



MEMORANDUM

July 21, 2024

TO: Members of the Subcommittee on Energy, Climate, and Grid Security

FROM: Committee Majority Staff

RE: Hearing entitled “The Fiscal Year 2025 Nuclear Regulatory Commission Budget”

I. INTRODUCTION

The Subcommittee on Energy, Climate, and Grid Security has scheduled a hearing on Tuesday, July 23, 2024, at 10:00 a.m. (ET) in 2123 Rayburn House Office Building. The title of the hearing is “The Fiscal Year 2025 Nuclear Regulatory Commission Budget.” The hearing will examine the Nuclear Regulatory Commission’s (NRC) Fiscal Year 2025 Budget and its licensing and regulation of commercial power plants, advanced nuclear technologies, and other uses of nuclear materials.

II. WITNESSES

- **The Honorable Christopher T. Hanson**, Chairman, NRC
- **The Honorable David A. Wright**, Commissioner, NRC
- **The Honorable Annie Caputo**, Commissioner, NRC
- **The Honorable Bradley R. Crowell**, Commissioner, NRC

III. BACKGROUND

Nuclear energy plays a critical role in American energy security, reliable generation of power, and American international leadership. In 1946, Congress passed the *Atomic Energy Act of 1946* to establish the Atomic Energy Commission (AEC). The AEC was first responsible for nuclear regulation and licensing. Congress later fundamentally revised the *Atomic Energy Act* to remove barriers to the peaceful, civilian application of nuclear technology. The *Atomic Energy Act of 1954* established the policy that “the development, use, and control of atomic energy shall be directed so as to promote world peace, improve the general welfare, increase the standard of living, and strengthen free competition and private enterprise.”¹

The AEC oversaw the development of the nuclear industry into the 1970s. Due to concerns surrounding the ability of the AEC to regulate the same industry it helped create, Congress passed the *Energy Reorganization Act of 1974*, which abolished the AEC and assigned the regulation and licensing of nuclear energy and nuclear materials to the Nuclear Regulatory

¹ 42 USC 2011

Commission (NRC) in order to ensure the safe use of radioactive materials for beneficial civilian use while also protecting people and the environment.²

The NRC operates as an independent safety regulator and oversees the commercial nuclear industry pursuant to the *Atomic Energy Act*, as amended. In keeping with the established policy, the NRC, per its [mission statement](#), “licenses and regulates the Nation’s civilian use of radioactive materials to provide reasonable assurances of adequate protection of public health and safety, to promote the common defense and security, and to protect the environment.”³

Today, the NRC’s regulatory mission covers three main areas: reactors, materials, and waste. The NRC regulates commercial nuclear power plants; research, test, and training reactors; nuclear fuel cycle facilities; and nuclear materials used in medicine, academia, and industry. The Commission is also responsible for regulating the transport, storage, disposal of nuclear materials and waste, and facility decommissioning, in addition to the import and export of radioactive materials.

The NRC is headed by a [five-member Commission](#). The five commissioners are appointed by the President and confirmed by the Senate for five-year terms. The President designates one of the Commissioners to be the Chair and official spokesperson of the Commission. The NRC is presently operating with four commissioners, including the current Chair, Christopher Hanson. By statute, the chair is the official spokesperson for the Commission and is responsible for the administrative functions of the Commission. The chair is governed by the general policies of the Commission and by such regulatory decisions, findings, and the determinations as the Commissions may be authorized to make by law.

The NRC’s fiscal year (FY) 2025 budget request, including for the Office of the Inspector General, is \$994.9 million to support 2,898 full-time employees. This request is an increase of \$51.79 million or approximately 5.5 percent compared to the FY 2024 enacted budget.⁴ Of the \$974.9 million in budget authority (excluding carryover funds), the NRC expects to recover \$823.9 million in fees assessed to applicants and licensees, resulting in a net appropriation request of \$151 million, an increase of \$14 million over the 2024 enacted budget.⁵

The NRC major program budget requests are organized under four activities:⁶

- \$503.4 million for Nuclear Reactor Safety, including licensing, regulating, and overseeing civilian nuclear power, research and test reactors, and medical isotope facilities;

² See Nuclear Regulatory Commission, “About NRC,” linked [here](#).

