

Nuclear Quick Take: DOE Announces \$17.5B Loans to Finance Equipment for New Reactors; Positive for Utilities With Brownfield Sites

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The Bottom Line:

Capstone believes that regulated utilities, including Dominion Energy Inc., DTE Energy Co., WEC Energy Group Inc., Public Service Enterprise Group Inc., and Entergy Corp., are best positioned to receive a total of \$17.5 billion in low-interest federal loans for long lead-time nuclear equipment. The Department of Energy (DOE) will issue the loans to five unnamed utilities or energy companies which are planning to build a total of 10 new large AP1000 reactors.

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What Happened:

On June 23rd, the DOE's Office of Energy Dominance Financing (EDF, formerly known as the Loan Programs Office) [announced](#) a \$17.5 billion conditional commitment to finance long lead-time nuclear equipment orders. The loans are intended to speed up construction of 10 new large reactors across five different sites.

Our Take:

As Capstone expected, creditworthy borrowers—specifically regulated utilities—are best to positioned to receive EDF financing for new nuclear projects (see “[Nuclear Roundup: Trump Administration Ramps Up Support for Restarts, Renewals, and New Reactor Builds, Benefitting Utilities NuScale, Cameco](#),” December 15, 2025). Cameco Corp.'s (CCJ) subsidiary, Westinghouse, will also benefit from DOE financing, as all 10 reactors will use its proprietary reactor design. AP1000s remain the only large reactor that has design certification from the Nuclear Regulatory Commission (NRC) and has operating experience in the US.

While the DOE has yet to name the seven utilities that have signed formal letters of intent for the five available project loans, we believe Dominion Energy Inc. (D), DTE Energy Co. (DTE), WEC Energy Group Inc. (WEC), Public Service Enterprise Group Inc. (PEG), and Entergy Corp. (ETR) are among the likely beneficiaries. These companies have previously expressed interest in building new large reactors at existing plants and/or have done previous licensing work with the NRC (see Exhibit 1).

We also expect Korean engineering, procurement, and construction (EPC) firms, including Hyundai HD Hyundai Heavy Industries Co. Ltd. (329180 on the Korean exchange) and Doosan Enerbility Co. Ltd. (034020 on the Korean exchange) to benefit from equipment bulk orders.

What's Next:

We expect EDF to announce additional details about which utilities are receiving federal financing in 2H 2026, as the office works with applicants to close each loan. We also continue to believe that leading small modular reactor (SMR) developers, including X-Energy Inc. (XE) and GE Vernova Inc. (GEV) and Hitachi Ltd.'s (6501 on the Tokyo Stock Exchange) joint venture, GE Hitachi, are also well-positioned to receive DOE loans for their first-of-a-kind projects (see "[NRC's Part 53 Final Rule to Enable Small Modular Reactor Developers NuScale, GE Hitachi, Others to Strengthen Case for Financing](#)," April 8, 2026). Technology risk remains the largest hurdle for these SMR developers to clear when securing financing.

Exhibit 1: Capstone's Anticipated Beneficiaries of DOE Loans

Regulated Utility	Stated Interest in New Nuclear	Relevant NRC Licensing History
Dominion Energy Inc. (D)	The company has previously floated building a third reactor at its North Anna power plant in Virginia. State legislators recently authorized Dominion to seek cost recovery for SMR development	The NRC issued a combined operating license (COL) for North Anna Unit 3 in 2017. However, this referenced the Economic Simplified Boiling-Water Reactor (ESBWR) design that was developed by GE Vernova Inc. and Hitachi Ltd.'s (6501 on the Tokyo exchange) joint venture, GE Hitachi. A new COL would need to be issued if Dominion wants to build an AP1000.
DTE Energy Co. (DTE)	DTE expressed interest in building a third reactor at the Enrico Fermi Nuclear Generating Station in Michigan last year.	The NRC issued a COL for Fermi Unit 3 in April 2015 for the GE Hitachi ESBWR design. A new COL would need to be issued if DTE wants to build an AP1000.
WEC Energy Group Inc. (WEC)	WEC Energy is partnering with EnergySolutions, a decommissioning services company, to explore a new nuclear build at the retired Kewaunee Power Station in Wisconsin.	EnergySolutions submitted a notice of intent for a licensing submission to the NRC in January 2026. It is still evaluating whether to submit an early site permit, construction permit, or COL application. While neither company has indicated which reactor design they are specifically interested in, we believe they would likely choose an AP1000 if a federal financing pathway exists.
Public Service Enterprise Group Inc. (PEG)	CEO Ralph LaRossa said on the Q1 2026 earnings call that the company is "engaging in efforts to advance new nuclear development in the Hope Cree/Salem area."	The NRC issued an early site permit for the Salem/Hope Creek nuclear complex in May 2016. The company leveraged the Plant Parameter Envelope approach, meaning no specific design was selected.
Entergy Corp. (ETR)	CEO Drew Marsh told investors on the Q1 2025 earnings call that the company is evaluating new nuclear deployment at its Grand Gulf Nuclear Station in Mississippi.	The NRC issued an early site permit for Grand Gulf in 2007 that was design-neutral. The ESP expires in April 2027, but the company proactively applies for a 20-year renewal in September 2025. Entergy previously submitted a COL application for Grand Gulf Unit 3 that referenced the GE Hitachi ESBWR design, but later formally withdrew it.

Source: NRC, SEC filings, World Nuclear Association, Capstone analysis

In Case You Missed It: A roundup of Capstone’s recent notes on nuclear and DOE loans:

[NRC’s Part 53 Final Rule to Enable Small Modular Reactor Developers NuScale, GE Hitachi, Others to Strengthen Case for Financing](#), April 8, 2026

[Department of Energy FY27 Budget Request Prioritizes Baseload Power; Congress Likely to Limit Cuts to Hydrogen, CCUS, Renewables, EVs](#), April 8, 2026

[Nuclear Quarterly: DOE Loans, ARC Act Provide Strong Market Signals to New Builds, Uprates; Positive for Utilities, IPPs, Reactor Developers](#), March 10, 2026

[Nuclear Roundup: Trump Administration Ramps Up Support for Restarts, Renewals, and New Reactor Builds, Benefitting Utilities, NuScale, Cameco](#), December 15, 2025

[Trump’s Changes to DOE Loan Office Favor Carbon-Emitting Projects, Nuclear, Critical Minerals, While Sidelining Renewables, Electric Vehicles](#), November 21, 2025