

Current Nuclear Energy Updates August-November 2005

Cabinet Endorses New Nuclear Energy Framework

On October 14, Japan's Cabinet endorsed the Framework for Nuclear Energy Policy, which outlines Japan's nuclear energy program over the course of the next decade. The updated documents focuses on continuing the nuclear fuel cycle policy, maintaining and improving the share of nuclear power, and introducing a fast breeder reactor on a commercial basis by around 2050.

Framework is available at: http://aec.jst.go.jp/jicst/NC/tyoki/taikou/kettei/eng_ver.pdf

Mox Fuel License Approved for Kyushu Electric Power Company's Genkai Nuclear Power Plant Unit 3

On September 7, the Minister for Economy, Trade and Industry, approved Kyushu Electric Power Company's application for a license amendment for the nuclear reactor installation at Genkai Nuclear Power Station. The approval gives a green light to Kyushu Electric's pluthermal project (using mixed oxide (MOX) fuel in a light water reactor). Upon receipt of consent from local governments, the Genkai Nuclear Power Plant's Unit 3 plans to start using MOX fuel in fiscal 2010.

Chugoku Electric Power Company Submits Request for Consent to its Pluthermal Project

On September 12, Chugoku Electric Power Company submitted a petition to the governments of Shimane Prefecture and the city of Matsue requesting prior consent under the safety agreement for the use of MOX fuel at its Shimane Nuclear Power Plant Unit 2 (820MW capacity BWR). After receiving consent from local authorities, Chugoku Electric Power Company will file an application with regulatory authorities to amend the Shimane plant's license in order to initiate its pluthermal project by fiscal 2010.

Chubu Electric Power Company Announces Pluthermal Project

On September 13, Chubu Electric Power Company announced that it is planning to launch a pluthermal project at Hamaoka Nuclear Power Plant Unit 4 (1,137MW capacity BWR) by fiscal 2010. Chubu Electric Power Company will eventually file an application to amend Hamaoka's reactor license, allowing it to accommodate MOX fuel and to begin contractual negotiations with MOX fuel fabricators.

P O W E R T O P I C S

Siting of the Interim Storage Facility

On October 19, 2005, Tokyo Electric Power Company and Japan Atomic Power Company signed an agreement on the siting of the Interim Storage Facility with Aomori Prefecture and the city of Mutsu. The Interim Storage Facility is designed to safely store spent fuel until it is reprocessed and provides greater flexibility to the nuclear fuel cycle program. (For description, see page 2-3.)

Interim Storage Facility



Siting of the Interim Storage Facility

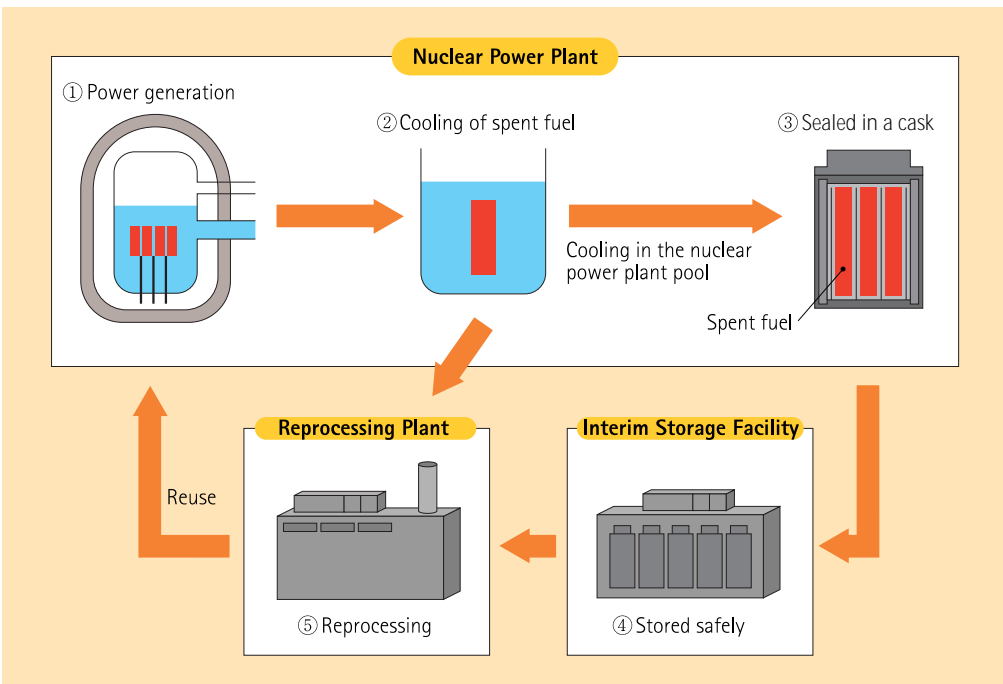
Japan's energy policy supports the nuclear fuel cycle in which spent fuel is reprocessed to recover valuable remainders (i.e. plutonium and uranium), and re-use them as fuel in nuclear power reactors.

