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**Contact:**

Michael Maragos  
[maragos@taxpayer.net](mailto:maragos@taxpayer.net)  
708-710-7258

## **Budget Watchdog Raises Red Flags for Federal Investment in Smaller Nuclear Reactors in New Report**

- Decades of federal subsidies failed to foster a nuclear energy industry that can stand on its own two feet. Congress passed a \$6 billion bailout for existing nuclear plants in the recent infrastructure package because the industry is failing to compete in energy markets.
- Following the “Nuclear Renaissance” that never came, the U.S. Department of Energy (DOE) shifted focus to supporting standardized, smaller reactor designs and has now spent more than \$1.2 billion on Small Modular Reactor (SMR) development.
- Even with \$500 million in taxpayer subsidies to date, and a DOE promise of \$1.4 billion more, the leading U.S. SMR company is struggling to find customers for its first plant.
- Deployment of SMRs is at least a decade away even with heavy subsidies and won’t make a dent in the climate picture, despite industry claims.

*Washington, DC* – As Congress debates another trillion-dollar spending package, one organization is cautioning lawmakers that investing in nuclear energy development, particularly small reactor technology, is not in the taxpayer interest.

In a report released today – ***Doubling Down: Taxpayers’ Losing Bet on NuScale and Small Modular Reactors*** – the nonpartisan federal budget watchdog Taxpayers for Common Sense chronicles the long, expensive history of nuclear power in the United States to contextualize current debates in Congress. The group documents how U.S. nuclear power plants failed to contain costs by going big, how plans for more large plants in the last decade fell through, and why the industry’s new attempt to reinvent itself with small modular reactors is unlikely to make nuclear competitive in energy markets.

According to the report, taxpayers have already spent tens of billions of dollars subsidizing the U.S. nuclear industry with little to show for it. No new plants have come online in decades and the only reactors under construction today are more than five years delayed and over budget by at least \$16 billion. Congress enacted new subsidies in the mid 2000’s and the Nuclear Regulatory Commission (NRC) expected applications for up to 31 new reactors by the end of 2009, but the “Nuclear Renaissance” never came and plans for all but two of the reactors were canceled.

In Congress, lawmakers are considering a reconciliation bill that would expand subsidies for new and existing nuclear reactors. Debate over the bill continues just weeks after Congress passed an infrastructure package that provided a \$6 billion bailout to nuclear plants that are failing to compete. The budget watchdog says the bailout should be a reminder that the industry isn’t worth taxpayer investment and enacting more subsidies would repeat the mistakes of the past.

“The nuclear industry has an unbroken track record of cost overruns, construction delays, and waste disposal issues despite heaps of subsidies from taxpayers,” said TCS president Steve Ellis. “It’s time for Congress to realize that responding to failure with renewed subsidies is a recipe for waste.”

In particular, the new report focuses on the shift in government research and development spending toward smaller nuclear reactors (producing less than 300Mwe) with standardized construction – small modular reactors (SMRs). Since 1999, the U.S. Department of Energy has spent **more than \$1.2 billion on research and demonstration programs for SMRs**.

The largest recipient of those funds – \$500 million to date – is the Oregon-based NuScale Power, which is attempting to construct the first SMR plant using a reactor design first developed with a grant from taxpayers. The Department of Energy has offered another \$1.4 billion in subsidies to construct the plant for Utah Associated Municipal Power Systems, but less than a quarter of the expected electricity generated from the SMR plant has been subscribed, or reserved in advance, by towns and cities in the area.

“The lack of interest in the leading SMR project should tell policymakers that this technology is not ready for prime time and doubling down on nuclear subsidies is a terrible bet for taxpayers,” Ellis said.

The Department of Energy is primed to spend at least \$5.5 billion on SMR development and demonstration over the next decade. The splurge is fueled in part by hopes for nuclear plants as a low-emissions energy solution. But, according to the report, “With slim prospects for market adoption, and ‘small’ power output by definition, SMRs are unlikely to make a dent in domestic energy markets for decades, if ever.”

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*[Taxpayers for Common Sense](#) is a nonpartisan budget watchdog that has served as an independent voice for the American taxpayer since 1995. It works to ensure that taxpayer dollars are spent responsibly and that government operates within its means.*