

Prepared Remarks
Appropriations Subcommittee on Energy & Water Development
Senator Lamar Alexander, Chairman
March 4, 2015

We're here today to review the president's fiscal year 2016 budget request for the Nuclear Regulatory Commission, the independent federal agency responsible for regulating the safety of our nation's commercial nuclear power plants and other nuclear materials.

This is the first time in many years that the subcommittee has held a hearing to examine the Nuclear Regulatory Commission's budget.

It is also the first of several hearings that the subcommittee will hold this year on nuclear power. These hearings are important because nuclear power provides about 20 percent of our nation's electricity and more than 60 percent of our carbon-free electricity.

I plan to focus my questions today on four main areas:

1. Licensing nuclear waste repositories;
2. Avoiding excessive regulations;
3. Licensing for new and existing reactors; and
4. Making sure the agency is running effectively.

1. Licensing Nuclear Waste Repositories, including Yucca Mountain

First, we must solve the 25-year-old stalemate about what to do with used fuel from our nuclear reactors to ensure that nuclear power has a strong future in this country.

Later this year, I will reintroduce bipartisan legislation with Senators Feinstein, Murkowski and perhaps others, to create both temporary and permanent storage sites for nuclear waste. Also, Senator Feinstein and I plan to include a pilot program for nuclear waste storage in the Energy and Water appropriations bill, as we have for the past three years.

The new sites we'd seek to establish through the legislation Senator Feinstein and I are reintroducing this year would not take the place of Yucca Mountain — we have more than enough waste to fill Yucca Mountain to its legal capacity — but rather would complement it.

This legislation is consistent with the president's Blue Ribbon Commission on America's Nuclear Future.

But let me be clear: Yucca Mountain can and should be part of the solution. Federal law designates Yucca Mountain as the nation's repository for used nuclear fuel.

The Nuclear Waste Fund, which is money that utilities have paid the government to dispose of their used nuclear fuel, has a balance of about \$36 billion and there are still several steps to go in the licensing process for Yucca Mountain.

The Nuclear Regulatory Commission has a balance of unspent funding that you are supposed to use to continue the licensing process. But more resources will be required, so I think it's fair to ask the question:

Knowing that there are additional steps and they will cost money, why would you not request additional funds in your budget?

The Nuclear Regulatory Commission recently completed the Safety Evaluation Report that said Yucca Mountain met all of the safety requirements through "the period of geologic stability."

The commission and the Environmental Protection Agency define the "period of geologic stability" as one million years. To continue to oppose Yucca Mountain because of radiation concerns is to ignore science – as well as the law.

The next steps on Yucca Mountain include completing a supplemental environmental impact statement and restarting the hearings before the Atomic Safety and Licensing Board, which were suspended in September 2011.

Money is available for these activities, and I want to hear why there is no request to use it.

2. Avoiding Excessive Regulations

Federal law requires that nuclear power plants be built safely, but the law doesn't say it should be so hard and expensive to build and operate reactors that you can't do it.

A 2013 report by the Center for Strategic and International Studies found that up to 25 of our 99 nuclear reactors could close by 2020.

The decision to close a reactor could be due to a number of factors, including the low price of natural gas, and the wasteful wind production tax credit, which is so generous that in some markets wind producers can literally give their electricity away and still make a profit.

But the decision to close a reactor can also have to do with excessive and unnecessary regulations. I want to work with the commission to address this.

3. Licensing for New and Existing Reactors

Over the next several decades, most of our 99 nuclear reactors will go through the commission's license renewal process to extend their licenses, which is critical to the

future of nuclear power. I want to make sure that the commission is prepared for this additional work.

I also want to make sure the commission has devoted the appropriate resources to the licensing process to keep new reactors – like Watts Bar 2 in Tennessee – on time and on budget.

I have proposed that we build 100 new reactors, which may seem excessive, but not if about 20 percent of our current capacity from coal goes offline by 2020 as projected by the Energy Information Administration. If this capacity were replaced entirely by nuclear power it would require building another 48 new, 1,250-megawatt reactors – which, by the way, would reduce our carbon emissions from electricity by another 14 percent. Add the reactors we may need to replace in the coming decades due to aging and other factors, and my proposal for 100 may not seem so high.

Additionally, the commission needs to move forward with new small modular reactors.

This subcommittee has provided funding to help small modular reactors get through the Nuclear Regulatory Commission's licensing process. I'd like to get your views on what you need to continue your efforts.

4. Making Sure the Agency is Running Effectively

One of the challenges for the Nuclear Regulatory Commission is to ensure that the agency is running effectively and focusing staff on the right goals.

In fiscal year 2000, Congress appropriated about \$470 million for the Nuclear Regulatory Commission. The budget request this year is more than \$1 billion.

Much of the increase was due to the significant number of new reactor licenses that were anticipated – however most were never actually submitted. So, it is fair to ask whether this additional funding is being used for unnecessary regulation.

Conclusion

The best way to understand the importance of nuclear power is to look at the stories of three countries: Japan, Germany and the United Arab Emirates.

Japan and Germany have recently experienced what happens when a major manufacturing country loses its nuclear capacity. In Japan, the cost of generating electricity has increased 56 percent and Germany has among the highest household electricity rates in the European Union – both because they moved away from nuclear power.

The United Arab Emirates has shown what a country can do when a country decides to take advantage of nuclear power. By 2020, the Emirates will have completed four reactors that will provide nearly 25 percent of its annual electricity.

It will take building more nuclear reactors to avoid the path of Japan and Germany, and today's hearing is an important step to making sure the United States does what it must to unleash nuclear power.

I look forward to working with the commission and our Ranking Member, Senator Feinstein, who I will now recognize for an opening statement.

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