

Oyster Creek Generating Station Clean, Safe, Reliable

Executive Summary [February 2004]

The Economic Benefits of Oyster Creek Generating Station

The Oyster Creek Generating Station is an integral part of the Ocean County, N.J., economic environment. The plant provides jobs and makes purchases that stimulate the local economy directly and indirectly. Benefits to the area include jobs, tax revenues, economic output, labor income and contributions to the local community. There are other intangible benefits, such as clean air, environmental stewardship and low, stable electricity prices. Oyster Creek's economic impact reaches beyond the local community to the state and even to the national level.

In addition to the economic benefits provided by Oyster Creek, the plant generated 5 billion kilowatt-hours of electricity in 2003, approximately 9 percent of New Jersey's electricity needs. This safe, low-cost electricity helped keep energy prices in the region down, and did so in an environmentally safe manner.

- ?? **Oyster Creek generated more than \$52 million in direct and indirect labor income in Ocean County in 2003 and increased the county's economic output by \$33 million, not including the value of electricity it produces (\$201 million in 2003).** Oyster Creek's economic impact on the entire New Jersey economy for the same period was \$46.5 million.
- ?? **The Oyster Creek plant employs 451 people, of which 78 percent live in Ocean County.** 294 full-time employees live in Forked River, Barnegat, Toms River, Lanoka Harbor, Manahawkin, Waretown, Bayville, and Beachwood. These numbers do not include security officers who are employees of a specialized contractor. Oyster Creek's security employment is captured as part of overall security-related purchases.
- ?? **Oyster Creek creates approximately one additional job in Ocean County for every job at the plant.** In addition to the plant's 451 employees, the economic activity generated by Oyster Creek creates another 563 jobs in the county. Given the combination of employees at the plant and secondary jobs created by Oyster Creek's economic activity, the plant is responsible for 915 jobs in Ocean County and 1,034 jobs across New Jersey.
- ?? **Oyster Creek jobs are high-paying jobs.** On average, Oyster Creek pays 11 percent higher wages than the average in Ocean County.

- ?? **Together, direct and indirect compensation from the plant accounts for \$53.0 million in labor income in the county and an additional \$16.3 million in other areas of New Jersey.** The primary expenditure of the Oyster Creek plant in Ocean County is employee compensation. Oyster Creek paid \$38.2 million in compensation to employees living in Ocean County and an additional \$10.6 million to employees elsewhere in New Jersey. Additionally, the economic activity created by the Oyster Creek plant accounted for \$14.8 million in employee compensation in Ocean County and an additional \$5.8 million in other areas of the state.

- ?? **The Oyster Creek plant makes substantial purchases in Ocean County.** In 2003, the plant bought \$7.7 million worth of goods and services in Ocean County and \$13.4 million in New Jersey,

- ?? **The Oyster Creek plant pays an estimated \$9.2 million in state and local taxes annually.** The economic activity generated by Oyster Creek contributes another \$3.1 million in state and local taxes, through increased property, sales and income taxes. By combining direct and indirect taxes, the Oyster Creek plant accounts for \$12.3 million in state and local tax payments.

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Issues Summary February 2004

- **CLEAN** - In 2002, Oyster Creek avoided approximately 1.1 million metric tons of carbon dioxide that would have been produced in Coastal New Jersey by a replacement fossil plant.
- **SAFE** - The plant continually upgrades and modernizes equipment to enhance safety, security and efficiency. Safety drives operating decisions
- **RELIABLE** – Oyster Creek has consistently performed above average over the life of the plant, and for the last three years has placed in the industry's top quartile.

License Renewal

- AmerGen, the owner and operator of the Oyster Creek Generating Station, expects to apply for a 20-year operating license renewal for the plant. The Company believes this decision is important to Ocean County and New Jersey, particularly to the approximately 450 men and women who work at the plant, the coastal environment and the economies of both the county and the state.

Public Support

- In an independent public opinion survey, 80 percent of residents in Oyster Creek's 10-mile Emergency Preparedness Zone said they would support a decision to seek license renewal, as long as the plant continues to meet federal safety standards. The margin of error was 6 percent.

