

The logo for Energy Solutions features two curved lines, one light blue and one light green, arching over the text.

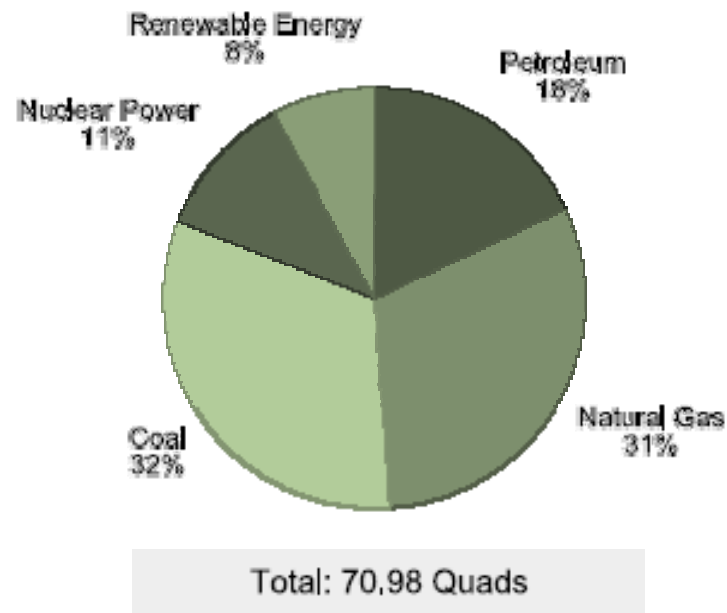
ENERGY*SOLUTIONS*



**The Nuclear
Renaissance
&
The Path Forward**

Alan Parker, COO
April 18, 2007

US Stationary Demand by Fuel



Source: EIA, 2006

U.S. POWER NEEDS OVER NEXT TWO DECADES

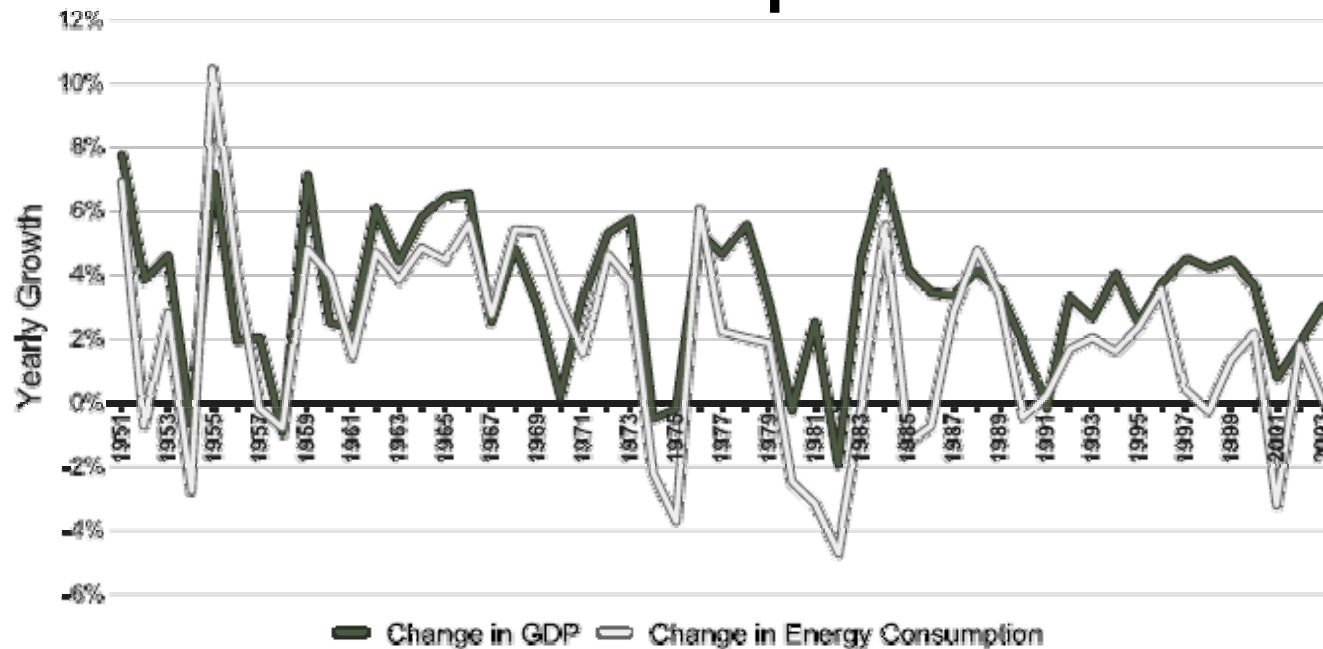
Assuming a .4% annual impact of conservation measures and a 2.2-2.5% annual GDP growth will require over the next two decades between \$800B and \$4T invested in new and replacement power infrastructure in the U.S.

