

September 29, 2021

The Honorable Nancy Pelosi
Speaker the House
U.S. House of Representatives
Washington, DC 20515

The Honorable Chuck Schumer
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Eddie Bernice Johnson
Chairwoman
U.S. House of Representatives
Committee on Science, Space,
and Technology
Washington, DC 20515

The Honorable Joe Manchin
Chairman
U.S. Senate
Committee on Energy and
Natural Resources
Washington, DC 20515

Subject: Advanced Nuclear Should Receive Clean Energy Tax Credits at Parity with
Renewables and Other Clean Energy Sources

Madame Speaker, Mr. Majority Leader, Chairwoman Johnson, and Chairman Manchin:

Congress is considering proposals to expand federal tax credits for clean energy. We thank you for your commitment to accelerating the energy transition. We write to urge that advanced nuclear energy be included in the tax credit package at parity with other clean and emerging energy sources, with the same incentives for domestic energy production and employment.

Since advanced nuclear is an earlier-stage technology than wind, solar, and hydropower, federal tax credit support could have an especially large impact in kick-starting its growth. Advanced nuclear is particularly valuable to a grid that is dominated by renewables like wind and solar, by providing firm, clean, dispatchable power to balance out the variability and unpredictability from other sources.

The energy policy framework promoted by President Biden has focused on reducing emissions and supporting high-quality American jobs. The bedrock principle of proposed policies like the Clean Electricity Performance Program is technological neutrality: any

technology that reduces emissions and creates jobs is rewarded. The tax credit reform proposal is misaligned with this technologically-neutral focus on emissions reductions and job creation. Advanced nuclear developers should be given a chance to compete on an equal footing with developers of other clean energy sources.

At present, there is an advanced nuclear PTC of \$0.018 per kWh in place under 45J, capped at 6 GW of capacity and only available for the first 8 years of operation. Approximately 2.2 GW of this capacity is currently under construction at Plant Vogtle in Georgia, which means the tax credit only covers the next 3.8 GW of advanced nuclear capacity. This is equivalent to only a 4% increase in installed nuclear capacity in the US. In contrast, leading studies have indicated that as much as 200-300% increase in nuclear capacity may be necessary to reach a net-zero US energy system rapidly at low cost. This illustrates the large gap between the status quo tax credits for advanced nuclear and ambitious decarbonization goals.

Once again, we urge that advanced nuclear energy be included in the tax credit package at parity with other clean and emerging energy sources. Thank you for your work to grow clean energy, reduce emissions, and create jobs.

Sincerely,

Jameson McBride
Sr. Energy Analyst
The Breakthrough Institute

Dr. Adam Stein
Sr. Nuclear Analyst
The Breakthrough Institute

CC: House Minority Leader McCarthy;
Senate Minority Leader McConnell;
House Science, Space, and Technology Committee Ranking Member Lucas;
Senate Energy and Natural Resources Ranking Member Barrasso;
Secretary Jennifer Granholm