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FISCAL IMPACT REPORT

SPONSOR Brown ORIGINAL DATE 02/05/14
LAST UPDATED _____ HM 57

SHORT TITLE Study Small Modular Reactor in NM SB _____

ANALYST Armstrong

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY14	FY15		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

Relates to HJM 19

SOURCES OF INFORMATION

LFC Files

No Response

Energy, Minerals and Natural Resources Department (EMNRD)

Economic Development Department (EDD)

SUMMARY

Synopsis of Bill

House Memorial 57 requests that EMNRD include and evaluation of the feasibility and economic benefits of construction and operating a small modular reactor (SMR) in New Mexico in its state energy plan. The memorial further requests that EMNRD cooperate with EDD to include a strategy to attract investment by the nuclear industry supply chain in the energy plan, and to report the plan to the appropriate legislative committees by December 2014.

FISCAL IMPLICATIONS

No fiscal impact.

SIGNIFICANT ISSUES

According to the federal Department of Energy's Office of Nuclear Energy, SMRs offer the advantages of lower initial capital investment, scalability, and siting flexibility at locations unable to accommodate traditional, larger reactors. They also have the potential for enhanced

safety and security. SMRs can provide power where large plants are not needed or sites lack the infrastructure to support a large unit. This includes smaller electrical markets, isolated areas, smaller grids, sites with limited water and acreage, or unique industrial applications. SMRs are expected to be attractive options for the replacement or repowering of aging fossil plants, or to provide an option for complementing existing industrial processes or power plants with an energy source that does not emit greenhouse gases. SMRs can be coupled with other energy sources, including renewables and fossil energy, to leverage resources and produce higher efficiencies and multiple energy end-products while increasing grid stability and security. Most SMRs will be built below grade for safety and security enhancements, addressing vulnerabilities to both sabotage and natural phenomena hazard scenarios. Some SMRs will be designed to operate for extended periods without refueling. These SMRs could be fabricated and fueled in a factory, sealed and transported to sites for power generation or process heat, and then returned to the factory for defueling at the end of the life cycle. This approach could help to minimize the transportation and handling of nuclear material.

RELATIONSHIP

HJM 19 requests that the governor commission a nuclear task force composed of cabinet secretaries and economic development leaders in the state to facilitate nuclear economic development opportunities

JA/svb