A stylized globe showing the continents in white against a dark blue background, positioned in the top left corner of the slide.

Energy Supply Notes

- 70% of electricity consumed in US from combustible hydrocarbons
- Substantial foreign reliance on oil
 - Increasing geopolitical disruptions
- Energy, economic development, and national security inextricably linked
- Are we asleep at the switch?

Changes in US GDP and Energy Consumption



Source: EIA, U.S. Bureau of Economic Analysis, 2005

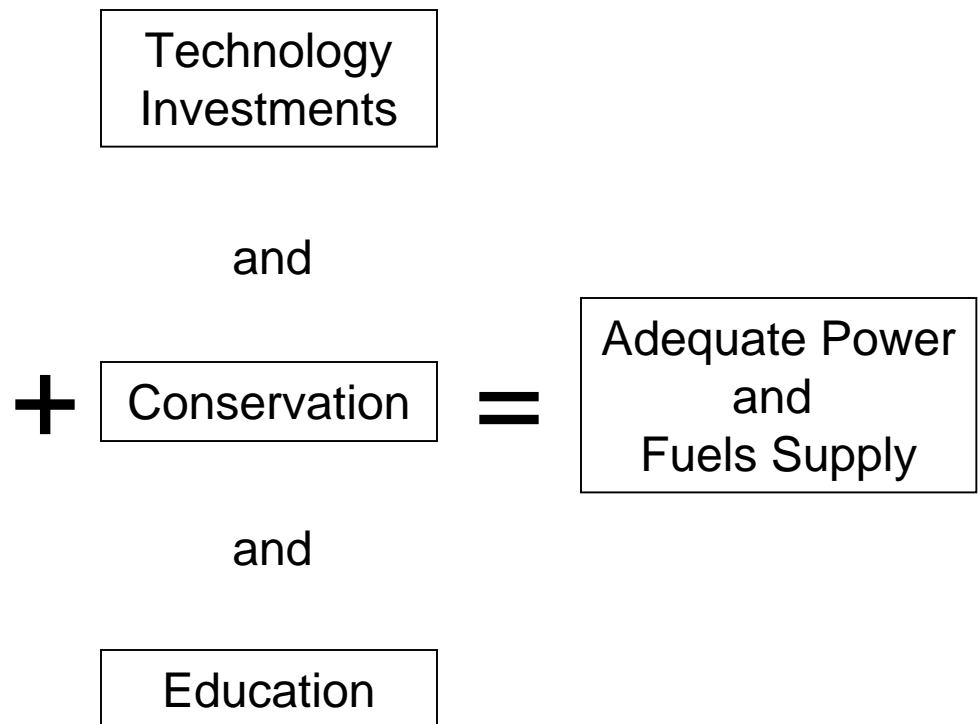
A stylized globe showing the continents in white against a dark blue background, positioned in the top left corner of the slide.

US Consumers Concerns

- Affordable and predictable
- Environmental protection
- Economic development
- Reliable
- Safe and secure- Geopolitical forces

INFRASTRUCTURE / INVESTMENTS ARE NEEDED

Ethanol Plants
Solar Power
Biodiesel
Wind Farms
Coal to Liquid Plants
New Coal Generation
Nuclear Power Plants
Maintenance / Extension / Expansion of Current Capacity
Fuel Cells / New Technologies
New Refining Capacity
Distribution / Transmission Infrastructure





The Role of Nuclear

- Only proven resource that:
 - Doesn't emit greenhouse gases
 - Doesn't pollute
- Increasing public support
- Clear incentives in Energy Policy Act of '05
- Renaissance underway

A stylized globe showing the continents in white against a dark blue background, positioned in the top left corner of the slide header.

