

Future Investments in Nuclear Power

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Committee on Energy Resources and the Environment

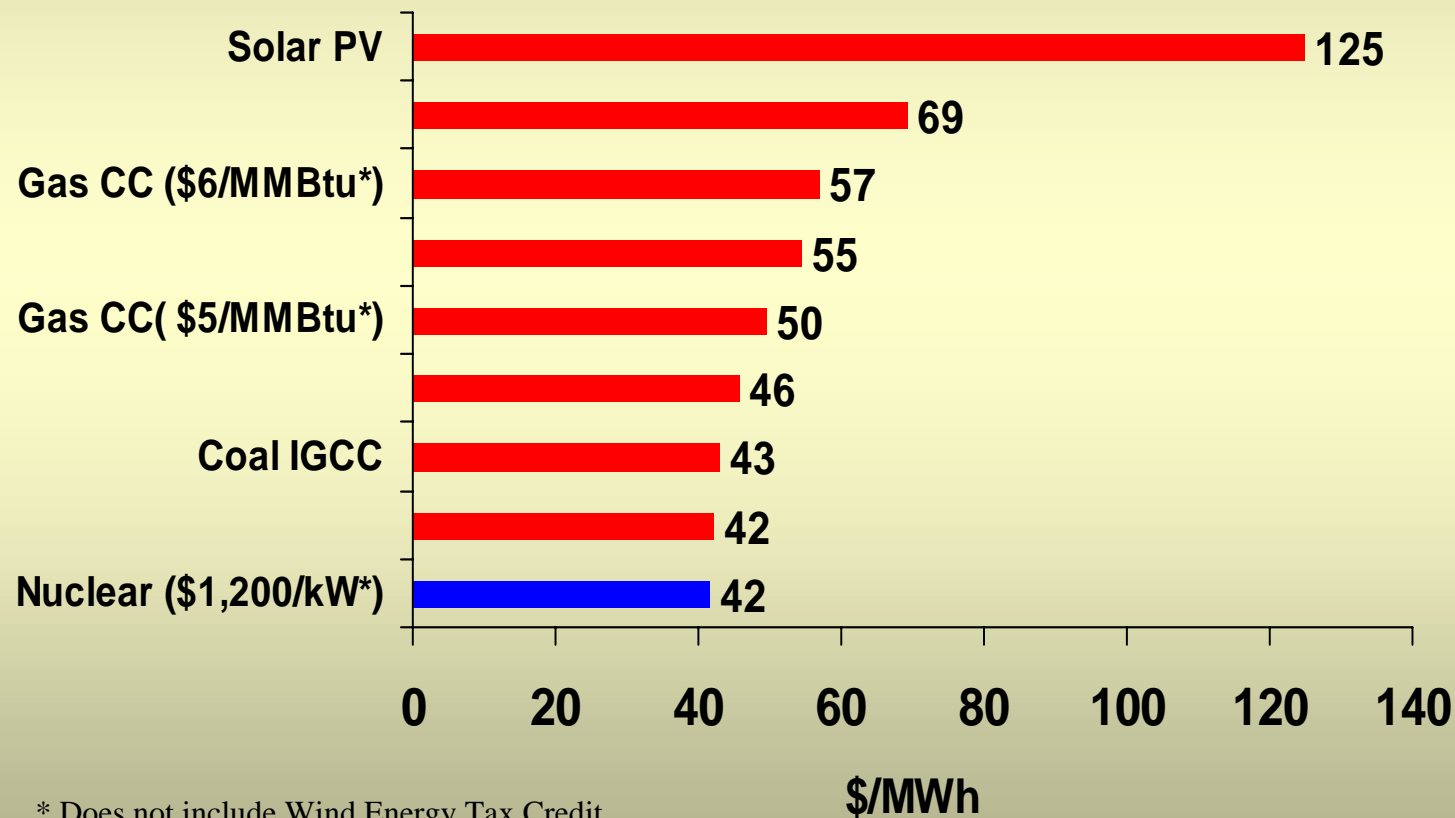
July 13, 2004

ExelonSM
Nuclear

Nuclear Power Today

- ❑ Low Cost, Reliable Safe and Environmentally Sound
- ❑ Still without an assured future as part of the nation's supply mix
- ❑ Need to deal with current uncertainty and build for the future

