1.2012—Small Modular Nuclear Reactors Resolution

WHEREAS: Small modular nuclear reactors hold the promise of helping the South and the Nation address two ongoing challenges: providing additional supplies of clean baseload energy and creating jobs;

WHEREAS: A dozen or more new small-scale reactor designs are under development in the U.S. and throughout the world which have the potential to reward innovators in the electricity sector along with applications in the broader energy sector and other industrial settings;

WHEREAS: These small reactors, typically fewer than 300 megawatts (MW), can provide utilities with flexibility with regard to affordability, scalability, plant siting and permitting while maintaining the high level of safety and security that characterizes the 104-unit U.S. fleet of large nuclear plants;

WHEREAS: Some small reactor designs employ familiar light water technology in easily transportable modular units; others are high-temperature, gas-cooled and well-suited for process heat and/or hydrogen production with direct benefits for development of North America’s oil sands, oil shale and coal-to-liquids; and others are liquid metal-cooled fast reactors providing distributed generation, water purification and district heating options or can be utilized to recycle used fuel and/or consume former weapons materials to provide emission-free electricity along with the added benefits of waste reduction and reduced proliferation concerns;

WHEREAS: The United States’ high-quality precision manufacturing sector is well-positioned to establish a position of world leadership in the emerging small reactor market, which is expected to be worldwide in scope, with strong prospects for export to other nations;

WHEREAS: Significant work remains to achieve design certification and to gain regulatory approval by the Nuclear Regulatory Commission. While recognized as the “Gold Standard” worldwide, these federal licensing requirements represent a significant market barrier to designers of innovative small reactors, posing cost hurdles that are not necessarily reduced linearly with the smaller size of these nuclear plants;

WHEREAS: The Obama Administration and the Congress recognized the significant challenges and incredible economic potential of small reactor technology by providing $67 million in Federal Fiscal Year 2012 to augment private industry’s efforts to make the fastest possible progress in the areas of safety and licensing, financing, and deployment of this technology.

THEREFORE BE IT RESOLVED, that the Southern States Energy Board applauds the President’s FY 2013 budget request of $65 million to continue the public/private partnership that seeks to ensure American leadership in this important emerging technology, with unlimited potential for U.S. employment opportunity, economic strength and trade.
WHEREAS: Nuclear utility ratepayers in the South and throughout the United States have contributed more than $30 Billion in fees and interest, as mandated under the Nuclear Waste Policy Act of 1982 (NWPA), for the purpose of removing used nuclear fuel from commercial reactor sites and defense-related high-level radioactive waste from defense sites; and

WHEREAS: The Federal Government failed to satisfy the NWPA’s statutory requirement to begin accepting used nuclear fuel in 1998 and, indeed, has failed to meet the terms of its contracts with U.S. nuclear plant operators; and

WHEREAS: The 104 operating U.S. commercial reactors have accumulated some 77,000 metric tons of used nuclear fuel, including approximately 7,700 metric tons stored in 711 dry casks stored safely on-site at 45 nuclear plants in 13 states in the Southern States Energy Board region; and

WHEREAS: The current Administration has terminated and Congress has ceased funding of all activities related to the license review or further development of a permanent central disposal repository at the Yucca Mountain Project in Nevada, which had been the Federal Government’s only intended destination for used commercial fuel and defense-related waste; and

WHEREAS: The State of South Carolina and other parties remain involved in lawsuits attempting to compel the Federal Government to meet its obligations under the NWPA; and

WHEREAS: The current Administration in January, 2010 appointed a Blue Ribbon Commission on America’s Nuclear Future comprised of distinguished American scientists and nuclear policymakers to review various alternative options and make recommendations for future safe management of U.S. commercial used nuclear fuel and defense waste; and

WHEREAS: The Blue Ribbon Commission has recommended an integrated nuclear fuel management program incorporating:
1) Development of one or more Nuclear Regulatory Commission-licensed private or government-owned centralized interim storage facilities in communities in states that would willingly host such facilities;
2) Continued public and private sector research, development and deployment of used fuel and nuclear waste recycling technologies to close the nuclear fuel cycle in a safe, environmentally responsible, proliferation-resistant and economically viable process; and
3) Assured access by the nuclear waste program to revenues generated by consumers’ continued payments and to existing balances in the Nuclear Waste Fund; and

