MARVIN S. FERTEL
President and Chief Executive Officer

1201 F Street, NW, Suite 1100
Washington, DC 20004
P: 202.739.8125
msf@nei.org
nei.org

NUCLEAR ENERGY INSTITUTE

April 25, 2016

The Honorable Bob Latta
U.S. House of Representatives
2448 Rayburn House Office Building
Washington, DC 20515

The Honorable Jerry McNerney
U.S. House of Representatives
2265 Rayburn House Office Building
Washington, DC 20515

Dear Representatives Latta and McNerney:

On behalf of the commercial nuclear energy industry, the Nuclear Energy Institute (NEI[1]) expresses its support for the "Advanced Nuclear Technology Development Act of 2016," H. R. 4979, introduced on April 18, 2016. NEI and its members appreciate the bipartisan effort to promote the development of advanced nuclear reactor technologies.

We commend the introduction of legislation that recognizes the importance of commercial nuclear energy as the source of nearly 20 percent of our nation's electricity and approximately 63 percent of our carbon-free electricity. Nuclear energy facilities demonstrate unmatched reliability by operating with an average capacity factor of more than 90 percent—higher than all other electricity sources. Nuclear energy facilities are essential to the country's economy and the communities in which they operate. It is important that we maintain the nation's nuclear fleet and prepare a path for advanced reactor designs so the U.S. can continue to benefit from this baseload power source. This bill, if passed, will provide environmental and economic benefits to all Americans by helping to ensure nuclear energy continues to be a significant contributor to our nation's standard of living, national security, economic growth and influence in the international arena.

NEI also strongly believes there must be a congressional mandate to accelerate the licensing and commercialization of new reactor technologies. This bill is intended to "foster civilian research and development of advanced nuclear energy technologies and enhance the licensing and commercial deployment of such technologies." Outdated, time-consuming NRC regulatory and licensing processes challenge our ability to build new, innovative reactors. Responding to that problem, the bill appropriately emphasizes that a "performance-based, risk-informed, efficient, and cost-effective regulatory framework with defined milestones and the opportunity for applicants to demonstrate progress through NRC approval" is needed for advanced reactor designs. The legislation recognizes that because developers of advanced technologies do not have infinite resources or unlimited time to bring their designs to market, the NRC must implement its licensing responsibilities more efficiently and without imposing unjustified costs.

To kick-start development of a more efficient and appropriate regulatory framework, the bill directs the NRC to send to Congress within 270 days an advanced reactor licensing plan. This plan will address key topics including options for

[1] NEI is responsible for establishing unified industry policy on regulatory, financial, technical and legislative issues affecting the commercial nuclear energy industry. NEI has more than 350 members, including all U.S. companies licensed to operate commercial nuclear power plants, as well as nuclear plant designers, architect-engineering firms, fuel cycle facilities, nuclear materials licensees, labor organizations, universities and other organizations involved in the nuclear energy sector.

licensing advanced reactors under current NRC regulations, a new NRC regulatory framework, or a combination of the two options for expediting, streamlining, and enhancing the predictability of advanced reactor licensing, and incorporation of consensus-based codes and standards into the advanced reactor framework. Further, the bill directs NRC to include in the plan options for applicants to use "phased review processes," which would feature innovative approaches such as NRC review and conditional approval of partial applications, early design information, and submittals containing design criteria and processes to be used to develop information to support a later phase of the design review. Such a phased review and licensing process is designed to allow applicants to demonstrate the ongoing viability of first-of-a-kind projects to potential investors and other project participants. Notably, the NRC plan must include cost estimates, budgets and specific milestones for implementing this new framework by 2019.

In addition, allowing for funds to be appropriated for NRC activities for the development of regulatory infrastructure for advanced nuclear reactor technology is an important step to ensuring NRC resources are available to lay the groundwork for licensing these new technologies.

On behalf of NEI and its members, I want to express NEI's sincere appreciation to the bill's sponsors for working together to create legislation to tackle these difficult issues. The efforts of Congress to set the stage for developing and deploying innovative nuclear reactor technologies are important, timely, and extremely valuable to the industry.

Sincerely,

Marvin S. Fertel