

Oppose HB 1491

Topic: Phase I Utility; recovery of development costs associated with small modular nuclear facility.

Bill Patron: Del. O'Quinn

Overview:

- Defines “small modular nuclear facility” (SMR) as a facility with no more than 500 MW of generation.
- Permits a Phase I Utility (APCo) to request the SCC to approve the recovery of “project development costs” associated with an SMR through a rate adjustment clause.
 - As defined in the bill, “project development costs” include evaluation, design, engineering, environmental analysis and permitting, land option, and early site permitting
 - Altogether, APCo estimates these costs to be \$60-100 million
- Permits the Phase I Utility to incur these costs **prior to an application for a certificate** to construct the facility.

Reasons to oppose:

- The bill would allow for recovery of these costs as “development” costs with **no guarantee the project will ever be completed or produce any electricity.**
 - Only one SMR design has been permitted by the U.S. Nuclear Regulatory Commission
 - That project was canceled by the developer NuScale last fall, after it’s initial cost estimate of \$5.3 billion rose to \$9.3 billion
- The “sale of site” provision does not provide adequate ratepayer protections:
 - There is nothing requiring the sale proceeds to equal the project development costs. That means if APCo spends \$100 million, and can only sell the site for \$5 million, ratepayers would have spent \$95 million (**plus a profit**) for a site that does not generate electricity.
- 500 MW is too large of a facility for an SMR.
 - The International Atomic Energy Agency’s definition caps SMRs at 300 MW.

For more information, contact:



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