

Nuclear Regulatory Commission Overhaul

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PRO POINTS

- The Nuclear Regulatory Commission is planning to issue a new proposed regulatory framework in line with reforms outlined by President Donald Trump's NRC executive order and the bipartisan ADVANCE Act.
- Changes underway or under consideration include plans to accelerate review processes that would make it easier to build new nuclear and keep existing reactors online.
- How the Energy Department and the NRC collaborate and carry out these regulations will remain top-of-mind, especially after internal leadership and staffing changes at the NRC sparked by the White House.

How We Got Here

Implementing regulatory reforms outlined in the ADVANCE Act of 2024 and President Donald Trump's May executive order sit at the top of the NRC's agenda this year, with rules likely to align with the White House's goal to reach a total of 400 gigawatts of nuclear power by 2050. A wholesale revamping of the NRC's regulations is currently underway, with new rule proposals expected to start emerging in the coming weeks and be finalized in November.

These updates are set to take place in the backdrop of midterm election season, where energy affordability is projected to be a top concern among voters. Elected officials on the ballot this year — such as Democrats New York Gov. Kathy Hochul and Illinois Gov. JB Pritzker — are already making moves to boost nuclear energy in their respective states.

The Trump administration is intent on pulling out all the stops to launch a nuclear renaissance to revive the sector seen as critical to powering data centers to advance artificial intelligence.

“A lot of it is going to come out by the end of March, but then there will be a second wave of things that will come out in April and in May,” said Jeff Merrifield, chair of the U.S. Nuclear Industry Council and a former NRC commissioner. “It is a broad set of changes.”

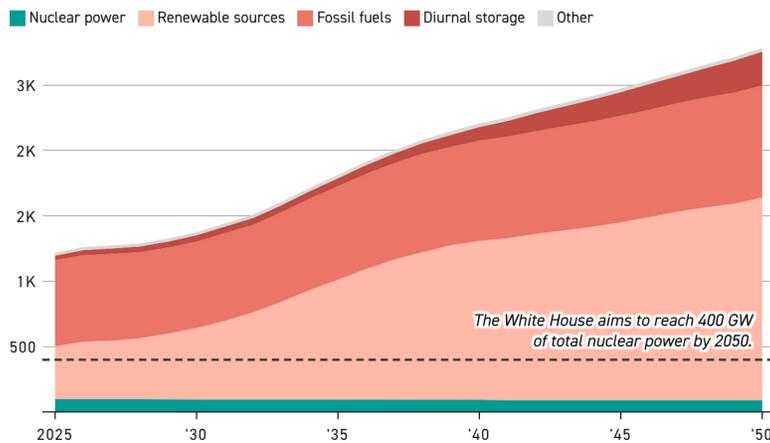
These reforms are likely to range from speeding up review processes, such as subsequent license renewals — which will be cut down to a year in accordance with the ADVANCE Act — and environmental reviews.

“There will likely be some categories of reactors where an environmental impact statement won't be required, and a fairly simple environmental assessment will suffice,” Merrifield continued. “This may apply to the microreactors, where the consequences of potential releases are generally lower.”

The Energy Department made extensive changes to departmental nuclear safety directives last year as part of its efforts to expedite the approvals for a new wave of reactors, ranging from safety systems to accident investigations. Other considerations underway include relaxing radiation safety standards to allow private companies to more easily build advanced nuclear reactors.

EIA projected nuclear energy production would slightly decline through 2050

Projected electric power capacity, in gigawatts



Note: EIA's Annual Energy Outlook released in April 2025 projects production under December 2024 policies.

Source: EIA Annual Energy Outlook 2025

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Trump's executive order helped spur NRC to speed up its rule changes, some of which the agency was already developing, according to Ishyan Veluppillai, an associate at research firm Capstone.

