

1 **Northwest Public Power Association**
2 **Resolution 2018-10**
3 **In Support of Small Modular Reactors**
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5 **Background**

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7 Small modular reactors (SMRs) – nuclear generators under 300 MW that can be scaled to meet
8 local needs – are an important addition to the Nation’s energy mix. SMRs can provide
9 emissions-free baseload power and numerous other benefits and applications.
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11 The U.S. Department of Energy has provided funding for the accelerated development and
12 commercialization of SMRs to third-party generators. An SMR design is moving through the
13 licensing process at the Nuclear Regulatory Commission, for a reactor to be located at the Idaho
14 National Labs site near Idaho Falls. The project is scheduled to connect to the grid in 2025.
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16 The Energy Policy Act of 2005 created the Internal Revenue Code §45(j) advanced nuclear
17 production tax credit (“PTC”) to spur up to 6,000 megawatts of new nuclear generating capacity
18 built after 2005, but placed in service prior to 2021. However, no projects currently in
19 development are likely to meet the placed in service deadline.
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21 If the deadline were removed or extended additional projects would be poised to compete for
22 the remaining credit currently stranded by the expiration of the program. Still more of the
23 credit will be lost because Treasury guidance prohibits electric cooperatives and public power
24 utilities from transferring their share of the credit to partners with a tax burden.
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26 The House passed legislation in 2017 to remove the deadline and allow not-for-profit partners
27 to transfer their share of the credit. Passage of similar legislation would allow these new
28 nuclear plants to provide needed baseload electricity; create tens of thousands of new jobs
29 during construction and operation of the plants and through the entire nuclear supply chain;
30 and reduce the electric power industry’s carbon dioxide emissions.
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32 **NWPPA’s Position**
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- 34 • NWPPA supports legislation, programs, incentives, and initiatives that help facilitate
35 accelerated SMR development and commercialization.
- 36 • NWPPA supports modifying the production tax credit for nuclear facilities to permit a
37 public power utility or cooperative to reallocate its allocation of the production tax

38 credit to development partners in a manner agreeable to each party; and awarding the
39 full 6,000 megawatts of new capacity by eliminating the placed in service deadline.

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41 Origination Date: 2017.