³ Ibid.

⁴ See FY 2025 Congressional Budget Justification linked [here](#).

⁵ The NRC assesses service fees to recover the costs of NRC work that provides specific benefits to identifiable recipients, such as licensing activities, inspections, and special projects. The Nuclear Energy Innovation and Modernization Act (NEIMA) requires the NRC to recover, to the maximum extent practicable, approximately 100 percent of the Commission’s budget authority for the fiscal year, not including certain amounts excluded from this fee-recovery requirement. The [ADVANCE Act](#), enacted on July 9, 2024, excludes additional activities, such as portions of advanced reactor license fees, from fee-recovery requirements.

⁶ See, also, FY 2025 Congressional Budget Justification summary linked [here](#).

- \$144.9 million for Nuclear Materials and Waste Safety, including spent fuel storage and transportation, nuclear materials users, decommissioning and low-level waste, high level waste, and fuel facilities;
- \$317 million for corporate support, including IT, policy support, human resource management, administrative services; and,
- \$10 million for University Nuclear Leadership Program, which includes grants for nuclear engineering education.

In addition, \$19.6 million is requested for the Office of the Inspector General.

Preserving and expanding the nation's use of nuclear energy has been an increasing focus for Congress in recent years. The current U.S. nuclear fleet consists of 94 reactors, at 53 plants, in 28 states.⁷ Nuclear energy is the largest source of carbon-free electricity in the United States. In 2023, nuclear generated 45.5 percent of the nation's carbon-free electricity and just 18.2 percent of the nation's total electricity.⁸ Nuclear energy also plays an essential role in baseload generation for the electric grid—an issue of growing concern as premature retirement of baseload and dispatchable generation sources threatens grid reliability, just as electric demand is expected to increase significantly.⁹ Meanwhile, dozens of companies are pursuing next generation nuclear technologies that offer a range of advances relating to safety, security, versatility, with plans for deployment later this decade.

This Congress, the Energy and Commerce Committee has worked to identify solutions that are forward-looking and make sense for a modern regulator to assure efficient, predictable safety regulation that provides for a robust and growing nuclear industry, consistent with the goals of the *Atomic Energy Act*.¹⁰ The Committee's legislative work on this front culminated in the development and passage of [H.R. 6544](#), the *Atomic Energy Advancement Act*, in February of this year. This legislation was combined with companion Senate legislation and enacted into law on July 9, as the [ADVANCE Act of 2024](#).

This new law includes several measures that amended core nuclear regulatory statutes to align NRC's performance with the foundational goals of the *Atomic Energy Act*. This includes measures to ensure the NRC conducts efficient, predictable licensing and oversight and establishes and regularly updates metrics and milestones to measure licensing performance to meet efficiency goals. These measures will update authorities to meet critical hiring needs at the NRC, drive updates to reactor safety oversight and environmental reviews, and reduce fees for advanced reactor applications, among other reforms. How the NRC plans to implement the new measures will be a matter for consideration by Members at the hearing.

Other relevant legislative activity this Congress includes a forty-year extension of *Price-Anderson Act* liability protections for the nuclear energy industry (contained in H.R. 6544) which was enacted into law earlier this year.

⁷ <https://www.nrc.gov/reactors/operating.html>.

⁸ <https://www.nei.org/resources/fact-sheets/u-s-nuclear-plants>

⁹ See [P.L. 118-67](#), Division B--Accelerating Deployment of Versatile, Advanced Nuclear for Clean Energy

¹⁰ See, for example, April 2023 [letters](#) to nuclear energy stakeholders.

IV. ISSUES

The following issues may be examined at the hearing:

- NRC rulemaking, regulatory, and licensee oversight issues
- Policy issues associated with licensing advanced nuclear technologies
- NRC's budget proposal for FY 2025
- Management, leadership, and mission execution of the NRC

V. STAFF CONTACTS

If you have any questions regarding this hearing, please contact Elise Krekorian, Peter Spencer, or Mary Martin of the Committee staff at (202) 225-3641.