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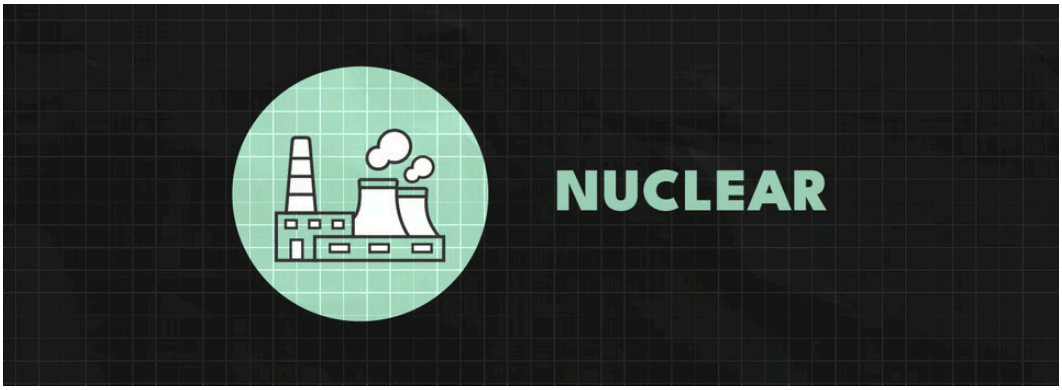
On the Grid: Building Resilience 11/17/23

Mary Sagatelova

For the *third* time this year, House Republicans have narrowly avoided a government shutdown. This time, they've split the funding: one tranche will run through January 19 and the other through February 2. Ensuring continued federal funding is the bare minimum standard of governance. Businesses and investors thrive on certainty. We're asking them to lead a massive domestic and global clean energy infrastructure build-out that will make the United States more competitive and secure. Governing by continuing resoution undermines that. If nothing else, Congressional Republicans need to get back to functioning responsibly for the nation's security and economy.

This week, in *On the Grid,* we take this discussion further, diving into the importance of cost-forward approaches to deploying clean energy and selling clean energy to voters as we near the 2024 election cycle.



Last week, NuScale Power, a pioneering small modular reactor (SMR) company, canceled its deal to construct the Carbon-Free Power Project in Utah. A novel power plant comprising six SMRs, the project was canceled after costs soared to $9.3 billion from $5.3 billion because of rising interest rates and inflation.

NuScale's failure underscores the inherent risk of any emerging technology, including SMRs. But nuclear critics have been quick to extrapolate from the NuScale situation, using this moment to question the feasibility of advanced nuclear reactors.

Let's set the record straight:

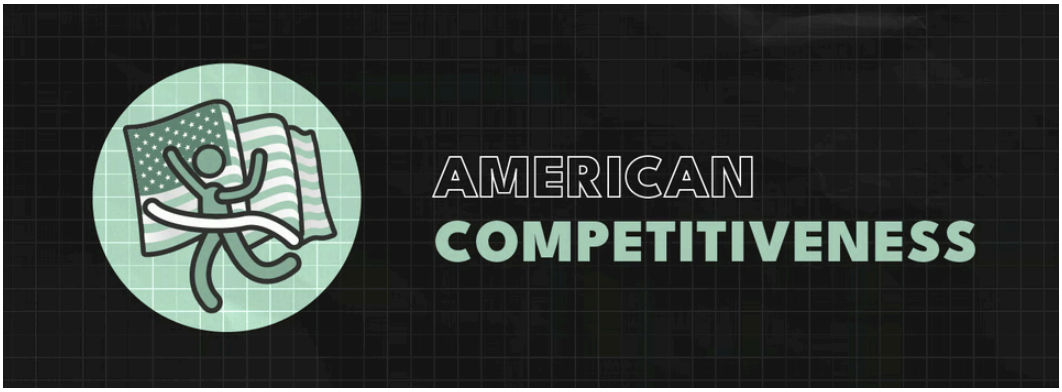
Misconception #1: All Nuclear Projects Are Economically Unviable:

Costs are high for *every* large infrastructure project in the US at the moment. This goes well beyond nuclear to include any project that requires a lot of workers, long-term capital, and commodities like steel and cement. Some projects, however, are *even more cost-sensitive*.

NuScale was partnered with very small, cost-sensitive municipal utilities that were not well-suited to absorb price increases. The project's failure reflects the challenges of working with smaller utilities, but it's not a referendum on the viability of nuclear.