WHEREAS: A number of prominent organizations of state officials, including the National Association of Regulatory Utility Commissioners, the National Conference of State Legislatures, the American Legislative Exchange Council and The Energy Council, have generally endorsed the Blue Ribbon Commission’s recommendations and specifically endorsed establishment of one or more centralized NRC-licensed interim fuel storage facilities in volunteer host communities; and
THEREFORE BE IT RESOLVED that the Southern States Energy Board calls on the Obama Administration and the U.S. Congress:

1. To adopt legislation enabling the construction of one or more centralized interim fuel storage facilities through directives to the U.S. Department of Energy and through incentives to interested communities funded through access to the accumulated Nuclear Waste Fund.

2. To recognize there are willing host communities and states that are ready to voluntarily accept used fuel and defense waste shipments.

3. To assure access by the Nuclear Waste Management program to the revenues generated by consumers’ continuing fee payments and to the significant balance in the Nuclear Waste Fund.

4. To enable one or more NRC-licensed private interim storage facilities to meet this public policy need of the Southern States Energy Board region and the United States as a whole.
WHEREAS, we believe that increased use of CNG and LNG will benefit our nation by:
Contributing to energy independence through increased use of a plentiful American resource;
Creating jobs and revitalizing our economy because CNG and LNG are cheaper to use and allow
for investment in the American economy instead of adding to the trade deficit; and
Protecting our environment through use of cleaner energy sources;

WHEREAS, we believe that the federal government and the respective state governments can
serve as catalysts for private sector actions that will result in the broader use of compressed
natural gas (CNG) and liquid natural gas (LNG) in fueling America’s transportation industry.

WHEREAS, states are endeavoring to encourage an energy future that utilizes domestic
resources to fuel our nation’s transportation needs through initiatives such as the November 2011
multi-state Memorandum of Understanding designed to attract automobile manufacturers in the
U.S. to develop a functional and affordable original equipment manufacturer fleet natural gas
vehicle that will also meet public demand;

WHEREAS, we believe that state and federal government actions that will accomplish these
goals are in the best interest of the states constituting the Southern States Energy Board and the
United States as a whole:

Encourage the conversion of long haul tractor trailers, locally operated delivery vehicles,
freight and passenger rail operations, and practicable freight and passenger water
transport to CNG/LNG.

Encourage the conversion of City, County, State and Federal vehicles to CNG/LNG.

Encourage the installation of storage and refueling equipment to provide readily available
fueling facilities on all interstate corridors and for all aspects of the logistics industry.

Encourage the development of additional CNG/LNG infrastructure.

Encourage research and development of CNG/LNG technology.

NOW, THEREFORE, BE IT RESOLVED, the Southern States Energy Board endorses advocacy
actions that will accomplish the aforetasted goals; and

BE IT FURTHER RESOLVED, we endorse the actions of the various states entering into the
November 2011 multi-state Memorandum of Understanding designed to attract automobile
manufacturers in the U.S. to develop a functional and affordable original equipment
manufacturer fleet natural gas vehicle that will also meet public demand and

BE IT FURTHER RESOLVED, we endorse passage of state and federal legislation that would
serve to encourage freight companies (trucking and rail) and public transportation entities
facilitating conversion of their fleets to use of CNG and LNG as fuel and conversion of fueling
facilities to include CNG and LNG aspects.

*The American Chemistry Council, an active and valued participant in the Associate Member Program of the Southern States
Energy Board, does not support federal or state subsidies for Compressed Natural Gas and Liquefied Natural Gas Vehicles due to
concerns about market distortions and a level playing field for all energy sources and technologies. ACC is supportive of the state
MOU provisions of the resolution but does not support the last provision.
WHEREAS, in 2003, Congress passed the Jobs and Growth Tax Reconciliation Act, which temporarily reduced personal income tax rates on qualified dividends, including the top rate from almost 40 percent to 15 percent. Currently, taxpayers in the 10- and 15-percent tax brackets pay no taxes on their dividends; and

WHEREAS, the 2003 law also reduced the tax rates on capital gains from a top rate of 20 percent to 15 percent; and

