

October 25, 2016

In order to supplement the considerable private investment and achieve the benefits of SMR technology, Congress should authorize in FY2018, and appropriate sufficient funds in FY2018 and beyond to implement, the following public-private partnerships and other federal government actions that are instrumental in facilitating the successful domestic commercialization and export of U.S. SMRs.

1. SMR Licensing Technical Support (LTS) program continuation and expansion to include the design and engineering, through design finalization, and regulatory review and approval of SMR technologies and facilities. The SMR LTS program should be increased to continue providing 50-50 cost share for two or more SMR designs and several initial facilities, and be available through 2025. This program funding should be structured to accommodate participants that are following diverse regulatory approaches and pathways to market development.
2. An SMR commercial deployment program to stimulate new SMR generation sufficient for self-sustaining deployment. The program should be available through a combination of the following investment mechanisms:
 - i. Production Tax Credits (PTCs) – that stimulate SMR deployment beyond the current 2020 expiration date of the existing program. The PTC should be transferable from Public owners to non-public project participants.
 - ii. Power Purchase Agreements (PPAs) – that provide DOE and DOD the ability to enter into long-term PPAs to compensate SMR projects that supply carbon-free and highly reliable electricity to facilities that support critical national security missions or other federal goals and priorities. PPAs should be “scored” such that the federal budgets are impacted annually instead of the entire PPA value being “scored” in the year the PPA is entered.
 - iii. Loan Guarantees – that support financing, through continuation of the existing loan guarantee program and authority, for design and construction of SMR facilities and SMR component manufacturing facilities.
3. An SMR investment tax credit (ITC) for manufacturing capabilities that form a robust U.S. supply chain for domestic SMR facilities and export of U.S. SMR components and equipment.
4. DOE research, development, and demonstration of innovative SMR capabilities, such as load-following, providing power for industrial process heat, desalination or water purification, co-generation applications.
5. 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 vulnerable to natural phenomena and intentional destructive acts.