Age of the Plant

- Oyster Creek has been continually upgraded and its equipment modernized to enhance safety, security and efficiency. Oyster Creek spends approximately \$10 million annually in capital improvements.
- Radioactive material at Oyster Creek is separated from the environment by multiple layers of engineered barriers and protections and redundant safety systems. These barriers, protections and systems are continually inspected and monitored and are upgraded when newer, more efficient technology becomes available. Oyster Creek uses advanced techniques to predict in advance when components might fail and to

perform preventive maintenance or replacement to maintain a high level of condition on all equipment, especially safety-related equipment.

- Oyster Creek's containment structure meets or exceeds all safety standards. In the 1980s, modifications were made to the Mark 1 containment design to improve its safety. The containment structure is inspected regularly to ensure its integrity.

Security

- Physical security is one of the cornerstones of the nuclear regulatory process. AmerGen fully complies with all requirements designed to enhance plant safety and security. Nuclear power plants are the most secure and robust industrial facilities in the nation. Oyster Creek's security program maintains continuous coordination with federal, state and local law enforcement.
- Oyster Creek and other nuclear plants in the United States are built specifically to withstand impacts from earthquakes, floods, hurricanes, aircraft, and terrorist assaults.

Emergency Preparedness

- AmerGen takes its responsibility to protect the health and safety of the public very seriously. The emergency plan is part of the plant's safety-in-depth program. Plant operators and other personnel are trained and drilled continually in emergency preparedness and response.
- Emergency response planning activities, training and exercises conducted as part of Oyster Creek's Emergency Preparedness Plan are integrated with Ocean County's all-hazard Emergency Operations Plan. Because of this, Ocean County's plan has been used by the New Jersey Office of Emergency Management as a model for other counties in the state.
- AmerGen supports the New Jersey Office of Emergency Management's all-hazard Emergency Response Plan. This state-developed plan includes the protection of populations affected by natural or man-made events. This includes evacuation if necessary.
- Approximately 3,000 people (state, local and county government, plant personnel, hospital and emergency medical responders, law enforcement, firefighters and others) receive emergency preparedness training annually in coordination with state, county and local governments.

Used Fuel Storage

- Dry storage of used fuel, is a proven, time-tested method of safely and securely storing used uranium fuel assemblies. At Oyster Creek, the storage method starts with

a very strong, leak-tight stainless steel canister that holds used fuel assemblies. The canisters are then placed into two-foot thick concrete storage vaults. The storage facility is in a protected area on plant property and is monitored on a 24-hour basis.

Public Health Concerns

- Nuclear power plants, including Oyster Creek, are a miniscule source of environmental radiation because of their design and containment structures. A person living next door to a nuclear power plant receives less radiation exposure in a year than a person receives from a round-trip flight between New York and Los Angeles. A 1990 National Cancer Institute study, the broadest ever conducted, found no evidence of any increase in cancer mortality – including childhood leukemia – among people living in 107 counties that host or are adjacent to 62 major nuclear facilities in the United States.

Environmental Issues

Air Quality

- In 2002, Oyster Creek avoided approximately 1.1 million metric tons of carbon dioxide that would have been produced in Coastal New Jersey by a replacement fossil plant.
- Without nuclear power generation in the United States, almost 134 million automobiles would have to be eliminated to keep the country's emissions from increasing.
- By fuel, a 1,000 megawatt generating plant produces the following amounts of carbon dioxide each year, believed to be a primary contributor to global warming:

Coal	271 metric tons of carbon dioxide
Oil	222 metric tons of carbon dioxide
Natural Gas	150 metric tons of carbon dioxide
Nuclear	0 carbon dioxide

Water

- AmerGen and Oyster Creek recognize fully its corporate responsibility regarding stewardship of the Ocean County environment and the plant's impact upon it.
- Oyster Creek has taken steps to eliminate events relating to the discharge of warm water into Oyster Creek, including procedure revisions and employee education
- Oyster Creek has partnered with Drexel University to track sea turtles, which are rescued at the plant. The sea turtles recoup at the Marine Mammal Stranding Center before returning to their habitat.
- Oyster Creek sponsors employees who participate in the World Series of Birding. Last year, money raised went to The Cape May Bird Observatory and Ocean Nature and

Conservation Society, both non-profit organizations that work to preserve, save and restore New Jersey fauna and flora.