Misconception #2: NuScale's Failure Spells the End of America's Nuclear Industry:

NuScale represents just one company out of more than 75 that are pioneering diverse nuclear technology. Failure in such a high-stakes field is not unique to NuScale or to the nuclear industry. Rather, it's inherent to both innovation *and* capitalism, where failures are the expectation, not the exception. But it's critical that we learn and adapt from these failures in order to move forward.

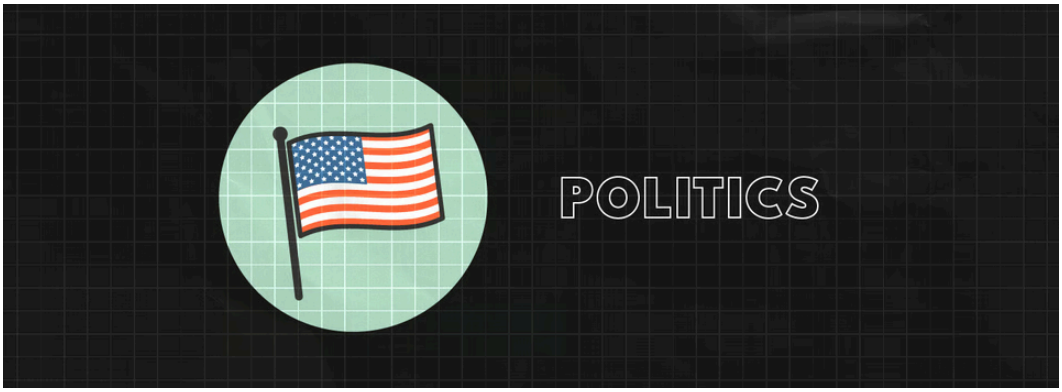


China is one of the world's biggest carbon polluters, so reports that the country is making significant strides in reducing its carbon emissions are certainly much-needed. To do so, China is also deploying massive amounts of clean energy technology. By adding a 210GW of solar, 70GW of wind, 7GW of hydropower, and 3GW of nuclear energy capacity this year, China has nearly doubled the 152GW of clean energy added last year. The country is expected to generate enough clean electricity to exceed average demand growth and reduce its emissions, despite a rebounding post-COVID economy.

But China's growth in clean energy is more than just a move to reduce emissions. It's a strategic power play that is boosting its status on the global stage. The US, on the other hand, is struggling to deploy clean energy at a comparable pace, due to regulatory hurdles, rising production costs, financing challenges, and supply chain issues. All of this feeds the perception that we're lagging behind countries like China when we should be leading.

China should be reducing its emissions, but the US shouldn't let China dictate the pace and standards of the global energy transition. Doing so would have far-reaching consequences for our national and economic security. The stakes couldn't be higher. The US must step up,

matching ambition with action to deploy clean energy at the speed and scale we need to take the lead.



There's a recurring media narrative that President Biden is unpopular with younger voters, particularly within Black and Hispanic communities, because he refuses to capitulate to more radical, far-left policies on climate and energy. How grounded in reality are these claims? Not very. Let's break it down.

1. Younger voters disproportionately care about climate change, *yes*. But a plurality supports an "all-of-the-above" energy transition that would rely on multiple energy sources, including oil and gas, renewables, and advanced nuclear energy.
2. Americans do not unanimously favor completely abandoning fossil fuels, with a majority of young voters prefer that the US relies on a *mix* of energy sources, including fossil fuels, rather than completely phasing them out.
3. Like most in the country right now, young voters are worried about rising costs, with 62% listing the economy as a deciding issue for them in the 2024 election. Additionally, young voters are wary of potential hikes to their electricity bills, even those that would arise from new climate legislation.

Young voters have made it clear–they're less interested in a radical environmentalist approach than they are in practical solutions that would reduce costs and make their lives easier. They firmly believe that climate action should not come at the expense of reliability and affordability. As we approach the 2024 election cycle, political messaging *must* shift toward promoting clean energy as a means of decreasing costs and expenses.

Brady Dennis and Scott Dance in *The Washington Post* examine the progress we've made in addressing climate change, focusing on the impact of extreme heat on our daily lives, and underscoring our capacity to effect change and avoid the most severe consequences of climate change.

Brad Plumer and Ivan Penn in the *New York Times* dive into the current nuclear energy landscape, touching on the current hurdles facing the industry.

Shayle Kann, on the *Catalyst* podcast, sits down with Dr. Jessica Lovering, co-founder and executive director of Good Energy Collective, to unpack the current state of the nuclear energy industry, the necessity of modernizing current industry regulations, and how to reduce cost overruns hampering the industry.