October 30, 2019

The Honorable Richard Neal
Chairman, Committee on Ways and Means
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Chuck Grassley
Chairman, Committee on Finance
U.S. Senate
Washington, D.C. 20510

The Honorable Kevin Brady
Ranking Member, Committee on Ways and Means
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Ron Wyden
Ranking Member, Committee on Finance
U.S. Senate
Washington, D.C. 20510

Dear Chairmen Neal and Grassley and Ranking Members Brady and Wyden:

On behalf of our millions of members and activists nationwide, we write to you with deep concerns about The Nuclear Powers America Act, H.R.2314 and S.1134 in the House of Representatives and Senate, respectively. By creating a new 30 percent investment tax credit (ITC) for existing nuclear reactors, the proposal amounts to a blanket $23 billion subsidy for virtually all the nuclear reactors in our country. This is a massive new subsidy for an already heavily subsidized industry.

Although there are reasonable questions about the speed with which existing reactors are phased out and replaced with cheaper, clean and renewable energy, energy efficiency and energy storage technologies, the Nuclear Powers America Act is not a serious contribution to that discussion. It fails crucial tests concerning cost, safety and climate mitigation. Specifically, we urge you to consider the following:

**Cost:** The historic purpose of energy tax extenders is to provide support for innovative and emerging technologies. Adding a massive subsidy for an existing, mature and increasingly uncompetitive technology makes a final package less likely to pass—to the detriment of truly emerging technologies such as offshore wind and electric vehicles. The nuclear sector already benefits in billions worth of state and federal subsidies. Based on industry data for capital expenditures and fuel costs, H.R.2314/S.1134 is estimated to cost an additional $23 billion over ten years. Its inclusion would seriously jeopardize the entire legislative effort to bolster growing sustainable industries that have not benefitted from decades of federal support.

**Eligibility:** In order to qualify for the investment tax credit, the plain language of H.R.2314/S.1134 only specifies that a reactor must have applied for a license renewal before January 1, 2026. This broad criterion applies to over 95 percent of existing reactors, which have either already received their first 20-year license extensions or announced their intent to do so.

Providing such a blanket subsidy is redundant, unwarranted and a giant windfall for several private companies at the expense of taxpayers. Not all reactors are at economic risk of retirement in the next ten years, and most operate in regulated utility markets with guaranteed cost recovery and return on investment. Several states, including New York, Connecticut, New Jersey, Ohio, and Illinois, have already moved to subsidize existing capacity on the basis of valuing nuclear reactors’
alleged greenhouse gas (GHG) emissions attributes; meaning that, under this proposal, many reactors would benefit from a double-subsidy.

This subsidy may fail to achieve its stated purpose of keeping the reactors operating for the remainder of their licenses. In the competitive wholesale electric market of today, nuclear reactors are not competitive against cheaper alternatives. The nuclear reactors in the US are among the oldest in the world, with the 96 currently operating reactors averaging 39 years in operation, all having been designed in the 1960s or 1970s. Despite decades of support, if the nuclear industry can no longer produce power at a competitive price, it will fade.

**Climate:** The tax code must encourage long-term planning and investments in reducing GHG emissions. Reactors that will retire or whose licenses are expiring will need to be replaced with clean energy, including renewables, energy efficiency, and grid modernization. Unfortunately, HR 2314/S.1134 would irrationally characterize aging reactors that are nearing the end of their mechanical lives as essentially new, merely on the basis of an administrative licensing decision. What we really need is a power sector that forces generators to internalize the cost of carbon and then allows for all existing technologies to compete based on cost and emissions.

Nuclear reactors around the country, and indeed around the world, are closing because they are too expensive and the risks to public health and the environment are too great. Finally, as a matter of tax policy, this misguided and exorbitantly expensive proposal has no place in an energy tax extenders package.

Given these substantial concerns, we hope you will seriously consider leaving The Nuclear Powers America Act, H.R.2314 and S.1134, out of any tax extenders package.

Sincerely,

5G Crisis Chicagoland Network
350.org
Alabama Interfaith Power and Light
Alliance for a Green Economy
Beyond Nuclear
Canadian Coalition for Nuclear Responsibility
Center for Biological Diversity
Citizens Awareness Network
Clean Water Action
198 Methods
Agricultural Missions Inc.
Alliance for Environmental Strategies
Beyond Extreme Energy
Black Hills Clean Water Alliance
Cape Downwinders
Chesapeake Physicians for Social Responsibility
Citizens' Resistance at Fermi Two
Coalition for a Nuclear Free Great Lakes
Don't Waste Michigan  Earth Action, Inc.
Environment America  Environmental Law & Policy Center
Environmental Working Group  Food and Water Watch Action
Friends of the Earth  Georgia WAND Education Fund
Green America  Green Education and Legal Fund
Greenpeace  HEAL Utah
Hudson River Sloop Clearwater  League of Conservation Voters
Legal Environmental Aid Fund of the Hudson Valley  Michigan Safe Energy Future - Shoreline Chapter
Michigan Safe Energy Future-Kalamazoo Chapter  Natural Resources Defense Council
New England Coalition on Nuclear Pollution  North American Water Office
North Carolina Interfaith Power & Light  NC Council of Churches
Nuclear Energy Information Service  Nuclear Information and Resource Service
Nuclear Issues Study Group  Nuclear Watch South
Ohio Citizens Against Radioactive Energy  Palisades Shutdown Campaign Coalition
Partnership for Policy Integrity  Public Citizen
Public Health and Sustainable Energy  Rachel Carson Council
Radiation and Public Health Project  Sane Energy Project
Sierra Club  Southeast Faith Leaders Network
Sustainable Energy & Economic Development Coalition  Syracuse Peace Council
Uranium Watch  U.S. Public Interest Research Group
WE ACT