The Issues

- Public perception
- Certainty of new build capital costs and regulatory structure
- Spent fuel management and disposal
- In 1978 we stopped and the world didn't follow
 - Decline of US nuclear power infrastructure

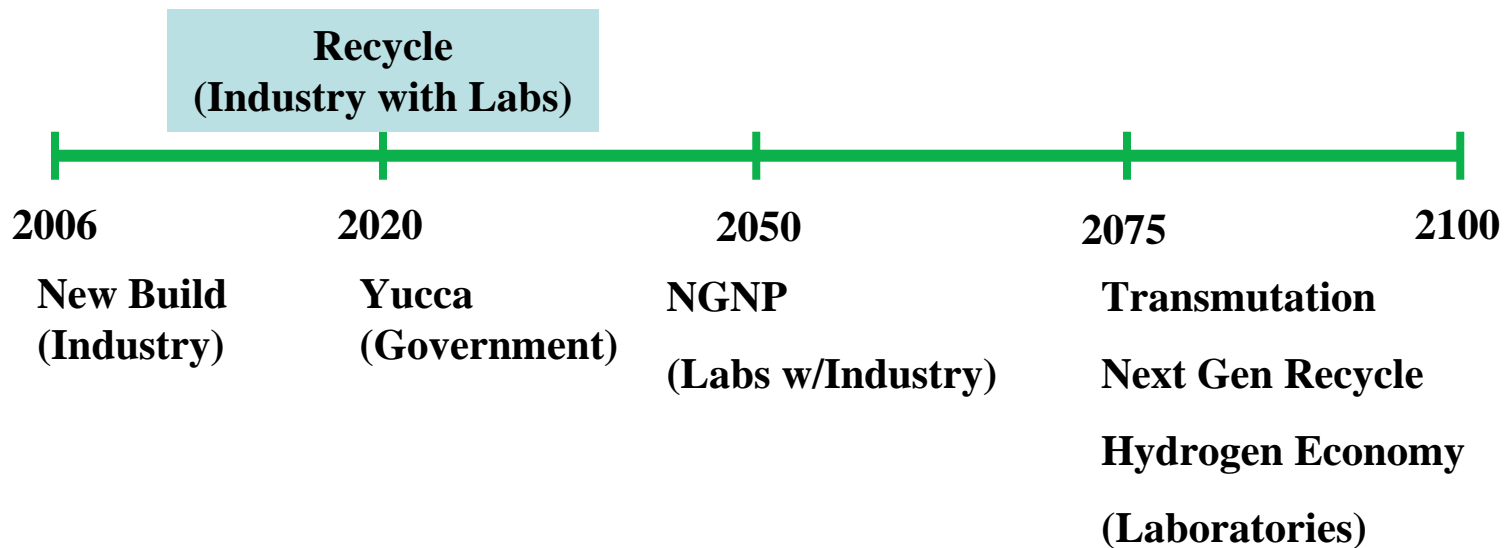
So Now What?

- Massive, aggressive new build nuclear!
- Close the fuel cycle
- Robust commitment to Yucca Mt
- Public/private partnerships
 - Industry, Government, laboratories
- Balanced and clear information to public, environmental advocates, and policy makers

GNEP

- A good, common sense approach
 - The six fuel cycle countries manage proliferation
 - Fuel supply and ‘take-back’ regime
 - Promotes int’l security- economic and otherwise
- Needs industry involvement- gets there faster!
- Needs clearer articulation to policy makers

Fill the USA's Gaps — Industry, Government, Laboratories



Recommendation

- Close the fuel cycle gap with industry based recycle
- Focus science on the long term
- Advocate for Yucca

In '07, Congress and DOE should:

- Authorize and appropriate the \$250M request
- For **Recycle**: Fund industry based conceptual designs and financing models, with Lab support
 - Provide real time inputs to OMB and the Hill for '08
- For **Burners**: Accelerate conceptual designs
- For **Science**: Fund Lab based long term solutions

A stylized globe showing the continents in white against a dark blue background, positioned in the top left corner of the slide.

EnergySolutions

- American nuclear owner operator
- Commercial business culture
- People, technology, skills, financials
 - To deliver recycle facilities
- Strong commitment of Board to GNEP
- Ready to help America lead

Conclusion

- Industry and Government need to approach **Energy Renaissance** differently
- Energy Policy Act of 2005, GNEP, and DOE's AFCEI make good sense for our country
- Fill the 2020-2060 gap with recycle
 - Industry driven with '07 funds to prove feasibility
- Focus laboratories on long term science