



April 21, 2011, 5:33 p.m. EDT

## Toshiba seeks nuclear license to build in Texas

By Ryan Tracy

(Adds context about Thursday meeting and license application in seventh paragraph.)

ROCKVILLE, Md. -(MarketWatch)- Toshiba Corp. (OTN:TOSYY) is continuing to pursue a license to build new nuclear reactors in Texas, but the project faces financial challenges and is "not a done deal," an official in charge of the company's regulatory application said Thursday.

Toshiba was to provide the reactors as part of a joint venture largely financed by NRG Energy Inc. (NYSE:NRG) . But this week NRG pulled out of the venture, citing diminished prospects for regulatory approval due to the nuclear crisis in Japan.

"Toshiba is paying all the bills at this point in time," Scott Head, manager of regulatory affairs for Nuclear Innovation North America, the joint venture of NRG and Toshiba, told Dow Jones Newswires. "They're doing that because they wanted us to continue to pursue the license."

Head said the future of the project will depend in large part on how long it takes for U.S. regulators to digest the lessons of the crisis in Japan. The U.S. Nuclear Regulatory Commission is conducting a review of its regulations and could make them more stringent in the coming months.

"For our financial reasons, we need some certainty as to the licensing process," said Head.

"How long does it take to get the NRC to agree that, 'Yes, you've addressed our concerns?'" he asked. "That's the unknown that I think we're worried about the most."

Head, appearing before an NRC advisory committee Thursday during a previously scheduled meeting at the commission's Maryland headquarters, said that some work on the project had to be scaled back as a result of NRG's decision to withdraw. He also said part of the license application would have to be redone to reflect a change in ownership, and that Toshiba may now have to show it is meeting U.S. regulations for foreign-owned companies that apply for nuclear licenses.

NRG owns 88% of Nuclear Innovation North America, with Toshiba owning the remaining 12%, Head said.

The venture's so-called South Texas Project would add two additional reactors to an existing nuclear power plant in Matagorda County, Texas. It was also to receive financial assistance from Tokyo Electric Power Co., owner of the stricken nuclear complex in Japan.

Even before the March 11 earthquake and tsunami led to radiation releases at the Japanese facility, the Texas project was having trouble securing long-term agreements to supply electricity "because of natural gas prices," Head said.

"There are significant decisions that we've got to make," he said. "This is not a done deal."

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