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# NuStart Energy<sup>sm</sup>

May 19, 2005

Chairman Diaz,

Attached for your information is a press release that NuStart Energy plans to issue today. This press release announces the six candidate sites that NuStart will be reviewing for the eventual selection of sites for its COL applications. Our original plan was to hold a press conference next Thursday to make this announcement, but somehow the information was leaked yesterday. To ensure accuracy, we are now planning to issue the attached release today instead of waiting. As a courtesy, I am providing you with an advance copy of the release. As indicated in a letter to the NRC dated December 7, 2004, NuStart plans to submit two COL applications (one for the AP1000 and one for the ESBWR) to the NRC in the 2008 timeframe. As we continue to refine our schedule based on available DOE funding and vendor design readiness, we will update the schedule and communicate any changes to the anticipated submittal dates to your staff.

*Marilyn Kray*

Marilyn Kray  
President  
NuStart Energy Development



DRAFT  
**NEWS**

For Immediate Release  
May 19, 2005

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**NuStart Selects Six Finalist Candidate Sites for License Applications  
for Advanced Nuclear Energy Plants**

WASHINGTON – The country's largest consortium of nuclear power companies today announced it has selected six finalist candidate sites from which it plans to pick two sites for two applications for the first construction and operating licenses of a new advanced nuclear energy plant in 30 years.

The sites selected by NuStart Energy Development LLC are:

- Bellefonte Nuclear Plant in Northeast Alabama, owned by the Tennessee Valley Authority
- Grand Gulf Nuclear Station, Port Gibson, Miss., owned by Entergy Nuclear
- River Bend Nuclear Station, St. Francisville, La., also owned by Entergy
- Savannah River Site, a Department of Energy facility near Aiken, S.C.
- Calvert Cliffs Nuclear Station, near Baltimore, owned by Constellation Energy
- Nine Mile Point Nuclear Plant in Oswego, N.Y., owned by Constellation Energy

"There is a growing recognition that, if we are going to meet our future needs for electric energy and also reduce our emissions of greenhouse gases that may be causing climate change, we simply must build the next generation of advanced nuclear energy

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plants," said Marilyn Kray, president of NuStart and a vice president at Exelon Generation in Philadelphia.

NuStart also plans to provide an opportunity to state and local economic development agencies and elected officials in the six locations to outline what incentives they would offer, as they do to attract new automobile and other manufacturing plants bringing in new jobs, property tax revenue and community support.

NuStart plans to send a letter to state and local development leaders around the six sites asking a response by August 15. A NuStart Site Selection Team will also be available to visit each site this summer if requested by local community leaders.

Leaders of three local communities have adopted resolutions or expressed interest in NuStart's selecting their communities – Claiborne County and the City of Port Gibson, Miss., the communities of Aiken, S.C., and Augusta, Ga., surrounding the Savannah River Site, the DOE facility, and the Oswego, N.Y., government, home of the Nine Mile Point and FitzPatrick nuclear plants. Business leaders in the Savannah River Site area have also formed a Committee for Nuclear Technology Awareness, made up of business and civic leaders.

A NuStart site selection team will evaluate the six finalist sites on 75 factors this summer, and narrow the selection to two sites by October. They would be used on two NuStart applications for a construction and operating license to NRC – one for a General Electric Economic Simplified Boiling Water Reactor and a second for a Westinghouse Advanced Passive 1000 reactor. The two sites and applications would also be subject to approval of the Department of Energy for 50-50 cost sharing under DOE's Nuclear

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Power 2010 program to encourage the development of advanced nuclear energy plants by that date.

"It is becoming obvious to us all that we have lost our energy independence in America and we must regain it. We are importing two thirds of our oil and now starting to import foreign natural gas, a fuel which has tripled in cost in the past three years. Nuclear energy is safe, clean, dependable, stable in cost and domestic. It can reduce our dependence on foreign energy and give us clean air too."

Advanced nuclear energy plants are expected to be less costly to build and simpler to operate and maintain because they have passive cooling systems. Twenty three new nuclear plants are under construction in eight foreign countries today but none in the U.S.

Just obtaining a Construction and Operating License (COL) from the U.S. Nuclear Regulatory Commission has been considered too much of a financial risk for any single company to date. The Department of Energy created its Nuclear Power 2010 program in 2002 to encourage the construction of new advanced nuclear plants by offering to share 50-50 the cost of preparing a COL application. NuStart was formed by nine of the nation's leading nuclear power companies and two nuclear reactor manufacturers, General Electric and Westinghouse, to apply to share the costs with DOE.

No NuStart member company has committed to build an advanced nuclear reactor, although any member or group of member companies could take over a COL from NuStart in 2010 and build a new nuclear energy plant, based on their assessment of the financial risk at that time. That assessment will depend to a great extent on federal incentives now being considered by the U.S. Congress in a national energy bill.

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Members of NuStart Energy consortium are:

- Constellation Energy, Baltimore
- Duke Energy, Charlotte
- EDF International North America, Washington, D.C., the U.S. subsidiary of the large French electric utility
- Entergy Nuclear, Jackson, Miss.
- Exelon Generation, Philadelphia
- Florida Power & Light Company, Juno Beach, Fla.
- Progress Energy, Raleigh, N.C.
- Southern Company, Atlanta
- Tennessee Valley Authority, Knoxville, Tenn.
- GE Energy, Atlanta
- Westinghouse Electric Co., Pittsburgh

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