Comparison of Levelized Cost of New Power Plants \$/MWh

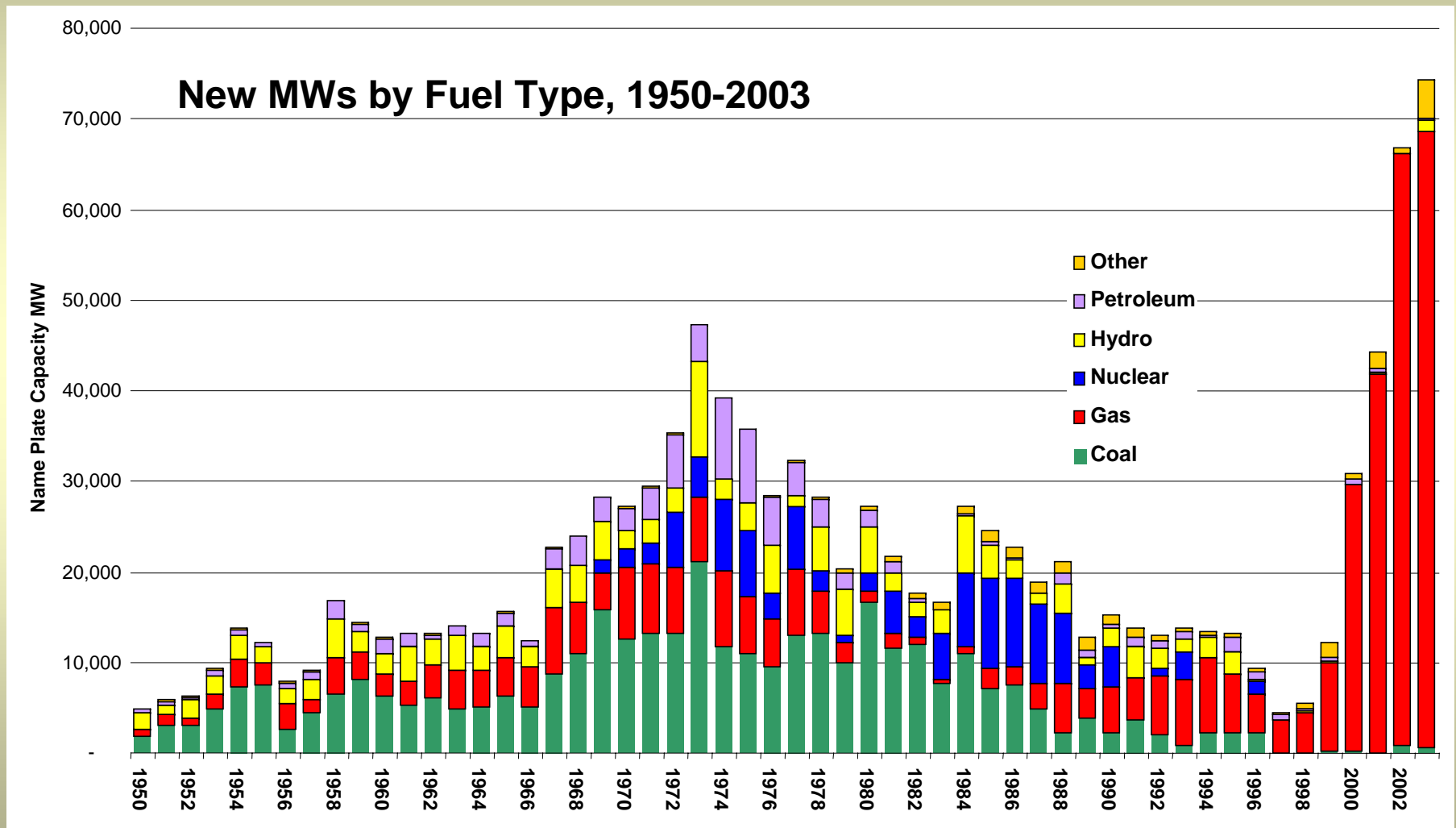


* Does not include Wind Energy Tax Credit

\$/MMBtu refers to cost of natural gas

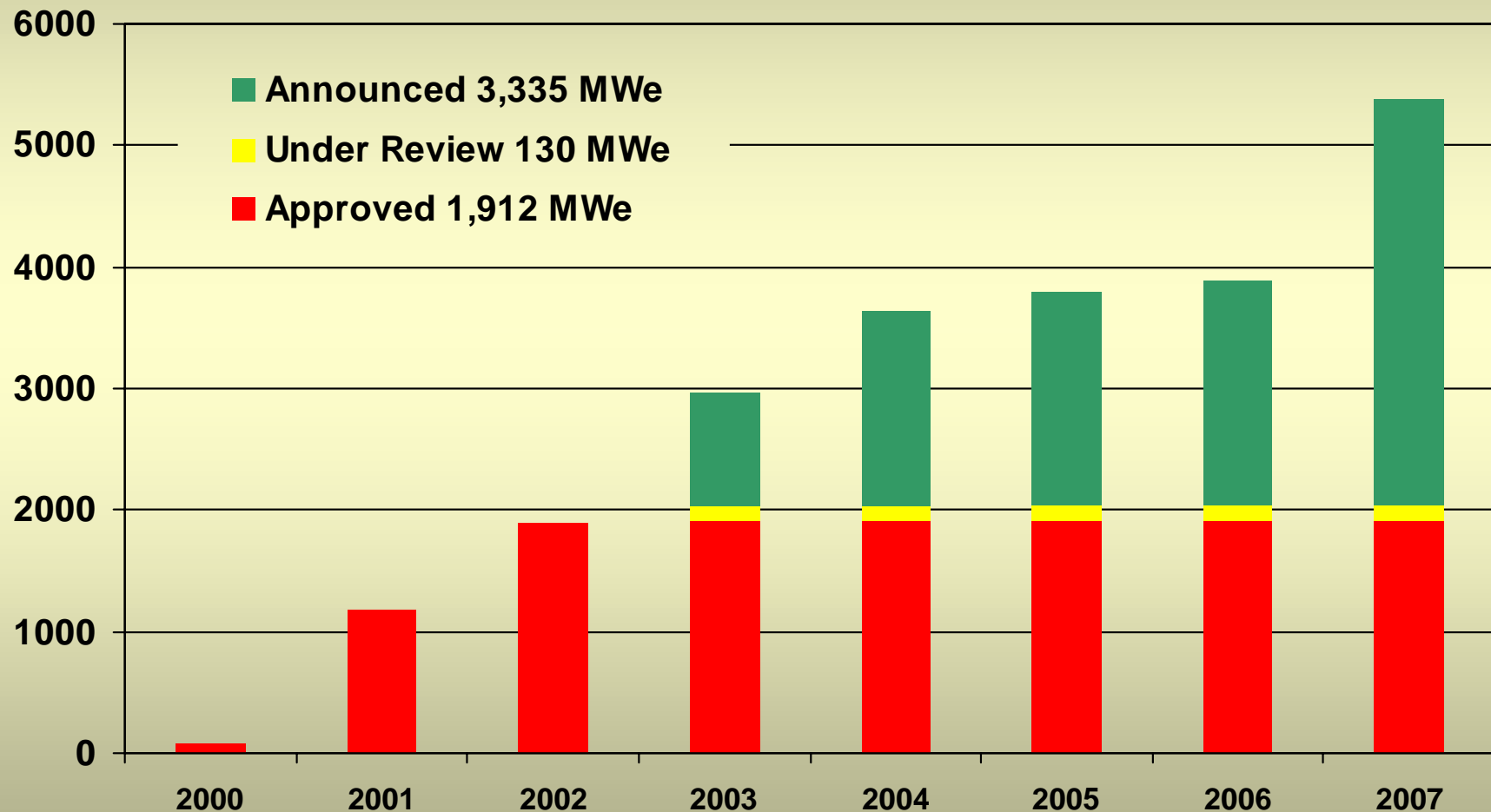
\$/kW refers to the construction cost of new nuclear plants

U. S. Generation Additions



NEI and Utility Data Institute

Nuclear Capacity Additions at Existing Facilities (2000-2007)



5 Source: NRC, includes Browns Ferry 1 restart

Exelon's Role

- ❑ Largest nuclear operator today
- ❑ Leader in ensuring and developing the future of nuclear power
- ❑ NuStart Energy Development Consortium
 - Constellation
 - Duke
 - Entergy
 - FP&L
 - EdF North America
 - Southern
 - TVA
 - Westinghouse
 - General Electric

Industry Consortium

- ❑ Reduce regulatory uncertainty**
- ❑ Complete design engineering**
- ❑ Background**
- ❑ Benefits**
 - o Risk spread among multiple participants
 - o Limited capital investment by power companies
 - o Convey positive message regarding future of nuclear through a unified group of industry leaders
- ❑ Milestones**
 - o Submit at least one COL application - 2008
 - o Receive COL approval – mid 2010

Seven Pre-Conditions for New Plants

- Demonstrated Market for the Power**
- Leadership**
- Right Reactor Technology**
- Regulatory Stability and Predictability**
- Acceptable Financial Returns**
- Re-establishment of Infrastructure**
- Public Confidence**

Summary

- Address Policy Issues**
- Establish Passively Safe Design**
- Need Tangible Solution to Waste Issue**
- Ensure Public Confidence of Plant Operations**
- Develop Future Workforce**
- Implement Consortium Next Steps**