The Daily Dish

What happened to electricity becoming “too cheap to meter?”

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Eakinomics: What happened to electricity becoming “too cheap to meter?”

In 1954, the Atomic Energy Commission chairman predicted that within 15 years nuclear power would make electricity “too cheap to meter.” That quote, at the time, did not seem so outlandish. A ton of coal has enough energy to produce around 8,000 kilowatt hours of electricity, but a ton of uranium produces over 40,000,000. So why is nuclear power so expensive that plants are shuttering in the face of competition before their licenses expire?

The “it’s complicated” answer is probably an understatement for anything related to nuclear energy, but a well-recognized contributor to nuclear power’s woes are unfriendly federal policies. The Department of Energy’s (DOE) hotly anticipated grid reliability report outed the Nuclear Regulatory Commission (NRC) as part of the problem, with a recommendation to:

“…[E]ncourage the NRC to ensure the safety of existing and new nuclear facilities without unnecessarily adding to the operating costs and economic uncertainty of nuclear energy. Revisit nuclear safety rules under a risk-based approach.”

The DOE statement echoes the findings of an earlier AAF report, which noted that regulatory burdens and reactor licensing approval timelines seem to be divorced from the industry’s stellar safety record, especially when comparing injuries and fatalities from the production of other energy sources.

Losing the nuclear power industry would cause some big problems. Nuclear power is 19 percent of the nation’s electricity, and three times as much low-emission energy as wind and solar power combined. It supplies “baseload” power, meaning it supplies a persistent electricity demand that cannot be satisfied by intermittent sources like wind or solar. As

California is finding out with its Diablo Canyon nuclear plant, it is impossible to replace a zero-emission electricity source with something less than zero—pollution goes up when these reactors close. Furthermore, the federal government intended to pay for nuclear waste disposal by levying a fee on nuclear electricity consumers; if the plants close, the federal government (i.e. taxpayers) will be left to foot the entire bill (up to $97 billion).

The Trump Administration and Congress should reform federal policy to prioritize safety without impeding the benefits of nuclear power. That means getting Yucca Mountain Nuclear Waste Repository up and running to get spent nuclear fuel out of populated areas, shortening the licensing timelines for newer and safer reactors, and reforming the NRC to reflect the nuclear challenges of 2017 – not 1975. The goal should be to give deference to market choice, but not have government intervention be the reason for nuclear power's uncompetitive prices. There is no upside for American consumers, taxpayers, or even our environment, to have a nuclear policy based on politicking and fear over risk-informed guidance.