



Decades of Nuclear Subsidies

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Since the beginning of nuclear energy the federal government has provided billions in handouts to the industry. Nuclear power has received disproportionately more money than other technologies and despite these subsidies continues to be unable to stand on its own two feet in the marketplace. Instead of decreasing and diversifying our federal investments, Congress is on track to yet again reward the nuclear industry above and beyond any other technologies.

Much of this new funding will come in the form of treasury-backed loan guarantees. The Nuclear Energy Institute is pushing for \$25 BILLION in federal loan guarantees for new plants in Fiscal Year 2008 and at least \$25 billion more for 2009.

Summary of Federal Subsidies

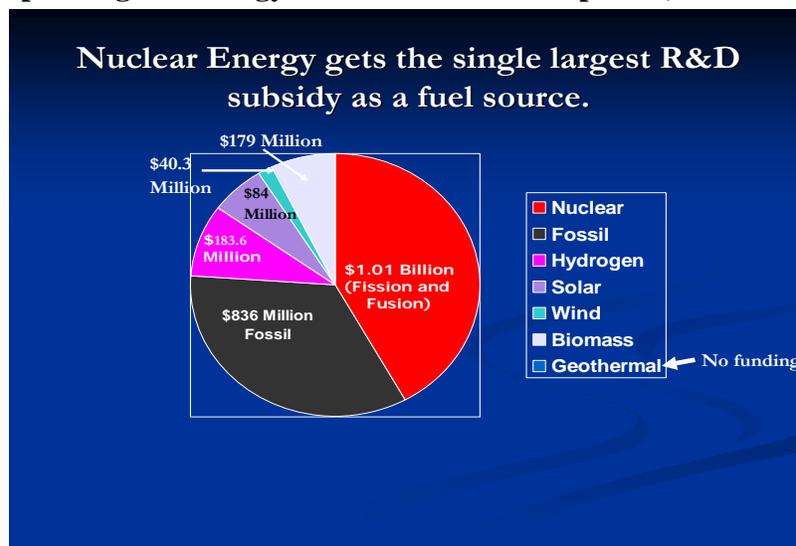
Below is a summary of a few of the most egregious subsidies the nuclear industry receives. The potential risk the US government bears with nuclear power is a cost well beyond any other federal subsidy. When it comes to Research and Development the US has also invested far more funds in nuclear power than other energy source.

Nuclear Research and Development

From 1948 to 1972 the federal government spent \$24.3 billion (2003 dollars) for research and development programs and almost double that amount, \$49.1 billion, from 1972- 2003 for a total of \$74 BILLION. During those same 30 years the federal government only awarded \$24.8 billion for fossil fuels, and \$14.6 billion for renewable energy technologies.¹

For 2008, the Department of Energy is proposing \$1.1 billion for nuclear research and development, significantly more than other energy technologies and almost half of all research and development funding.

Spending for Energy Research and Development, FY 2008



Source: DOE FY 2008 Congressional Budget Request

¹ Congressional Research Service Issue Brief Energy Efficiency: Budget, Oil Conservation, and Electricity Conservation Issues, April 18, 2005 <http://kuhl.house.gov/UploadedFiles/energy%20conservation.pdf>

Production Tax Credit - This tax credit was included in the Energy Bill of 2005 to promote the building of new nuclear reactors. The Energy Information Agency has estimated that it could cost taxpayers as much as \$5.7 billion. Wall Street and those in the nuclear industry refuse to pay for new nuclear plants, so why should taxpayers?

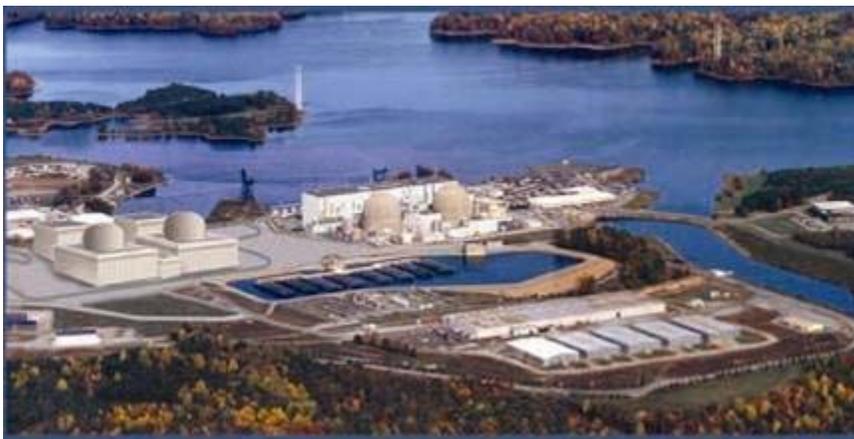
Price-Anderson Act – Protecting the Nuclear Industry

The Price-Anderson Act has been limiting the liability of the nuclear industry for decades. Under this 1959 law that has been extended time and again, in the case of an accident each nuclear facility is limited to \$10.7 billion in liabilities, with the rest picked up by the taxpayer. One analysis has put the cost of one type of nuclear reactor accident at 143,000 cancer deaths, and \$599 billion in property damage.²

Treasury Backed- Loan Guarantees- Title XVII of the Energy Policy Act of 2005 authorized the Department of Energy (DOE) Loan Guarantee Program to guarantee loans for new, innovative technologies. While the program's intent was for emerging energy technologies, mature energy industries like coal and nuclear, that have already received billions of dollars in subsidies for decades, are eligible as well. The nuclear industry has already made it clear that they want \$50 billion in loan guarantees over the next two years and are working on Congress to award a budget limit that will meet these needs or to pass legislation that will allow the DOE to disperse unlimited loan guarantees. Meanwhile, numerous reports and studies have concluded that the default rate for nuclear power plant loans to be well above 50 percent, meaning taxpayers will be on the hook for billions.³

It is time to end the flow of subsidies...

For decades the nuclear industry has taken all it could get from U.S. taxpayers. Now, under the guise of “clean” technology, the industry is begging for more. Taxpayers should not be the investor of last resort, bearing all the risk. It is time to end handouts to an industry that has already received billions from taxpayers.



Source: Lake Anna Nuclear Power Plant, DOE

² A Safety and Regulatory Assessment of Generic BWR and PWR Permanently Shutdown Nuclear Power Plants by R. Travis et al., (Brookhaven National Lab, BNL NUREG- 52498, 1997).

³ CBO Cost Estimate for S. 14 Energy Policy Act of 2003, pg. 10-12, Loan Guarantees for Nuclear Power Plants