

Exh. AES000102

Eagle Rock Enrichment Facility Mandatory Hearing

**ASLB Presentation Topic #1
Purpose & Need
AES Introduction**

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AES Introduction

- ▶ **Overall presentation on “Purpose and Need for the Proposed Action” has two components:**
 - ◆ **First, AES will summarize key facts and provide “best evidence” for EREF need by summarizing actual contracted SWUs – important context for Board question on need for facility**
 - ◆ **Second, ERI (AES consultant) will provide their presentation specifically addressing the Board’s question on this topic**
- ▶ **Both components of the presentation clearly show that the need described in the EREF ER still exists for the additional capacity provided by the EREF**

The AES/Utility contracts signed to date demonstrate the U.S. need for additional SWU capacity



Why EREF?

- ▶ Business case for EREF based on existing U.S. fleet without “new builds”
- ▶ Current U.S. demand is approximately 14.5 MSWU per year
- ▶ Approximately 40% of current supply is from Russian HEU agreement which expires in 2013
- ▶ U.S. policy has consistently supported expanding domestic enrichment capacity
 - ◆ In May 2010 DOE press release concerning the \$2B loan guarantee for EREF (Exh. NRC000160), Secretary of Energy Chu stated:
“Increasing uranium enrichment in the United States is critical to the nation’s energy and national security.”
- ▶ Without EREF, the U.S. will have to rely heavily on foreign supplies, primarily from Russia

Modular build-out allows AES to build EREF in sync with market demand and based on contracted commitment by utilities

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AES / US Utility Contracts

- ▶ **90% of EREF's output through 2028 from the initial 3.3 MSWU build-out is committed under contracts**
- ▶ **AES has signed contracts with major U.S. utilities representing 50% of the U.S operating fleet of 104 reactors**

The U.S. nuclear fleet is counting on successful deployment of Eagle Rock