from \$300 million to \$400 million to his company.

Nuclear is the best option because it's free of the pollutants that coal burning plants generate and new advanced reactor designs are safer and less costly to build, said Mr. Earley, who also is chairman of the Nuclear Energy Institute, an industry group.

But he said Michigan would have to change its regulatory environment, modifying or eliminating the "Customer Choice" program that allows customers to buy electricity from competing companies. "You need assurance that if you're going to enter into a decade-long process, you will have the customers to pay for the plant," he said. "If we don't get that assurance, we'll stop what we're doing."

DTE's Detroit Edison subsidiary entered the nuclear business as part of an industrial coalition that developed the Fermi 1 breeder-reactor plant at Newport in the late '50s and early '60s. That plant had a fuel-melting accident in 1966, subsequently was shuttered and still is in the decommissioning process today. In 1968, it began building its \$5 billion Fermi 2 plant, which began commercial operation in January, 1988, and continues to supply about 11 percent of the utility's power today.

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