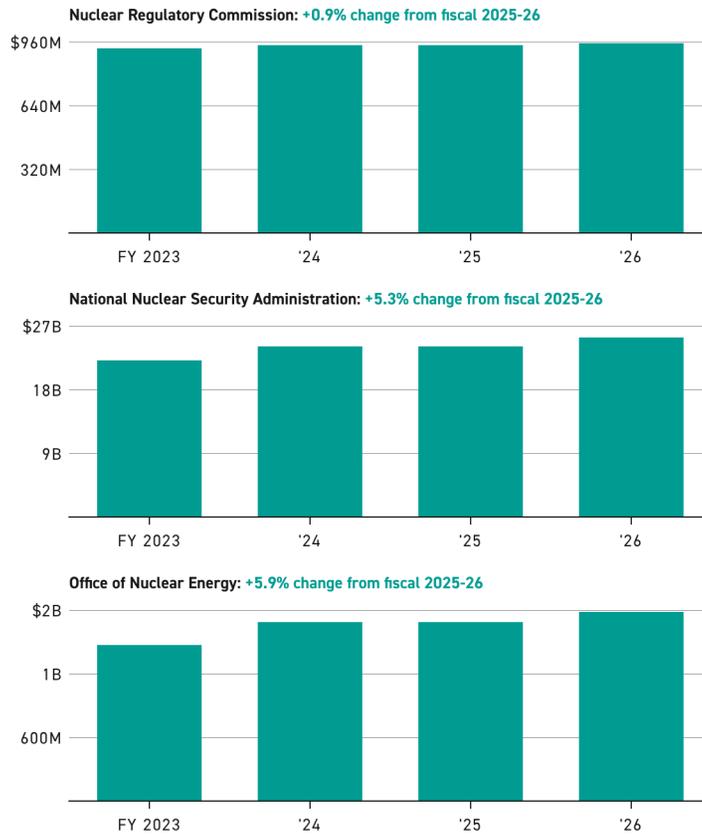
“The way to look at all of this, in my opinion, is the proposed rulemaking is good in the sense that the industry will get further certainty on licensing approvals and the entire permitting process,” he continued.

Veluppillai pointed out that funding for new projects remains a hurdle the nuclear industry keeps running up against. If industry wants a new reactor to get pass licensing or design certification stages, it will need public financing, he said.

“What we're really watching over this year is what will the DOE do to boost nuclear financing? Are they going to use the LPO [Loan Programs Office], or are they going to create other tools to facilitate investment, maybe like the creation of a sovereign wealth fund even?” he said.

Congress appropriates \$28B for fiscal 2026 nuclear budget

Budget appropriations for nuclear energy, by fiscal year



Note: Nuclear Regulatory Commission revenue is estimated to be about \$805 million for fiscal 2026, resulting in a net budget of \$148 million.

Source: H.R. 6938, Congress.gov
Catherine Allen/POLITICO

What's Next

Some Democratic lawmakers harbor concerns about the nuclear regulator's independence because of Trump's firing of former Commissioner Christopher Hanson. But NRC watchers have expressed confidence in the direction the agency is heading under new Chair Ho Nieh and Commissioner Douglas Weaver.

Velupillai said though industry worried the Trump administration would appoint figureheads willing to “rubber stamp” reactors approved by the Energy and Defense departments, Nieh and Weaver have calmed those fears because of their extensive experience at both the NRC and in the private sector.

White House pressure could still complicate the regulatory overhaul. A year-old Trump administration policy subjects all NRC decisions to White House review before publication. It's possible the hundreds of staff departures at NRC over the previous year, many of which were brought on by Elon Musk's DOGE, may exacerbate the challenge to conduct a speedy, wholesale review of the regulations.

How the NRC and Energy Department interact and delineate certain responsibilities over the course of this year will remain top of mind for industry, especially as DOE has set a target for three reactors to achieve criticality by July 4.

Though achieving that goal is going to be a challenge, it's a worthwhile one for industry and DOE, said Nicholas McMurray, ClearPath's managing director of international and nuclear policy and a former materials engineer at the NRC.

“The most important thing to focus on for that program is it's creating a goal, and what that's doing is it's aligning industry and the Department of Energy towards that goal,” he said.

NRC's and DOE's collaboration will be crucial for the commercialization of new reactor technologies, according to McMurray. DOE's interest in launching demonstration facilities will help industry learn how to present license applications to the NRC, and they will help NRC staff gain knowledge about the new technologies prior to receiving these applications.



POWER PLAYERS

- **The White House:** One of the main energy resources on Trump's energy dominance agenda is nuclear power, and Trump wields significant influence over how far nuclear can go.
- **The Energy Department:** DOE officials under Secretary Chris Wright have increasingly inserted themselves within the nuclear regulator to fulfill Trump's ambitions to deploy new nuclear power.
- **Ho Nieh:** An official with vast experience on the regulatory and industry sides of nuclear, as NRC's newest chair, Nieh is responsible for steering the regulator as it undergoes massive changes.