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Nuclear Builders Keep Their Options Open

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Agence France-Presse — Getty Images Visitors look at a model of Mitsubishi's advanced pressurized water reactor at an international nuclear power exhibition in Hanoi.

The nuclear construction business looks highly uncertain at the moment, but companies that are interested in building are still keeping their options open, and spending money to do so.

Last week I wrote that Exelon, of Chicago, had dropped its application for permission to build in Victoria County, Texas, but was still [pursuing an "early site permit"](#) — a license for the patch of land, about 120 miles southwest of Houston.

Having that permit in hand would lop many months off the time needed to get a nuclear plant up and running if at some point in the future Exelon decided it was a good idea. So the company is working hard to win permission in the face of concerted opposition, even though it has no building plans at the moment.

Another company, Dominion, is not sure if it wants to build a [third reactor](#) at its North Anna nuclear plant in Virginia. The price of natural gas, a competing fuel, is very low, the recession has cut demand for power, and there is as yet no price on carbon dioxide emissions, a development that would have handicapped nuclear energy's competitors.

But on Monday, the North Anna project took a step forward, when Mitsubishi Heavy Industries' American subsidiary, Mitsubishi Nuclear Energy Systems, [announced an agreement](#) with Dominion for Mitsubishi to conduct "pre-construction, engineering and planning work" at the North Anna site on Lake Anna, in Louisa County, northwest of Richmond.

Dominion had initially intended to build a General Electric model, called the economic simplified boiling water reactor, but the company was unable to reach agreement on costs with GE and its nuclear partner, Hitachi, so it opened the project up for bid.

Earlier this year, Dominion told the Nuclear Regulatory Commission that it had selected [Mitsubishi's advanced pressurized water reactor](#), which is similar in concept to the two Westinghouse reactors already operating there. Mitsubishi is building two reactors for the Japan Atomic Power Company at [Tsuruga](#) with the same design it would use in Virginia, but ground has not been broken there yet.

Neither company disclosed the value of the contract. But Patrick Boyle, an American spokesman for Mitsubishi Nuclear Energy Systems, said that the company had 200 employees in the United States. The company has one other potential project in addition to North Anna; its technology has been selected for a new reactor at Luminant's Comanche Peak site, where two

reactors are already running. But Luminant also has not yet committed to build.

Dominion is expecting a ruling from the Nuclear Regulatory Commission in early 2013 on its application for permission to build and operate another unit at North Anna. At about the same time, the Commission is expected to give generic approval to the Mitsubishi design. At that point, Mitsubishi will have refined its cost estimate for the North Anna unit, and Dominion, which has been looking for a partner to share ownership, will have had more time to find one.

“We plan to re-assess the construction schedule and what we’re going to do with unit 3 at that time,” said a spokesman for Dominion, Richard Zuercher.

That may be too late to meet the company’s original goal of having a new reactor operating by 2018 or 2019, but would leave plenty of time if the soft market for electricity continues.