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The Experts: What's the Best Way Forward on Nuclear Power?

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Jerry Taylor: For Now, Nuclear Can't Compete

Nuclear power simply cannot compete with gas-fired power. And absent some major technological breakthrough, it's unlikely to do so in the future.

This is not a matter of opinion. This is a matter of economic fact. Even with all of the production tax credits, loan guarantees and a battery of other direct and indirect subsidies, nuclear power remains the most expensive source of conventional electricity on the grid once capital costs are plugged into the equation. That's why no one has ordered a new nuclear power plant in decades. That's why nuclear power plants are being retired today in the face of cheap natural gas for as far as the eye can see.

Nuclear proponents like to dodge the cost estimates and assert that it is environmental opposition preventing new plant orders. But there's zero evidence for this proposition. The regulations governing new plant licensing and construction were overhauled in the 1990s at the behest of industry, and the Nuclear Energy Institute—the trade association for the industry—today offers no such complaints about federal regulation. We'll only know about environmental opposition once new plants are able to clear the economic hurdle. And so far, they haven't.

Nor does one find more favorable economics abroad. Construction costs in France—the most "nuclear friendly" free market economy in the world—are just as high as they are here. The same holds true in Japan prior to the Fukushima Daiichi disaster.

Were things to change and nuclear power became economically competitive, I would have no complaints. But market actors—not political agents—should decide what gets built in a free-market economy.

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