



Support for HB 6019 – Nuclear Energy Feasibility Study

September 19, 2022

The Michigan Chemistry Council is the voice for Michigan's chemical industry, one of our state's largest manufacturing sectors. 96% of all manufactured goods are directly touched by the business of chemistry, making our industry essential to every facet of Michigan's economy.

Energy is the most significant issue of concern for the business of chemistry, which depends greatly upon affordable energy sources for both its feedstocks and manufacturing processes. In Michigan, our member companies are some of the largest customers of electricity and natural gas, so we are very interested in policies to help ensure better energy costs as our industry competes globally for new investments and jobs.

Michigan's utilities and companies along the manufacturing value chains have set aggressive climate goals. The transition to cleaner energy presents both opportunities for our state to gain new investments, as well as challenges for our manufacturing base to erode if rival states and nations beat us to the punch with low-carbon infrastructure.

The MCC believes that nuclear energy has a key role to play in a future that is both clean and competitive. The chemical industry is one of several industrial sectors that are considered hard to decarbonize. In addition to electricity, our industry often needs high temperature heat for its manufacturing processes – something that cannot easily be provided by solar, wind, or hydropower. Nuclear energy can provide both clean electricity and heat, but it is also well-suited to produce green hydrogen, which can be used for chemical feedstocks and processes, high heat, energy storage, and transportation fuels (IAEA report: [“Nuclear Energy for a Net Zero World”](#)). In an ideal world, the next-generation small modular nuclear reactors could anchor clean industrial hubs that would attract new investments in sustainable manufacturing into the future.

As others have mentioned, nuclear energy can also contribute a steady and reliable source of capacity to our overall electric grid and complement other energy resources in a diverse mix. That is why the MCC applauds Rep. Filler for his work on this issue and the sensible approach of the feasibility study of HB 6019.

While we believe that nuclear energy is overall beneficial with manageable safety and environmental risks, it's worth noting that there are also significant financial risks. In notable incidents, a failed nuclear project in South Carolina recently wasted \$9 billion in ratepayer money before being canceled, and the costs of another nuclear plant still underway in Georgia have ballooned from \$14 billion to more than \$34 billion. While SMR technologies may be eventually be more cost-effective, it is imperative that Michigan avoid the prospects of ratepayers bearing unreasonable risks for investment in unproven technologies. We encourage the Commission to consider regulatory and economic models that could allow for future nuclear projects while also minimizing risks to ratepayers.

Thank you for your consideration of the MCC's perspective, and we look forward to working with you.