**ARGUMENTS AGAINST NUCLEAR PRODUCTION TAX CREDITS IN BBBA OR SUBSEQUENT STAND-ALONE CLIMATE LEGISLATION**

**Developed by** [**Nuclear Energy Information Service**](https://neis.org/)**, Chicago**

**March 1, 2022**

1. An estimated $34 billion in tax credits for uneconomic nuclear reactors; and specifically the $13 billion estimated to be allocated to Exelon/Constellation Corporation reactors if eligible:
* Congress could not find money for continued child care benefits, adequate health care, drug pricing reform and other vital social programs; yet can lavish $34 billion in tax credits on a demonstrably corrupt (See Item #6 below) and profitable private nuclear industry? This is a BAD message to send the electorate before Mid-Terms.
* You can’t build an energy future by bailing out the past.
1. [Nuclear power is not a viable climate crisis solution](https://www.youtube.com/watch?v=K0poNgL57kc):
* Money spent on old, deteriorating, uneconomic nuclear reactors would be better spent on new renewables, energy efficiency, energy storage and transmission improvements. Nuclear power parasitizes funds better spent on these resources that are more effective at eliminating carbon, and can do so quicker and more cheaply.
* [*“The 7 reasons why nuclear energy is not the answer to solve climate change”,*](https://eu.boell.org/en/2021/04/26/7-reasons-why-nuclear-energy-not-answer-solve-climate-change)Dr. Mark Jacobson, Stanford University, April 26, 2021.
* Two former NRC Chairpersons (Dr, Gregory Jaczko; Dr. Alison Macfarlane), as well as other former NRC commissioners, publicly state that nuclear is not a viable solution to address the Climate Code Red.
* [*“Former heads of US, German, French nuclear regulation and Secretary to UK government radiation protection committee: ‘Nuclear is just not part of any feasible strategy that could counter climate change.’”*](https://www.nuclearconsult.com/blog/former-heads-of-us-german-french-nuclear-regulation-and-secretary-to-uk-government-radiation-protection-committee-nuclear-is-just-not-part-of-any-feasible-strategy-that-could-counter-climate-chan/) (Jan. 6, 2022).
1. Nuclear power is an environmental justice issue not deserving of federal bailouts and subsidization:
* The White House Environmental Justice Advisory Council has advised the Biden Administration that nuclear power is considered:

“Examples of The Types of Projects That Will Not Benefit A Community” (*White House Environmental Justice Advisory Council, Justice40 Climate and Economic Justice Screening Tool & Executive Order 12898 Revisions, Interim Final Recommendations*, May 13, 2021. p. 58.)

* The Biden Administration has blatantly ignored this recommendation.
* It is important that Congress respect environmental justice concerns and not provide bailout funding to the nuclear industry.
1. Exelon/Constellation Energy’s January 11, 2022 announcement that it will be seeking 80-year operating licenses for all of its reactors from the U.S. Nuclear Regulatory Commission (NRC) ***will require perpetual periodic bailouts:***
* 9 out of 11 of Constellation’s (nee Exelon’s) operating reactors in Illinois have been shown to be unprofitable, requiring state bailouts totaling $3.05 billion since 2017.
* Should NRC approve these requested license extensions, Constellation has publicly made it clear that more and continued bailouts will be required:

“…initiating a license application should not be confused with a commitment to operate. As we have said previously, the continued operation of any of our nuclear plants depends on whether it remains economically viable to do so under existing market and policy conditions.”

[Steve Daniel’s Crain’s Chicago] Translation: Dresden will keep operating only if wholesale power prices are high enough to make it economic ***or if state or federal governments continue to subsidize it. [SOURCE:*** [***Slated for early closure last fall, Dresden nuke now could run 30 more years***](https://www.chicagobusiness.com/utilities/slated-early-closure-last-fall-exelons-dresden-nuke-now-could-run-30-more-years)***; Crain’s Chicago, Jan. 25, 2022].***

