NUCLEAR INFORMATION AND RESOURCE SERVICE

6930 Carroll Avenue, Suite 340, Takoma Park, MD 20912
301-270-NIRS (301-270-6477); Fax: 301-270-4291
nirsnet@nirs.org; www.nirs.org

FOR IMMEDIATE RELEASE
November 3, 2014

Contact: Michael Mariotte, President, NIRS
301-270-6477; 301-325-8014 (cell)

35 CLEAN ENERGY ORGANIZATIONS TELL DOE TO END ITS NUCLEAR POWER LOAN PROGRAM

35 clean energy organizations submitted formal comments today telling the Department of Energy (DOE) to end its taxpayer-funded loan program for nuclear reactors and either return the $10.2 Billion in available funds to the U.S. Treasury or move them to the DOE's renewable energy loan program.

The comments came in response to a draft "Solicitation Announcement" for "Advanced Nuclear Energy Projects " released by DOE last month. Today was the final day of a 30-day public comment period on the announcement.

The DOE's loan program was first authorized under the 2005 Energy Policy Act, and in 2007 Congress authorized the Department to offer $18.5 Billion in loans from the Federal Financing Bank or loan guarantees for commercial lenders to encourage the construction of new, "advanced" nuclear reactors. Only one project, Southern Company's Vogtle reactors in Georgia, have received any money under the program. One other project, the proposed Calvert Cliffs-3 reactor in Maryland, reportedly was offered a loan under the program but one of the lead entities in that project, Constellation Energy (now part of Exelon Corporation) instead decided to abandon the reactor entirely.

DOE has been unable to find any takers for the remainder of its $10.2 Billion in authorized funds.

Given that reality, DOE is attempting with this solicitation to expand what it can lend the money for. DOE now proposes to offer funds for "small modular reactors" (SMRs) despite the fact that no design for such reactors has been submitted to the Nuclear Regulatory Commission for certification, nor have any utilities submitted an application to build an SMR.

DOE is also attempting to use the funds to help nuclear utilities pay for power uprates and safety upgrades to existing reactors despite the explicit Congressional intent of the program to encourage new reactor construction.

The 35 organizational commenters said that "These categories are nothing more than an attempt to prop up—at taxpayer risk—current reactors that have become uneconomical due to age-related deterioration, poor reactor design, or simply lower-cost competition from electricity generation sources like solar and wind power."

They went on to warn, "Should the DOE proceed with this idea, it will be litigated (yet another waste of taxpayer money), and it is highly unlikely DOE will prevail given the plain language of the Act."

Although the organizations described the DOE's nuclear loan program as "an abject failure," they did not blame DOE for that failure:

"The nuclear loan program was established at a time when too many politicians believed nuclear industry hype that a nuclear power "renaissance" was just around the corner, and some government support would be extremely helpful in its launch. But the "renaissance" didn't materialize and nuclear power is back to where it was 15 years or so ago, except in worse position. Then, it was simply a moribund industry. Now, it is not only moribund but obsolete—new technologies, from rooftop solar with battery storage to smart grids to the unexpected effectiveness of energy efficiency programs and mandates, to the growing concept of distributed generation, which provides not only safer and cheaper power, but also a more secure grid; have risen to take nuclear's place….

"Rather than attempt to resuscitate its failed nuclear loan program, the DOE should acknowledge the program's failure and explain to policymakers that it failed not because of DOE's policies, but because of much larger market forces, the effect of multiple nuclear meltdowns, and the rise of new technologies.

"DOE should not only withdraw its solicitation but should either simply end this program or seek to have its funds transferred to its renewable energy loan program, which has shown some evidence of genuine accomplishment."

The full comments are available at: http://www.nirs.org/neconomics/doelgcomments.pdf