



The Accelerating Reliable Capacity Act (S.5421)

WHAT: The Accelerating Reliable Capacity (ARC) Act of 2024 seeks to incentivize investments in new nuclear reactors by reducing the risk of project cost escalation to break the project-finance gridlock on these innovative and capital-intensive projects.

WHY IT MATTERS: The risk of higher costs and longer deployment timelines for early nuclear projects creates significant uncertainty for investors interested in new nuclear designs. Furthermore, multiple projects must come online to restart dormant nuclear supply chains, bolster the workforce and decrease costs.

The ARC Act's New Nuclear Investment Accelerator Program (NNIA) would address construction cost escalation. This would happen on both the front end by requiring rigorous project management practices overseen by the Office of Clean Energy Demonstrations and on the back end by creating a narrower range of expected cost outcomes and reducing investor uncertainty. If costs increase unexpectedly during construction, then the NNIA mitigates the total project cost by reducing the project's loan when the project is placed in service. By addressing debt payments rather than equity investment it ensures the benefits translate to ratepayers over the life of the project.

WHAT'S NEXT: The U.S. needs clean, firm power. The ARC Act seeks to jumpstart the scaling of the U.S. nuclear industry by accelerating the deployment of early projects instead of waiting for ongoing demonstration projects to finish. Addressing uncertainty and perceived risk will allow companies to build an order book and invest in the supply chains and workforce.

ORIGINAL SPONSORS:
Sen. James Risch (R-ID)

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