* Illinois Ratepayers would be forced to pay ***an estimated $11 billion in additional forced bailout payments***, should these unprofitable reactors operate to 80 years requiring subsidies along the way, based on previous bailouts and award schedule.
* Diluting a fiscally irresponsible course of action over a larger victim base – the U.S. taxpayers, as opposed to various state ratepayers – does not make nuclear PTC any less fiscally irresponsible.
1. The [recent findings](https://www.reuters.com/business/energy/counterfeit-parts-present-many-us-nuclear-power-plants-inspector-general-2022-02-10/) (Feb. 10, 2022) of the NRC’s Office of the Inspector General (OIG) describing widespread and seemingly unknown extent of the presence of counterfeit, fraudulent, and suspect items (CFSI) parts in virtually ALL U.S. nuclear reactors.
* No information is available to determine how widespread this issue is in already unprofitable Illinois reactors.
* No stipulations are made in the proposed BBBA bailout proposal language to require use of this money to remediate these problems.
* Should NRC require extensive parts and equipment removal, even more money will be demanded by utilities like Constellation operating already declared unprofitable reactors.
1. The [prevalence of corruption](https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&cad=rja&uact=8&ved=2ahUKEwiehOj29qr2AhWNJzQIHR_RDaAQFnoECBEQAQ&url=https%3A%2F%2Fwww.nytimes.com%2F2020%2F08%2F02%2Fopinion%2Futility-corruption-energy.html&usg=AOvVaw0bvGQKBJU3PDbMg2bgRh0N) has become a norm within the nuclear industry and its operators, almost as if it has become an integral and normative part of its business model. In the past 3 years alone:
* Illinois, 2020 to present:
	+ “Madigan Scandals” and his indictment and removal as House Speaker;
	+ the ComEd guilty plea and $200 million fine for illegal lobbying practices’
	+ indictment of three of ComEd/Exelon’s top executives: Exelon Utilities CEO and President Anne Prammagiore, former ComEd lobbyist John Hooker, and consultant Jay Doherty.   ComEd’s vice president of governmental and external affairs Fidel Marquez resigned, and later plead guilty to a charge of bribery.
* Ohio, 2021 to present:
	+ indictment of its Former House Speaker Larry Householder relating to a $61 million bribery scheme to support nuclear utility First Energy
	+ indictment of former Ohio Republican Chairman Matt Borges, lobbyists Neil Clark and Juan Cespedes and political consultant Jeff Longstreth
* South Carolina, 2020:
	+ former SCANA executive Stephen Byrne  [pleaded guilty](https://www.postandcourier.com/business/former-scana-executive-pleads-guilty-to-charges-tied-to-failed-sc-nuclear-project/article_26e23ca8-c50b-11ea-8377-e7b39854212b.html) to fraud in $9 billion construction fraud case of the V.C. Summer reactor
* 2018 – at business conference, former Exelon lobbyist touts [bailouts as part of new “business model”](https://news.littlesis.org/2018/03/27/exelon-lobbyist-bragged-about-profitability-of-cuomos-nuclear-bailout/) for high ROI
* QUESTION: see Item #1 above; since you will be judged by the company you keep, do officials want to link themselves with an industry with these ethical standards during an election year?
* Awarding federal bailouts to a demonstrably corrupt nuclear industry is publicly condoning and abetting its corrupt business practices; and a public association with that corruption.
1. International implications of nuclear: e.g., the Ukraine situation
* The U.S. nuclear power industry is effectively over. No new reactors are being built, and none foreseen. Ageing reactors are unprofitable.
* Besides fiscally irresponsible bailouts, the only way for the moribund nuclear industry to continue will be to make sales abroad. If they even happen, they will occur in nations with limited funds, less sophisticated infrastructure and security apparatus.
* Given the present threats to operating reactors demonstrated by Russia’s invasion of Ukraine, such an international business approach is a threat to and proliferates international insecurity.
* Do we really want to see the Ukraine nuclear situation recreated in Taiwan/China? India/Pakistan? North/South Korea? Brazil/Argentina? If not, it is time to end the nuclear power industry before it has a chance to proliferate more harm.

***CONCLUSIONS:***

1. Nuclear power is NOT a viable climate solution. It delays, obstructs and syphons off resources.
2. Money spent on aging and unprofitable reactors would be better spent on brand new renewables, efficiency, energy storage, and transmission improvements.
3. Because reactors are already declared uneconomic, are aging, and are being planned to operate for up to 80 years, they will require perpetual, periodic and likely increasingly costly bailouts to maintain them to NRC safety standards.
4. Old uneconomic and proposed new reactors will be managed by the same industry that has amply demonstrated a continual penchant for corruption. Bailouts will abet this corruption.
5. It is time to end the nuclear industry both domestically, and now given the lessons being provided in Ukraine, internationally.
6. Focus should be given to providing “just transitions” to assist workers and communities during the energy transformation towards 100% renewables, efficiency and energy storage.