WHEREAS, in 2010, Congress and the President extended these rates through December 31, 2012, so as not to further disrupt the economy; and

WHEREAS, the current dividend tax rates are set to expire at the end of this year, causing dividend tax rates to surge to as high as 43.4 percent for some investors—a 189-percent increase over current levels; and

WHEREAS, the current maximum tax rate on capital gains also expires after year-end 2012 and reverts to a top rate of 23.8 percent if Congress does not act; and

WHEREAS, lower dividend tax rates are good for investors, consumers, American businesses, and the recovering U.S. economy. More than 25.4 million Americans from all income levels and age groups directly own stocks that pay dividends, and tens of millions of Americans own dividend-paying stocks indirectly through mutual funds. Lower dividend tax rates also support the value of stocks held through or in life insurance policies, employer or union pension funds, 401(k) plans, and individual retirement accounts that invest in dividend-paying stocks; and

WHEREAS, the utility industry typically pays out a higher percentage of earnings through dividends than any other business sector, and American investors are dependent on dividends from the utility industry; and

WHEREAS, raising dividend tax rates would make it more difficult for dividend-paying companies – such as electric, natural gas, and water utilities – to attract investors. This has significant consequences because the utility industry, which is extremely capital-intensive, relies on investors to raise the funds necessary to finance critical infrastructure projects; and

WHEREAS, the infrastructure projects created by electric, natural gas, and water utilities are an important source of high-quality jobs and will help keep America competitive; and

WHEREAS, the higher cost of capital driven by higher tax rate on dividends, combined with utilities’ need for extremely large amounts of capital, could translate into higher utility customer rates, thereby negatively impacting job growth and retention and state economies;

THEREFORE BE IT RESOLVED, the Southern States Energy Board supports the extension of lower dividend tax rates that are on par with the tax rates for capital gains.

WHEREAS, there is a critical need to develop new domestic sources of energy;

WHEREAS, energy diversification helps meet the needs of clean, renewable energy;

WHEREAS, the use of indigenous energy resources available within a state can help provide greater energy security;

WHEREAS, an established technology has already proven capable of converting municipal solid waste (MSW) to the electricity equivalent of 30 million barrels of crude oil annually;

WHEREAS, traditional technology for MSW energy recovery is now complemented by highly efficient, advanced thermal technologies, such as gasification, plasma gasification, and pyrolysis, and such technology could deliver additional domestic energy in addition to net reductions of greenhouse gas reductions;

WHEREAS, energy recovery and advanced thermal technology have already demonstrated to serve the treble purpose of reducing the overall emissions profile of the electricity generation unit, while diverting municipal solid waste or other waste from landfill, while providing efficient, affordable, and available energy today and into the future;

WHEREAS, additional technologies are making possible the manufacture of refuse-derived fuel and alternative drop-in fuel substitutes;

WHEREAS, it is in the states’ interest to support the use of these advanced technologies that take advantage of existing renewable municipal solid waste and other wastes to offer the states significant environmental and economic advantages;

THEREFORE BE IT RESOLVED that the Southern States Energy Board calls on Congress:

1. To adopt legislation directing EPA and DOE to clarify that energy recovery and energy from advanced thermal technologies shall be deemed renewable energy, and shall not limit the definition of waste-to-energy to source material from biomass only;

2. To adopt legislation directing EPA to exempt waste used for waste-to-energy, energy from advanced thermal technologies, and manufactured fuels from the definition of solid waste;

3. To adopt legislation requiring the update of EPA’s comparable fuel exclusion rule to make compliance simpler and less burdensome for new and emerging technologies; and

4. To adopt legislation requiring EPA to update its models examining life-cycle emissions from different management methods of municipal solid waste to other wastes and to include advanced thermal technologies and refuse-derived fuels. And,
THEREFORE BE IT RESOLVED that the Southern States Energy Board calls on the Executive Panel of the American Energy Security Study to update the study to include traditional energy recovery from MSW and energy from advanced thermal technologies, and manufactured fuels; And,

THEREFORE BE IT RESOLVED that the Southern States Energy Board calls on its compacted states to adopt policies to simplify and streamline processes for obtaining air permits for companies seeking to pursue the development of energy from advanced thermal technologies, and manufactured fuels.