



May 2, 2017

Mr. Brian McCormack
Chief of Staff
United States Department of Energy
1000 Independence Ave., SW
Washington, DC 20585

Subject: Study Examining Electricity Markets and Reliability

Dear Mr. McCormack:

The purpose of this letter is to express SMR Start's¹ support for Secretary Perry's request to examine critical issues central to protecting baseload power, energy security, and grid reliability.

Nuclear energy is reliable baseload power that generates nearly 20% of U.S. electricity and is a major reason we benefit from affordable electricity prices today. Nuclear energy supports 475,000 jobs, provides \$10 billion in Federal and \$2.2 billion in State taxes each year, and contributes to the roads, schools and local infrastructure where facilities operate.

Small modular reactors (SMRs) are a promising advanced nuclear technology featuring the ability to better match new generation capacity with electric demand growth, enhance grid reliability through load following in areas with high penetration of intermittent renewables, and the ability to be deployed in diverse applications. Industry is working toward having the first SMR facility in the U.S. operational in the mid-2020s. New SMR facilities will provide significant employment opportunities during the initial manufacturing and construction as well as many permanent positions over the typical 60+ years of SMR operations.

We recommend that the U.S. Department of Energy (DOE) efforts include implementation of policy solutions to create a level playing field for the deployment of new nuclear generation, in addition to the preservation of existing nuclear facilities. Private companies have invested over \$1 billion in the development of SMRs. However, the price signals coming from markets do not fully value the unique combination of benefits provided by nuclear energy, including grid stability, on-site fuel supply, technology diversity, carbon-free generation, and long-term price stability. Federal support for SMRs will continue to be needed in 2018 and over the next several years in order to bring this technology to market in time to meet future energy needs.

SMR Start has developed the attached [policy paper](#) that describes the benefits from SMRs. One of the recommendations is for the establishment of "DOE and DOD programs to develop the requirements and specifications for SMR-Powered Secure and Reliable microgrids, capable of operating independent of the main electrical grid, to improve reliability and resiliency for selected federal facilities to make them less

¹ SMR Start is an industry organization of potential customers and vendors investing in the development of SMRs, who believe that this technology offers important and unique benefits in generating reliable, safe, carbon-free electricity.



vulnerable to natural phenomena and intentional destructive acts.” Perhaps there is an opportunity for SMRs to help solve a domestic need and in the process, create a robust U.S. industry with tremendous export market potential.

We would be happy to discuss this topic further. Please do not hesitate to contact us at contact@smrstart.org if you have any questions about this information.

Sincerely,

A handwritten signature in blue ink that reads "James G. Gaston".

James Gaston
Spokesperson, SMR Start

Attachment

c: Mr. Travis Fisher, DOE, Assistant to the Secretary
Mr. Raymond V. Furstenau, DOE, Acting Assistant Secretary for the Office of Nuclear Energy