

Reduce Funding for the Office of Nuclear Energy

SAVINGS IN MILLIONS OF DOLLARS

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2016-2020	2016-2025
\$293	\$294	\$294	\$298	\$305	\$311	\$318	\$327	\$333	\$339	\$1,484	\$3,112

Heritage Recommendation:

Reduce funding the Office of Nuclear Energy. This proposal saves \$293 million in 2016, and \$3.1 billion over 10 years.

Rationale:

Like spending with conventional fuels and renewables, the Department of Energy spends entirely too much money on nuclear projects that should be conducted by the private sector. For example, the Office of Nuclear Energy includes tens of millions of dollars for small modular reactor (SMR) licensing and support programs. While SMRs have great potential, commercialization must be shouldered by the private sector. A portion of available funds should be redirected to the Nuclear Regulatory Commission for SMR-licensing preparation. This does not preclude the DOE from engaging in SMR-related work. The President's Nuclear Energy Enabling Technologies (NEET) program is charged with investigating the crosscutting of technologies with applicability to multiple reactor designs, including SMRs.

Cuts to the NEET budget should include eliminating the unnecessary modeling and simulation hub, and tens of millions from the National Scientific User Facility, which supports work that should be funded by the Science budget, if at all. That still leaves approximately \$25 million to fund NEET projects. Fuel-cycle research and development should also be cut by \$55 million, leaving \$120 million, which should almost entirely be dedicated to restart the Yucca Mountain project for storing spent nuclear fuel.

Additional Reading:

- Nicolas Loris, "Department of Energy Budget Cuts: Time to End the Hidden Green Stimulus," Heritage Foundation *Backgrounder* No. 2668, March 23, 2012, <http://www.Heritage.org/research/reports/2012/03/department-of-energy-budget-cuts-time-to-end-the-hidden-green-stimulus>.

Calculations:

Savings are expressed as budget authority and were calculated using the CBO baseline and by comparing the FY 2014 spending level to the Heritage-proposed spending level of \$592.0 million (increased to \$600.9 for inflation through 2014) as found on page 16 of Nicolas Loris, "Department of Energy Budget Cuts: Time to End the Hidden Green Stimulus," Heritage Foundation *Backgrounder* No. 2668, March 26, 2012, http://thf_media.s3.amazonaws.com/2012/pdf/bg2668.pdf. The FY 2014 funding level of \$889.2 million can be found on page 102 of House of Representatives, 113th Congress, 2nd Session, "Energy and Water Development Appropriations Bill, 2015," <http://appropriations.house.gov/uploadedfiles/hrpt-113-hr-fy2015-energywater.pdf>. Both spending levels were increased at the same rate as discretionary spending for 2016–2025 according to the CBO's most recent August 2014 baseline spending projections. The savings represent the difference between the two policies.