

The Challenge of Growth in Nuclear Power:

It Ought to Work, But Will It?

**Thomas S. O'Neill
Vice President, New Plant Development**

**Harvard Electricity Policy Group
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Regulatory & Policy Issues

- ✓ It ought to work
 - Sound licensing process
 - Industry coordination and support for standardization
 - Generally supportive public opinion
 - Energy Policy Act of 2005
 - Focus on climate change and carbon

- ✓ But will it?
 - New licensing process not yet tested
 - Pending change in administration
 - Yucca Mountain stalemate
 - No climate legislation yet

Uncertainties must be reduced

Cost Issues

- ✓ It ought to work
 - Clear and sustained production and fuel cost advantage
 - Competitive with other low carbon baseload alternatives
 - Shrinking reserve margins
 - Rising power prices
 - Improvements in construction methods

- ✓ But will it?
 - Volatile construction commodity prices
 - No firm vendor prices
 - Financing risks
 - Carbon pricing is still a theory
 - U.S. nuclear industry construction track record

Risk-sharing among stakeholders is essential

Infrastructure Issues

- ✓ It ought to work
 - Successful Asian experience
 - Strengthening supply chain worldwide
 - Forecast worldwide nuclear development at only 25% the pace of the 1980s
 - Center for Energy Workforce Development, regional labor initiatives

- ✓ But will it?
 - No recent U.S. nuclear construction experience
 - U.S. nuclear manufacturing infrastructure has atrophied
 - Worldwide demand is creating production bottlenecks
 - Labor force continues to age

Infrastructure response depends on first movers

How Do We Make it Happen?

- ✓ Continued excellence by current fleet
- ✓ Adopt different business models for new nuclear
 - Share the risks through innovative partnerships
- ✓ Take advantage of experience & expertise worldwide
- ✓ Disciplined project execution
- ✓ Revitalize manufacturing infrastructure
- ✓ Communicate the strength of the industry
- ✓ Drive public policy issues to resolution

**Reduce uncertainties and potential for delays;
the market will react intelligently**