

Louisiana Energy cleared to build enrichment plant

Excellent news just in time for the next generation.

Reuters
June 23, 2006

The U.S. Nuclear Regulatory Commission issued Louisiana Energy Services, an international partnership of nuclear energy firms, a license on Friday to build and operate a uranium enrichment plant in New Mexico that will supply fuel to nuclear power plants.

The partnership said the enrichment plant, which will produce low-enriched uranium using gas centrifuge technology, is the first major commercial nuclear facility to be licensed in the United States in 30 years.

The facility is to be located outside Eunice, New Mexico, Louisiana Energy Services said. Louisiana Energy said the \$1.5 billion project will provide close to 300 full-time and contract jobs and more than 1,000 multiyear construction jobs.

The plant will provide an alternative enrichment supply source to U.S. nuclear energy companies. USEC Inc. (USU.N: [Quote](#), [Profile](#), [Research](#)) currently operates the only uranium enrichment facility in the United States -- a gaseous diffusion plant in Paducah, Kentucky.

The licensing followed a 2-1/2-year environmental and safety review, in which the NRC found that the project would not cause significant environmental problems or pose an undue risk to the safety of workers or the public.

Louisiana Energy Services is a partnership of major nuclear energy companies including Urenco and utilities Duke Energy Corp. (DUK.N: [Quote](#), [Profile](#), [Research](#)), Entergy Corp. (ETR.N: [Quote](#), [Profile](#), [Research](#)) and Exelon Corp. (EXC.N: [Quote](#), [Profile](#), [Research](#)). Urenco has been the general partner since March.

The partnership said it will go to the Urenco board in early July for authorization to start construction of the plant. It is scheduled to begin construction in August and will start operating in 2008.

Louisiana Energy said the facility already has accepted and committed contracts for the plant for more than \$3 billion.

USEC also wants to build a new gas centrifuge facility -- the \$1.7 billion American Centrifuge Demonstration Facility -- in Piketon, Ohio. USEC, which filed with the NRC in 2004, hopes to have its plant in service in 2010.

The U.S. nuclear industry has been virtually frozen since the accident at Three Mile Island in 1979, the worst such incident in U.S. history. No company has followed through with new plans to build a nuclear plant since.

But President George W. Bush has backed renewed construction of nuclear power plants as part of his energy policy, and incentives for the plants were part of last year's energy bill.

Also, in an indication of a possible shift in public opinion, some prominent environmentalists have said they now support nuclear power because the plants produce hardly any greenhouse gas emissions.