Energy Supply and Reliability

- Oyster Creek generated 5 billion kilowatt-hours of electricity in 2003, approximately 9 percent of New Jersey's electricity needs. That is enough power to supply 600,000 homes. This low-cost electricity helped keep energy prices in the region down, and did so without producing air pollution typical of other power generation sources.

Economic Impact

- Oyster Creek employs 451 people, not including security forces. Oyster Creek pays \$38 million a year in compensation to employees living in Ocean County and \$48 million a year to its New Jersey employees.
- Oyster Creek's economic activity creates one job in the community for each job at the plant.
- That direct and indirect employment resulting from Oyster Creek's operations increases total labor income in Ocean County by \$52 million a year and in New Jersey by \$69 million a year.
- The average annual wage at Oyster Creek (\$69,606) is 11 percent higher than the average annual wage in Ocean County (\$61,602)
- Oyster Creek pays \$3.9 million a year in local property taxes, \$5.3 million a year in state taxes and \$2.2 million a year in payroll taxes.
- Oyster Creek has a positive, measurable economic impact on specific industries in Ocean County. For example, the plant increased output from Ocean County hospitals by \$1.9 million a year; doctors and dentists, \$1.8 million; restaurants, \$1.3 million; real estate, \$1.5 million; and retail, \$1.1 million
- Based on current market prices, Oyster Creek produced electricity valued at more than \$200 million in 2003. That amount is captured as a component of the New Jersey and U.S. gross domestic products.
- Oyster Creek is a long-time community contributor. It is the largest employee-run United Way campaign in Ocean County and has contributed more than \$500,000 over the past five years. The plant has also contributed another \$70,000 toward community programs and its employees are active in the community as scout leaders, Little League coaches, volunteers and contributors to American Red Cross blood drives.

Economic Benefits

Oyster Creek nuclear power plant in Ocean County, NJ, is an integral part of the local economy. The plant provides jobs and makes purchases that stimulate the local economy directly and indirectly. The benefits to the area include jobs, tax revenues, economic output, labor income and contributions to the local community. And there are other intangible benefits, such as clean air, environmental stewardship and low, stable electricity prices. Oyster Creek's economic impact reaches beyond the local community to the state and even the national level. View the most recent [Oyster Creek Economic Benefits Report](#).

Oyster Creek employs approximately 475 people, not including the plants security force. Oyster Creek creates approximately one additional job in Ocean County for every job at the plant. In addition to the plant's 475 employees, the economic activity generated by Oyster Creek creates another 563 jobs in the county. Given the combination of employees at the plant and secondary jobs created by Oyster Creek's economic activity, the plant is responsible for 915 jobs in Ocean County and 1,034 jobs across New Jersey.

The operation of the Oyster Creek plant increased wages to Ocean County residents by \$52.9 million in 2003 and across New Jersey by \$69.3 million.

The operation of Oyster Creek and the increased output associated with it accounts for 1,034 jobs in New Jersey and 915 jobs in Ocean County. In addition to earnings to workers, the plant and the economic activity generated by it account for \$12.3 million in state and local tax payments.

The total economic impact of the Oyster Creek plant on Ocean County for 2003 was \$234.3 million. Oyster Creek's total impact on the New Jersey economy for the same period was \$247.7 million and \$619.5 million for the U.S. economy.

The Oyster Creek plant makes substantial purchases in Ocean County. In 2003, the plant made \$133.9 million in purchases, \$13.4 million of which was in New Jersey and \$7.7 million in Ocean County. Economic activity generated by the Oyster Creek plant also leads to \$33 million in increased output in the county and \$46.5 million in New Jersey.

