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INDEPENDENT POWER PRODUCERS OF NEW YORK

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Doreen M. Harris
President and Chief Executive Officer
New York State Energy Research and Development Authority
17 Columbia Circle
Albany, NY 12203-6399

Re: IPPNY Comments on Draft Blueprint for Consideration of Advanced Nuclear Technologies

Dear President Harris, Doreen

IPPNY recognizes and appreciates the value of Governor Hochul's "Future Energy Economy Summit" in advancing consideration of dispatchable emissions free resources (DEFRs). We also applaud that one of NYSERDA's announced next steps is to "advance the PSC's process to investigate technologies that support the CLCPA's 2040 zero-emissions electricity system target," which is one of our long-standing priorities. Accordingly, IPPNY supports the Summit's "Draft Blueprint for Consideration of Advanced Nuclear Technologies," which affirms the importance of existing and new nuclear generation as a zero-emission technology. We continue to urge the PSC to announce a timeline for the identification of eligible zero emissions sources to meet the CLCPA's 100 by 40 target reliably and to establish and approve a competitive program to bring DEFRs online as soon as possible. This effort would further advance the role of nuclear and other zero emission technologies.

Our comments on the Blueprint address: support for the development DEFRs, including advanced nuclear energy technologies; the role of existing upstate nuclear facilities; the jurisdiction of the NRC over nuclear related considerations; provisions for advanced nuclear within the Draft Scope of the State Energy Plan; the siting of advanced nuclear in supportive communities; NYPA RFPs for advanced nuclear; the importance of labor provisions; and not imposing Buy American requirements.

Based on the work of the NYISO, the Blueprint acknowledges the need for DEFRs to "reliably meet the demand for power throughout the year, even when onshore and offshore wind and solar energy are less available," to meet the 2040 and 2050 CLCPA targets. The document indicates that options to meet the large, critical need for DEFRs include resources such as advanced nuclear energy technologies (which it recognizes are baseload, controllable, dispatchable, and clean), long-duration storage, and hydrogen. The NYISO's 2023-2042 System and Resource Outlook concurred that small modular nuclear is the best option for supplying base load and support services, while hydrogen is better for addressing peak loads.

The role of existing upstate nuclear facilities, which produce 46% of the State's reliable base-load carbon-free electricity, are essential to support the electrification efforts under the CLCPA and the expansion of high load economic development investment. As noted by the Climate Action Council's Scoping Plan, ongoing operation of the existing nuclear facilities helps maintain

grid reliability and keeps emissions low on the way to achieving the CLCPA's targets. The Scoping Plan also indicates that the State should evaluate the role of existing and advanced nuclear facilities prior to the scheduled conclusion of the Zero Emissions Credit program in 2029 and recognize the time required to relicense these facilities and to refuel them.

IPPNY submitted an affidavit by Sargent and Lundy, a leading engineering firm with over 100 years of experience in the power and energy field, to the PSC regarding answering questions about zero emissions sources. Sargent and Lundy testified that the low marginal cost and simple operation technology make existing nuclear a great baseload resource, while emitting no greenhouses gases, and modifications are possible to existing nuclear plants to make them operate flexibly. Additionally, new small nuclear reactors are being developed and have more flexible operation. Furthermore, nuclear can be used to create pink hydrogen, which can be stored to deal with future peak loads.

For decades, the NRC has been the regulating body for nuclear decision-making and has a robust process in which New York State should continue to be engaged. The Blueprint acknowledges that technology readiness is determined by the NRC. Additionally, the document indicates that that the "facilities that manufacture these fuels are also not yet licensed by the NRC nor established in commercial operation, and their technological maturity is just as important as reactor readiness." The NRC is also responsible for "perceived safety risks from the reactor facility designs, ensuring physical security and non-proliferation of nuclear materials related to advanced technologies." The Blueprint recognizes that: "Ultimately, the responsibility for building a waste disposal plan for advanced nuclear technologies rests with the federal government. Spent fuel storage is regulated nationwide by the NRC; should a national repository become a reality, the federal government will be responsible for its management." Meeting participants at the Summit discussed that other countries have programs for nuclear storage and that Yucca Mountain still can be evaluated.

Importantly, the Draft Scope of the State Energy Plan states that the Draft Energy Plan will: "explore the potential role of advanced nuclear technologies in the power sector, including small-scale and modular units; explore the potential role of nuclear-powered clean hydrogen production, whether through water electrolysis in existing nuclear facilities or in future nuclear units; and discuss the opportunities and considerations necessary for deployment of advanced nuclear technologies for power generation, hydrogen production, and other applications."

In response to the State's questioning about how to engage in siting conversations with stakeholders, Summit participants discussed putting nuclear facilities in places where people are accustomed to them, including at existing and former power plant sites, and siting them near existing transmission facilities. IPPNY agrees with this approach.

The Blueprint states that: "Development concepts for a FOAK plant would have to consider how best to allocate construction cost overrun and cancellation risk between customers, plant developers, plant construction firms, capital providers to all these parties, the State, and the Federal Government." Summit participants discussed that a state authority could be involved in nuclear facilities due to potential cost and time overruns and that costs and risks could be shared through public-private partnerships with other states and through Federal programs.

Regarding a potential role for a state authority, based upon the public-private partnership agreements model for NYPA under the Build Public Renewables Law, NYPA could issue an RFP, in coordination with NYSERDA, for private sector company proposals for advanced nuclear technologies. This RFP could include small-scale and modular units to further advance efforts to meet the CLCPA's targets.

DEFRs, including advanced nuclear technologies, should have the same labor requirements that NYSERDA requires for renewable energy projects, in terms of prevailing wage and project labor agreements, and should require apprenticeships.

The Blueprint indicates that: "Although the U.S. has some uranium reserves and used to have processing capability, it has almost entirely been relying on more cost competitive supplies from Canada, Australia, Russia, Kazakhstan, and Uzbekistan. If the U.S. increases its reliance on nuclear, energy security concerns may require re-onshoring part of the fuel supply chain." Accordingly, Buy American provisions cannot exclusively apply; however, the State can have a Buy American preference for domestically sourced materials where available and practical.

The State has recent precedent in waiving Buy American requirements, in recognition of supply chain and resources constraints. In its 2024 Offshore Wind RFP and its 2024 Tier 1 RFP, NYSERDA determined requiring all structural iron or steel to be sourced domestically would not be in the public interest, as it may result in unreasonable increased costs and schedule delays; however, use of iron and steel that is produced in New York and in the United States is valued by NYSERDA.

Thank you for the opportunity to provide these comments, and please let me know if you have any questions.

Sincerely,

Gavin J. Donohue
President & CEO

cc: John O'Leary, Deputy Secretary for Energy & Environment, Governor Kathy Hochul's Office
Sean Ewart, Assistant Secretary for Energy, Governor Kathy Hochul's Office
Rory M. Christian, Chair and Chief Executive Officer of the Public Service Commission
John Williams, NYSERDA's Executive Vice President for Policy and Regulatory Affairs
Jon Binder, DEC's Deputy Commissioner for Air Resources, Climate Change and Energy
Maureen Leddy, DEC's Director of the Office of Climate Change