
How DFC Can More Effectively Support Nuclear Technology

The Issue: The deployment of US nuclear technology abroad is a vital national security interest. The Development Finance Corporation (DFC) is the leading USG tool for infrastructure investment, but the agency is not yet prepared to support nuclear projects, putting US geostrategic, economic, and clean energy goals at risk.

Relevance: Nuclear technology is central to the future energy security of allies, especially in Europe and Asia. US companies (Oklo, TerraPower, X-energy, GE-Hitachi, NuScale, Kairos, and more) are on the brink of introducing next-generation nuclear models, signaling a critical juncture for US leadership in the field. Yet the US is [already behind Russia and China](#), which benefit from state-backed financing and aggressive diplomatic support.

Background:

- The US and 24 other countries [pledged](#) to triple nuclear energy capacity by 2050.
- The [vast majority of future demand](#) for nuclear energy will be in the emerging markets of Eastern Europe, Asia, Africa, and the Middle East. Projects in these countries will require development finance — which means DFC will have to help.
- In July 2020, DFC lifted a [legacy nuclear ban](#), yet has hesitated to assume risks or finance feasibility assessments due to concerns over project size, equity finance limitations, and commercial risks.

What Congress Can Do: The upcoming reauthorization of DFC is a prime opportunity to fortify the agency's capacity to support nuclear initiatives by:

1. **Raising DFC's contingent liability cap** from \$60 billion to \$100 billion, enabling larger investments without any additional cost to taxpayers.
2. **Adjusting internal financing rules to accommodate nuclear projects**, increasing the single project limit from \$1 billion to \$5 billion.
3. **Directing technical assistance grants be used for nuclear** to aid the complex, safety-critical nature of nuclear projects.
4. **Appointing a DFC nuclear liaison** to interact with private firms navigating US regulations.
5. **Mandating annual updates to Congress on DFC's nuclear activities** and the project pipeline to foster accountability and responsiveness.

Bottom Line: These steps can enable DFC to support high-impact projects and re-assert US global leadership in nuclear energy.