



Comments of the Regulatory Action Center

Re: Nuclear Power Plant Licensing Fees Upon Commencing Commercial Operation
Docket ID: NRC-2019-0084-0003

July 10, 2019

The Regulatory Action Center at FreedomWorks Foundation is dedicated to educating Americans about the impact of government regulations on economic prosperity and individual liberty. FreedomWorks Foundation is committed to lowering the barrier between millions of FreedomWorks citizen activists and the rule-making process of government bureaus to which they are entitled to contribute.

On behalf of over 5.7 million activists nationwide, FreedomWorks Foundation appreciates the opportunity to offer these comments regarding the notice of proposed rulemaking on Nuclear Power Plant Licensing Fees Upon Commencing Commercial Operation (NRC-2019-0084-0003), and to participate in the discussion surrounding this issue. This notice is in response to a petition on behalf of Southern Nuclear Operating Company, requesting the revision of regulations related to the start of assessment of annual fees for nuclear power plants.

According to the World Nuclear Association, nuclear energy provides roughly 11 percent of the world's electricity and roughly one-fifth of all electricity in the United States. The future of energy innovation cannot be written without nuclear energy's involvement. Further, nuclear is progressively becoming a more efficient energy source. In 2012, nuclear generation costs were \$40 per megawatt hour (MWh). Just five years later, those costs have come down by fifteen percent to \$34/MWh. Decreasing costs will free up resources for more innovation to provide energy to more Americans at a more efficient price.

However, despite the declining costs, the U.S. Energy Information Administration (EIA) estimates that in terms of levelized cost of energy (LCOE), nuclear is still more expensive than a handful of other energy sources. The Regulatory Action Center (RAC) is not partial to nuclear energy any more than it is to any other energy source. However, the RAC's mission is to promote free market competition and lower regulatory burdens. There are currently regulatory burdens placed on the nuclear industry that keep costs high and prevent consumers from having the best, most efficient choices. One of those pertains to the issue at hand in this docket.

For the past three decades, few new nuclear reactors have been built. Despite the decline in costs over the past few years, a significant part of the reasoning is the high costs associated with build and bringing a plant online. Annual licensing fees are approximately \$4.3 million for one plant. These fees are also assessed before the plants begin commercial operation. Imagine any business being assessed such exorbitant fees before even getting up and running. It is no wonder why we have seen such a deterring effect in recent decades and a testament to nuclear's efficiency that it still remains one of the nation's more cost-effective energy sources.

The current petition before the Commission asks that the Commission consider it practical to realign the assessment of these annual license fees to correspond to the commencement of commercial operations. Currently, the fees align with the time when NRC finds the plant to be in



compliance with existing regulations. This means that, on average, a plant could save \$350 thousand per month between the time it receives approval and begins operation. This is just a drop in the bucket of the overall costs associated with getting a plant online, but is a great first step in removing government from the equation and letting costs be determined by market forces.

Such cost saving measures could also allow plants to begin operations in a more timely fashion. It would also remove the deterrent in that potential operators would know that they would not have to accept those costs before they operate. They could then be able to assess their costs and set prices with the thumb of government pressing less forcefully on the economic scales.

Objectively, there are also reasons the NRC should jump at the opportunity to decrease costs for the nuclear power industry. According to a study conducted by the Nuclear Energy Institute, nuclear energy helped the United States avoid over 527 metric tons of carbon dioxide emissions in the year 2018. Furthermore, nuclear composes roughly 63 percent of the United States' carbon-free electricity. A future without a hamstrung nuclear power sector is one that can strike the balance between economic efficiency and environmental protection.

We agree wholeheartedly with Secretary Perry's call for the administration to prioritize "getting rid of the regulations that are stopping businesses from getting done what they need to do and putting practices [in place] that help clean up the environment." This proposal is one small way to work towards that goal set forth by the Secretary.

Most all proposals to help the environment at the federal level involve some form of command and control measure to be instituted by federal regulators. The RAC believes that the solutions to the environmental issues of the day are better left to the private sector and that the federal government should do its best to both stay out of the way and ensure they do not deplete the resources of private industry. The willingness by the Commission to look into this proposal to allow the nuclear industry to cut costs is a refreshing change of pace.

Consumers are best served when they have open competition and when government declines to interfere in the marketplace. Allowing nuclear to cut its costs will provide more efficient energy to consumers and will incentivize other energy sources to innovate in order to compete. This is the essence of American free market capitalism.

FreedomWorks Foundation hopes you will consider realigning the annual licensing fees for nuclear power plants, and we thank you in advance for your careful consideration of the comments in this document.

Respectfully Submitted,

Daniel Savickas
Regulatory Policy Manager
FreedomWorks Foundation