The fifty-four nuclear power plants currently in operation throughout the country generate 900-1,000 tons of spent fuel annually, which have been stored mainly in the pools at nuclear power plants. Considering the amount of existing spent fuel and the capacity of the Japan Nuclear Fuel Ltd.'s reprocessing plant (800 tons per year) under construction in Rokkasho-mura, Aomori Prefecture, the construction of a facility to temporally accommodate the spent fuel is therefore plausible and sound. Accordingly, the Law for the Regulation of Nuclear Source Material, Nuclear Fuel Material and Reactors was amended in June 2000 to permit off-site interim spent fuel storage projects.

In April 2003, TEPCO completed a feasibility study on the Interim Storage Facility begun in November 2000 at the request of Mutsu city in Aomori Prefecture. The study confirmed that the construction of such a facility would be technically feasible. In February 2004, TEPCO called upon Aomori Prefecture and Mutsu city for cooperation in the siting of this facility. On October 19 of this year, a consensus was reached and all parties signed an agreement on the project.

The Recyclable Fuel Storage Company, a joint concern established by TEPCO and JAPC on November 21, 2005, will conduct licensing, construction and operation of the Interim Storage Facility. The facility is designed to safely store and manage spent fuel from nuclear power plants and is planned to start operation by 2010. The facility will have an ultimate storage capacity of 5,000 tons of spent fuel from power plants

Interim Storage and Reprocessing

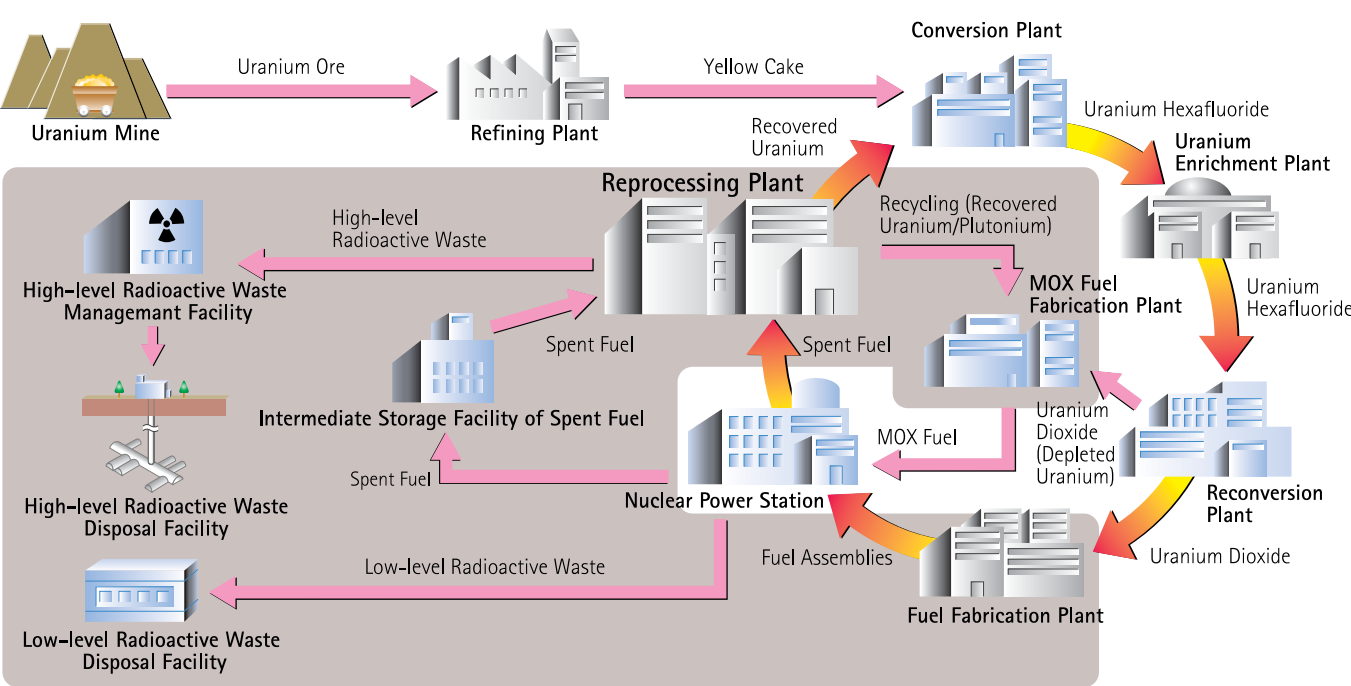


operated by TEPCO and JAPC, with an initial capacity of 3,000 tons and additional facility being built later.

Spent fuel will be stored in dedicated metal container casks. By agreement, any storage building or container cask will not store spent fuel for more than fifty years. Before the center reaches its fortieth year of operation, parties are supposed to consult each other as to the issues related to subsequent transport.

The Interim Storage Facility will provide essential flexibility to the overall operations of nuclear fuel cycle programs and will also serve to support the operations of nuclear power plants. The Framework for Nuclear Energy Policy, which was endorsed by the Cabinet on October 14, stressed the necessity of interim storage.

The Nuclear Fuel Cycle



(Example) Construction of a Metal Cask

