

CINTAC

Civil Nuclear Trade Advisory Committee

March 15, 2018

The Honorable Wilbur L. Ross
Secretary
U.S. Department of Commerce
1401 Constitution Ave., NW
Washington, DC 20230

Small Modular Reactors for Puerto Rico: An Economics and Exports Perspective

Dear Mr. Secretary:

The Civil Nuclear Trade Advisory Committee (CINTAC), as an advisor to you on the competitiveness of the U.S. civil nuclear industry, is submitting a Position Paper titled “*Puerto Rico and the Case for Small Modular Reactors: An Economics and Exports Perspective*” to you, to advise how the U.S. Department of Commerce (DOC) could best serve Puerto Rico’s economic recovery. In this Position Paper, CINTAC describes the potential of an SMR project to transform Puerto Rico’s economy and revitalize its energy infrastructure. This Position Paper concludes with a recommendation to pursue a Pre-Feasibility study to assess the viability of an SMR project for the island. Given the importance and the potential outcome of this Pre-Feasibility study for our U.S. civil nuclear industry, we respectfully advise you to forward this Position Paper to Puerto Rico’s stakeholders, to include the Financial Oversight and Management Board (H.R.5278-14th U.S. Congress) (Herein “The Board”). If needed, CINTAC can provide recommendations to your staff in case The Board requests a follow-up meeting to discuss pursuing this Pre-Feasibility study for SMRs for Puerto Rico.

The situation in Puerto Rico, although unfortunate, presents a timely opportunity for the U.S. civil nuclear industry. The aftermath of Hurricanes Irma and Maria has launched a movement to transform the island’s energy infrastructure into a more reliable, environmentally friendly and sustainable one. Today’s SMR designs present the technological advances specially tailored for energy challenges of island-type territories like Puerto Rico. For instance, some SMR designs are built underground which could also potentially increase the island’s energy security in future hurricane situations. For decades Puerto Rico’s stakeholders have looked for options to reduce the island’s high cost of electricity. SMRs could provide an initial Levelized Cost of Electricity (LCOE) which could compete with the island’s high cost of electricity generated by imported diesel fuels. Moreover, last month, Puerto Rican Governor Ricardo Rosselló announced the plan to privatize Puerto Rico’s sole utility, which has controlled most of the electricity generation and distribution on the island for the last 40 years. A Pre-Feasibility study will assess in detail these unprecedented changes in Puerto Rico, the island’s market conditions and infrastructure needs, and ultimately provide U.S. utilities and SMR technology vendors the necessary insights for SMR deployment in Puerto Rico.

A positive outcome from this Pre-Feasibility study will have a significant impact on the U.S. civil nuclear industry, paving the way for SMR deployment and thus contributing to our industry's growth and global energy dominance. Moreover, the possibility for U.S. SMR technology to provide clean, reliable, and sustainable energy to an island like Puerto Rico will achieve an international milestone in the nuclear industry and will present an example for other countries in the world facing similar challenges. Support from DOC staff to encourage state and federal officials in Puerto Rico to pursue a Pre-Feasibility study is essential for the U.S. civil nuclear industry to capitalize on this opportunity. Today, Puerto Rico's finances and infrastructure revitalization program are coordinated by the members of the Financial Oversight and Management Board. Although historically the U.S. Government (USG) has collaborated with the private sector for nuclear infrastructure projects, the role of the Financial Oversight and Management Board in Puerto Rico places the USG in a good position to determine the course for the island's critical energy infrastructure projects.

As an attachment to this letter, CINTAC has included a Position Paper recommending the Pre-Feasibility study. We encourage you to forward this Position Paper to Puerto Rico's Financial Oversight and Management Board and for your staff to take a lead role in subsequent follow-up meetings.

Thank you for supporting CINTAC. We look forward to working with you and your team on this initiative to provide Puerto Rico with clean, reliable, and sustainable energy.

Sincerely, on behalf of the members of CINTAC,



Gary Wolski, Chairman



Chris Colbert, Vice Chairman

Cc: U.S. Secretary of State
U.S. Secretary of Energy
National Security Advisor
Chairman, U.S. Nuclear Regulatory Commission
Director, National Economic Council
Chairman, Export-Import Bank of the United States

Attachment: Position Paper "*Puerto Rico and the Case for Small Modular Reactors: An Economics and Exports Perspective*"

CINTAC Members

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