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## Nuclear Giveaways in Senate Energy Bill

The Senate energy bill (S.10, “The Energy Policy Act of 2005”) contains over **\$10.1 billion in subsidies and tax breaks**, as well as unlimited taxpayer-backed loan guarantees and other incentives, to the mature nuclear industry to build new nuclear reactors.

Given the latest revelations about data falsification in analyses of the proposed Yucca Mountain repository site – in addition to other numerous unresolved problems at the site – and the reports by the National Academy of Sciences and the Government Accountability Office pointing out security vulnerabilities of the highly radioactive waste stored at reactor sites, the government should not be promoting the construction of new reactors, which will only add to the nuclear waste problem.

### Nuclear provisions in the bill include:

- Production tax credits of 1.8-cent for each kilowatt-hour of nuclear-generated electricity from new reactors during the first 8 years of operation for the nuclear industry, costing **\$5.7 billion** in revenue losses to the U.S. Treasury through 2025.
- Unlimited taxpayer-backed loan guarantees for up to 80% of the cost of a project, including building new nuclear power plants. This provision authorizes “such sums as are necessary,” but if Congress were to appropriate funding for loan guarantees covering six nuclear reactors, this subsidy could potentially cost taxpayers **approximately \$6 billion** (assuming a 50% default rate and construction cost per plant of \$2.5 billion, as Congressional Budget Office has estimated<sup>1</sup>) [Title XIV]
- Reauthorization of the Price-Anderson Act, extending the industry’s liability cap to cover new nuclear power plants built in the next 20 years [Sec.602]
- Authorization of more than **\$432 million** over 3 years for nuclear energy research and development, including the Department of Energy’s (DOE) *Nuclear Power 2010* program to construct new nuclear plants, and its *Generation IV* program to develop new reactor designs [Sec. 941 and 942]
- Authorization of more than **\$1.25 billion** from FY2006 to FY2015 and “such sums as are necessary” from FY2016 to FY2021 for a nuclear plant in Idaho to generate hydrogen fuel, a boondoggle that would make a mockery of clean energy goals [Sec. 631-635]
- Authorization of **\$580 million** over 3 years for DOE’s program for research and development of nuclear reprocessing technologies, which reverses the long-standing U.S. policy against it and needlessly augments security and environmental threats [Sec. 941 and 943]

- Authorization of **\$420 million** over 3 years for DOE to develop and implement a strategy for DOE's Office of Nuclear Energy, Science, and Technology facilities, including an upgrading existing facilities and building new facilities [Sec. 941 and 942]
- Authorization of **\$18 million** over 3 years for DOE to survey industrial applications of radioactive sources and develop a R&D plan for developing small particle accelerators [Sec. 941 and 946]
- Authorization of **\$1.088 billion** for the Fusion Energy Sciences program over 3 years and another **\$265 million** for construction costs. Authorization for DOE to negotiate an agreement for the United States to participate in the ITER (International Fusion Energy Project). Requirement of DOE to submit a plan for a domestic burning plasma experiment if negotiations on the ITER fail. The fusion process requires deuterium and tritium, and would produce low-level radioactive waste [Sec. 961 and 962]
- Requirement of at least 20% "cost-sharing" with non-Federal sources for research and development projects and at least 50% "cost-sharing" for demonstration and commercial application projects [Sec 1002]
- Requirement of DOE to use 0.5 % of its annual budget for matching funds with private partners to promote "promising technologies" for commercial use [Sec. 1005]
- Incentives for "modular" reactor designs (such as the pebble bed reactor, which has never been built anywhere in the world) by allowing a combination of smaller reactors to be considered one unit, thus lowering the amount that the nuclear operator is responsible to pay under Price-Anderson [Sec. 608]
- Establishment of a DOE Assistant Secretary on Nuclear Energy, thereby raising the profile of nuclear power within the DOE [Sec. 1010]
- Authorization of **\$149.7 million** for DOE to invest in human resources and infrastructure in the nuclear sciences and engineering fields through fellowships and visiting scientist programs; collaborative research with industry, national laboratories, and universities; R&D programs on the full fuel cycle (ie reprocessing); upgrading and sharing of research reactors; technical assistance; and funding. This program would further subsidize the nuclear industry and entrench nuclear power research within the university system. [Sec. 941 and 944]
- Authorization of **\$60 million** over 3 years for DOE to give grants to train technical personnel in fields in which a shortage is identified, including the nuclear power industry, which has been very vocal about its shortage of skilled workers [Sec 1101]

**More taxpayer handouts to the nuclear industry are not part of a sensible and responsible energy plan!**

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<sup>1</sup> Congressional Budget Office, *S. 14 Energy Policy Act of 2003*, May 7, 2003, <http://www.cbo.gov/ftpdocs/42xx/doc4206/s14.pdf>. The Congressional Budget Office concluded that the risk of loan default by industry would be "well above 50 percent."