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**Economic Aspects of Small Modular Reactors**

*Presentation to the Regulatory Information Conference*

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**Challenges Facing LWR SMRs**

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- **Business prospects predicated on (at least) three premises:**
- **Significant investment needed to reach commercialization**
  - DOE SMR licensing support program
- **Will SMRs have a market appeal to power producers?**
  - Risk management
  - Electricity production cost
- **Can the plants be built cheaply enough?**
  - Factory fabrication - economies of replication > economies of scale?
  - Need a factory to make the price attractive, need an attractive price to produce the orders to warrant building the factory

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**Goal of SMR Licensing Technical Support Program**

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- **Facilitate and accelerate commercial development and deployment of U.S.-based SMR designs at domestic locations**
  - Supporting design certification and licensing, not construction
- **5 year/\$452 M program**
- **Up to 2 SMR designs, consistent with FY12 budget**
- **FY12 Conference Report dictated that DOE should consider any SMR that can be "deployed expeditiously"**
- **Events in Japan have prompted additional emphasis on safety of SMR designs in selection process**

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