**Northwest Public Power Association**

**Resolution 2017-10**

**In Support of Small Modular Reactors**

**Background**

Small modular reactors (SMRs) – nuclear generators under 300 MW that can be scaled to meet local needs – are an important addition to the Nation’s energy mix. SMRs can provide emissions-free baseload power and numerous other benefits and applications.

The U.S. Department of Energy has provided funding for the accelerated development and

commercialization of SMRs to third-party generators. An SMR design is moving through the licensing process at the Nuclear Regulatory Commission, for a reactor to be located at the Idaho National Labs site near Idaho Falls. The project is scheduled to connect to the grid in 2025.

The Energy Policy Act of 2005 created the Internal Revenue Code §45(j) advanced nuclear production tax credit (“PTC”) to spur up to 6,000 megawatts of new nuclear generating capacity built after 2005, but placed in service prior to 2021. Four new nuclear reactors are currently under construction in Georgia and South Carolina that will qualify for the credit, but no other projects currently in development are likely to meet the placed in service deadline.

If the deadline were removed or extended additional projects would be poised to compete for the remaining 1,600 megawatts of credit currently stranded by the expiration of the program. Still more of the credit will be lost because Treasury guidance prohibits electric cooperatives and public power utilities from transferring their share of the credit to partners with a tax burden.

Legislation was introduced in the 114th Congress and passed by the House Ways and Means Committee to remove the deadline and allow not-for-profit partners to transfer their share of the credit. Passage of similar legislation would allow these new nuclear plants to provide needed baseload electricity; create tens of thousands of new jobs during construction and operation of the plants and through the entire nuclear supply chain; and reduce the electric power industry’s carbon dioxide emissions.

**NWPPA’s Position**

* NWPPA supports supports legislation, programs, incentives, and initiatives that help facilitate accelerated SMR development and commercialization.
* NWPPA supports modifying the production tax credit for nuclear facilities to permit a public power utility or cooperative to reallocate its allocation of the production tax credit to development partners in a manner agreeable to each party; and awarding the full 6,000 megawatts of new capacity by eliminating the placed in service deadline.

Origination Date: 2017.