The Oyster Creek plant pays an estimated \$9.2 million in state and local taxes annually. Additionally, the economic activity generated by Oyster Creek contributes another \$3.1 million in state and local taxes, through increased property, sales and income taxes. By combining direct and indirect taxes, the Oyster Creek plant accounts for \$12.3 million in state and local tax payments.

Oyster Creek has the largest employee-run United Way campaign in Ocean County. In just one year, 2005, Oyster Creek employees raised over \$180,000 for the organization.

The plant contributed nearly \$200,000 toward community programs in 2005.

Oyster Creek employs 475 people, of which 78 percent live in Ocean County. 294 full-time employees live in Forked River, Barnegat, Toms River, Lanoka Harbor, Manahawkin, Waretown, Bayville, and Beachwood. These numbers do not include security officers who are employees of

a specialized contractor.

For additional information, please visit our [Economic Benefits Fact Sheet](#).

Oyster Creek Community Impact

475 employees (not including security force)
\$9 million in state and local taxes
\$3.9 million in property taxes
\$13.4 million in goods and services
\$650,000 to the United Way (over a six year period)

Whats New?

To get the facts about Oyster Creek, [click here.](#)

Friends and Neighbors,

The people of Oyster Creek Generating Station work hard around the clock to provide the region with clean, safe and reliable electricity. We've done this for nearly 37 years and we have asked the U.S. Nuclear Regulatory Commission to renew our operating license through 2029.

Oyster Creek has more experience in safe operations than any other nuclear plant in the nation. Our employees conduct their work with safety as their top priority. This makes perfect sense, considering some simple facts:

- The vast majority of our employees, over 80 percent, live and raise their families in Ocean County. They have a personal stake in insuring that Oyster Creek operates safely.
- Our employees care about their communities and taking an active role as scout leaders, Little League coaches, church leaders, and PTA members.
- If we do not operate safely, we do not operate at all.

Today, more than ever, Oyster Creek is a critical piece of the region's energy mix. I ask you to consider the facts:

- In this time of escalating energy prices, Oyster Creek stands out as an excellent combination of production and efficiency. Oyster Creek generated energy at a cost of \$17.38 per megawatt hour in 2005. Today, the average production cost of a coal plant is \$35; an oil plant, \$90; and a natural gas plant, \$245. Without Oyster Creek and other U.S. nuclear plants producing 20% of the nations electricity, prices would be much higher.
- Oyster Creek produces 9 percent of New Jersey's electricity with zero greenhouse gas emissions. Each year it operates, Oyster Creek essentially avoids some 7.5 million metric tons of carbon dioxide that would be produced in coastal New Jersey by a replacement coal-fired plant. This is critical in helping New Jersey meet its emission reduction goals in the Regional Greenhouse Gas Initiative.
- Oyster Creek is a major economic engine in Ocean County and across New Jersey. Here are the facts based on 2003 data:
 - One of the largest employers in Ocean County, with 475 full-time employees, not including security forces.
 - Direct and indirect compensation in Ocean County totaled \$52.9 million. In New Jersey, the total was \$69.3 million.
 - Including electrical production value, contributed \$234 million to Ocean County's Gross Domestic Product in 2003 and \$247 million to the state's GDP.
 - Economic activity by the plant in 2003 led to \$33 million in increased economic output in Ocean County and \$46.5 million more economic output in New Jersey.

Oyster Creek and its employees give a great deal back to the community, supporting community

organizations, projects and events. In 2005, Oyster Creek donated nearly \$200,000 to the local community, and this does not include the \$180,000 Oyster Creek employees raised for the United Way of Ocean County.

To put it plainly, Oyster Creek is clean, safe and reliable. We have a responsibility to the community to continue to operate safely and event-free. We've kept this promise for almost 37 years, and we will continue to keep this promise to the community for an additional 20 years.

Sincerely,

A handwritten signature in black ink, appearing to read "Bud Swenson". The signature is written in a cursive style with a large initial "B" and a long, sweeping underline.

Bud Swenson
Oyster Creek Site Vice President