



ABOUT CALVERT CLIFFS 3

UniStar Nuclear Energy is considering the Calvert Cliffs Nuclear Power Plant site in Lusby, Maryland for the construction of the first in a series of AREVA's 1,600-megawatt U.S. EPR™ reactors, an advanced design nuclear energy facility now under construction in France, Finland, and China.

In July 2007 UniStar began the Combined Operating License (COL) application process for Calvert Cliffs 3 (CC3) with the Nuclear Regulatory Commission (NRC). NRC issuance of a COL is required before a company can construct or operate a new nuclear energy facility. The COL application contains the Environmental Report (ER), the Final Safety Analysis Report (FSAR), Security and Emergency Plan information and other required documentation to support the NRC's issuance of an Environmental Impact Statement and Safety Evaluation Report. NRC issuance of a COL for CC3 is anticipated in mid-2012.

Recent Project Achievements

- May 2009 – CC3 is among four projects selected by the U.S. Department of Energy to enter the final phase of due diligence for a portion of \$18.5 billion in federal loan guarantees for new nuclear projects
- June 2009 -- Bechtel Construction Company and the Building and Construction Trades Unions secure a Project Labor Agreement for CC3 – the first of its kind for new nuclear energy facilities.
- June 2009 -- The Maryland Public Service Commission issues a final order approving CC3's application for a Certificate of Public Convenience and Necessity (CPCN), which includes many of the environmental permits needed for construction.
- July 2009 -- UniStar, AREVA and its U.S. consortium partner Bechtel Power Corporation sign a term sheet outlining the terms and conditions for an engineering, procurement and construction (EPC) contract for CC3.
- April 2010 -- The NRC publishes its Draft Environmental Impact Statement (DEIS) for CC3. In the DEIS, the NRC preliminarily recommends that the environmental portion of CC3's Combined Construction and Operating License (COL) be issued as proposed.

The U.S. EPR™ Technology

UniStar selected AREVA's U.S. EPR™ technology, because we believe it is the safest, most secure, most robust nuclear technology under construction in the world. The U.S. EPR™ design is:

- Based on technology that was first developed in the US, which 69 of our 104 nuclear energy facilities use today, which and has evolved into an advanced "Generation III+" design.
- Features a double-walled containment and four independent safety systems that allow many maintenance and inspection tasks to be completed while the reactor is online.
- Generates almost twice the electricity of today's typical facilities (1600 MWe compared to 900) and with less fuel (about 7% less than current systems due to increased efficiencies).

At least five EPR™ reactors are scheduled to be in operation prior to UniStar's planned facility at Calvert Cliffs, providing valuable project development experience. UniStar personnel are currently participating in construction

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of an EPR™ in Flamanville, France, and are bringing those lessons learned back to UniStar.

Environmental Commitment

Because UniStar's commitment to a clean environment is one of our core values, we have taken several important steps to minimize the impact that the proposed facility will have on the environment. These include

- Using a hybrid cooling tower design that is much lower to the ground (approximately 165 feet tall) vs. a traditional natural draft cooling tower (approximately 600 feet tall). The tower will also be equipped with a plume-abatement system to virtually eliminate visible water plume from the tower.
- Construction of a desalination plant to eliminate the need to use area groundwater sources for the facility once it is operational.
- Selecting a cooling system for Calvert 3 that would take in approximately 98 percent less water from the Chesapeake Bay than the existing Calvert Cliffs Units 1 and 2.

In addition, the proposed facility would be oriented on the site in a manner that minimizes its impacts on the critical area, wetlands, flora and fauna. Also, no new transmission corridors will be required to support CC3.

Benefits of a Possible Third Reactor

Many milestones must be achieved before we are able to commit to building the project, including the availability of financing, acceptable project economics, and required regulatory approvals. If a new, third reactor is built at Calvert Cliffs, it will help address the need for more 24/7 generated power in the Mid-Atlantic region by adding 1,600 megawatts of non-greenhouse gas emitting generating capacity – enough to power 1.3 million homes. Adding more power would also improve grid reliability and help bring stability to power prices in the Mid-Atlantic region.

In addition, a new reactor would have a positive effect on the local and state economies and would support expanding infrastructure needs in the area. The Calvert County Board of County Commissioners estimated the expansion could provide the county with approximately \$20 million in additional annual revenue during the first 15 years of operation. A new reactor would also create approximately 4,000 jobs during the peak construction period and approximately 400 permanent, new jobs after completion.

Source: UniStar Nuclear Energy, June 2010

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