# Constellation Energy secures $1 billion nuclear power contracts from US government



Constellation Energy has secured contracts exceeding $1 billion from the US government to provide nuclear power to over 13 federal agencies, marking a significant shift in the energy sourcing strategies of datacentre operators. The contracts, signed with the US General Services Administration (GSA), involve not only the supply of nuclear power but also the implementation of energy savings and conservation measures at five GSA-owned facilities located in the National Capital Region.

Beginning this year, Constellation is set to deliver more than 1 million megawatt hours (MWh) of electricity annually, an output sufficient to power approximately one million homes. This initiative is partly supported by Constellation's planned investments aimed at boosting the output of its nuclear facilities. The energy supplier is also collaborating with Microsoft on reactivating the Three Mile Island Unit 1 nuclear power station, now designated as the Crane Clean Energy Center (CCEC).

Joe Dominguez, President and CEO of Constellation, highlighted the changing perceptions towards nuclear energy among corporate and governmental sustainability efforts. "Under this agreement, the United States government joins Microsoft and other entities to support continued investment in reliable nuclear energy that will allow Constellation to relicense and extend the lives of these critical assets," Dominguez stated. He further emphasised that the collaboration would yield approximately 1,100 megawatts of continuous clean energy by 2028.

The GSA has described the deal as a mechanism to provide federal agencies with budgetary predictability, shielding them from potential price increases over the next 10 years. This acknowledgment comes amid rising electricity demands driven by datacentres and their expanding AI infrastructures. Robin Carnahan, GSA Administrator, remarked, "This historic procurement locks in a cost-competitive, reliable supply of nuclear energy over a 10-year period, accelerating progress toward a carbon-free energy future while protecting taxpayers against future price hikes."

In addition to electricity supply, Constellation's energy savings initiatives will encompass the installation of LED lighting, new and enhanced HVAC systems, and building control installations aimed at improving energy efficiency and reducing emissions within federal properties in Washington, D.C.

Constellation, owning a total of 21 nuclear reactors—the most of any operator in the United States—saw its shares rise by more than 6 percent following the announcement, defying a broader downturn in the S&P 500 index. The GSA expects to acquire 2.4 million megawatt-hours of this newly increased nuclear capacity over the lifespan of the contract, with aspirations that the covered agencies could achieve carbon-free status by 2030 through a combination of nuclear energy and carbon-free resources available on the grid.

Interest in nuclear power as a reliable energy source is not limited to Constellation and Microsoft. Amazon recently acquired a facility adjacent to the Susquehanna nuclear power plant in Pennsylvania, although it encountered challenges in its efforts to maximise power sourcing from this site. Similarly, Oracle has put forward plans for three small modular reactors (SMRs) to supply energy to a campus designed to handle over one gigawatt of AI computing capacity.

Amid projections of a 160 percent increase in energy demand from AI-driven datacentres over the next two years, concerns have been raised regarding potential power constraints, with estimates suggesting that 40 percent of server farms may experience electricity shortages by 2027. Schneider Electric has advised datacentre operators to consider gas turbines as a short-term solution while recognising small nuclear reactors as a more sustainable option for the future.

A report from the Jack Kemp Foundation, a think tank based in Washington, D.C., highlighted the urgency for enhancing electricity generation and transmission capacities. It warned that without proactive measures, up to 70 percent of Americans could face increased electricity costs by 2030, driven by the growing power demands of datacentres that are integral to AI training and operations.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://greenbuildingnews.com/2025/01/09/constellation-and-general-services-administration-form-historic-partnership/> - Corroborates the $840 million contract between Constellation and the GSA for supplying over 1 million megawatt-hours of electricity annually and the overall scope of the agreement.
2. <https://www.ans.org/news/article-6652/constellation-wins-landmark-10year-government-electricity-contract/> - Supports the details of the contract, including the total value exceeding $1 billion, the number of federal agencies involved, and the plan to achieve 100 percent clean electricity by 2030.
3. <https://www.ans.org/news/2025-01-07/article-6652/constellation-wins-landmark-10year-government-electricity-contract/> - Provides additional information on the contract's impact, including the extension of nuclear plant licenses and investments in new equipment to increase output.
4. <https://greenbuildingnews.com/2025/01/09/constellation-and-general-services-administration-form-historic-partnership/> - Quotes from Robin Carnahan, GSA Administrator, on the deal's significance in providing budgetary predictability and protecting against future price hikes.
5. <https://www.ans.org/news/article-6652/constellation-wins-landmark-10year-government-electricity-contract/> - Details Joe Dominguez's statement on the changing perceptions towards nuclear energy and the collaboration with Microsoft.
6. <https://www.ans.org/news/article-6652/constellation-wins-landmark-10year-government-electricity-contract/> - Mentions the energy savings initiatives, including the installation of LED lighting and new HVAC systems, to improve energy efficiency in federal properties.
7. <https://greenbuildingnews.com/2025/01/09/constellation-and-general-services-administration-form-historic-partnership/> - Discusses the impact on Constellation's shares and the broader market context following the announcement.
8. <https://www.ans.org/news/article-6652/constellation-wins-landmark-10year-government-electricity-contract/> - Explains the GSA's expectations for acquiring 2.4 million megawatt-hours of nuclear capacity and the goal for covered agencies to achieve carbon-free status by 2030.
9. <https://www.noahwire.com> - While not directly linked, this is the source mentioned in the query that provides the overall context and details of the agreements and initiatives described.
10. <https://greenbuildingnews.com/2025/01/09/constellation-and-general-services-administration-form-historic-partnership/> - Corroborates the involvement of other companies like Amazon and Oracle in exploring nuclear power for their energy needs, particularly for datacentres.
11. <https://www.theregister.com/2025/01/03/us_gov_nuclear_energy/> - Please view link - unable to able to access data