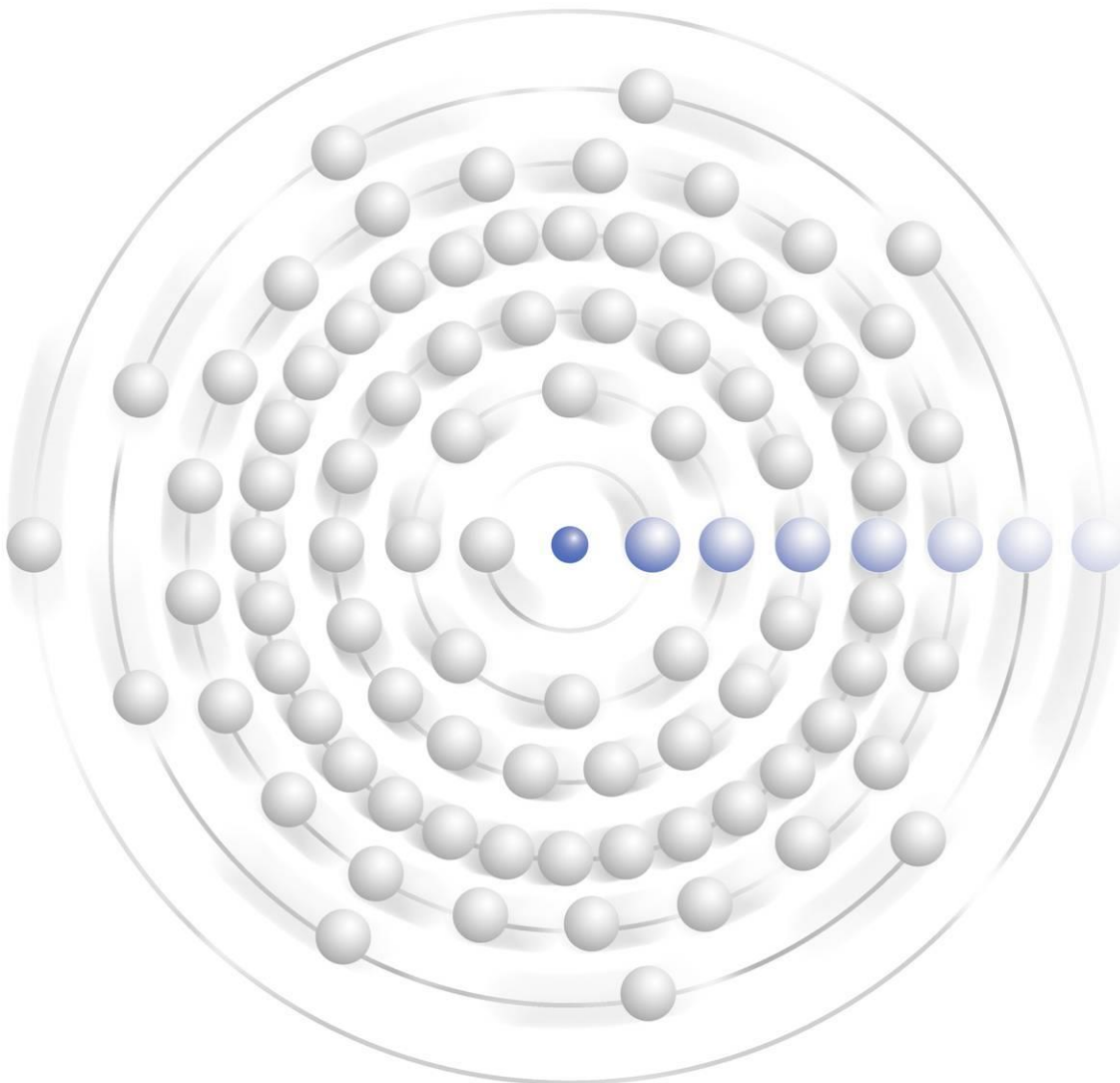




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The logo for PolicyWatch, featuring a green square icon with a white eye symbol on the left, followed by the word "Policy" in green and "Watch" in black, both in a bold sans-serif font.

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# Table of Contents

<b>Introduction</b>	<b>4</b>
Purpose of the Report.....	4
Structure of the Report.....	5
<b>1 – Nuclear Power Policy</b>	<b>6</b>
North America .....	7
• U.S. DOE Loan Guarantees .....	7
Analysis .....	7
• U.S. Federal Budget .....	8
FY 2014 Omnibus Spending Bill .....	8
FY 2015 Budget Proposal .....	8
Proposed Sale of TVA .....	9
• U.S. Small Modular Reactor Developments .....	9
• U.S. State Legislation and Power Market Rules .....	10
Exelon .....	11
Entergy .....	11
• Canadian Nuclear Liability Legislation .....	11
Asia .....	12
• Japan Watch Update .....	12
Reactor Restarts.....	12
Long-Term Nuclear Energy Plan .....	15
• South Korea’s New Energy Strategy .....	16
• China Update .....	17
• India: Nuclear Trade Issues in the Context of Nationwide Elections .....	18
Europe.....	19
• In Focus: European Commission Investigates UK’s State Aid for Hinkley Point C.....	19
Background: Hinkley Point C Agreement .....	19
EC’s State Aid Investigation .....	20
• State Aid or Not? .....	20
• Possibility of Exemption .....	21
EC Response .....	22
EC Environmental and Energy State Aid Guidelines .....	22
Next Steps .....	22
Potential Implications.....	23
• Germany’s E.ON Plans Early Retirement for Grafenrheinfeld .....	24
• Poland Adopts a Nuclear Power Program .....	25
<b>2 – Front End Nuclear Fuel Cycle</b>	<b>26</b>
Kazakh Litigation Proceedings against Betpak Dala and Kyzylkum Joint Ventures .....	27
• Resurgence of a Five Year Old Case .....	27
• Uranium One: In the Line of Fire.....	28
• Implications of the Court Ruling .....	28
Niger and AREVA Negotiate Uranium Mining Terms.....	30
• Background: Niger’s Uranium Mining History .....	30
• AREVA’s Uranium Mining Contract .....	31
• Protests Emerge.....	32
• AREVA Halts Production in Niger .....	32
• Issues Going Forward.....	33
• Analysis.....	34
GLE to Seek License for Enrichment Plant at Paducah.....	35
• Background: Key Terms and Conditions of the Solicitation .....	35
• GLE’s Letter of Intent, Paducah Laser Enrichment Facility (PLEF) .....	36
• Analysis.....	37
DOE Takeover of ACP .....	38
• Analysis of Simpson/Moniz Exchange .....	38
• USEC’s Deliveries under ACP Contracts Going Forward .....	39
U.S. Russian Suspension Agreement (RSA) Quota for the U.S. ....	39
U.S. Russian Suspension Agreement (RSA) Re-Export Rules for Japanese Utilities .....	39
Future Sales of TSA SWU .....	40

• USEC Responds Positively to ORNL Takeover of the ACP .....	40
• The ACP RD&D Program.....	40
• Conclusions.....	42
Selling URENCO: Still Obstacles to Overcome.....	43
• Background .....	43
• Latest Developments .....	43
• Analysis.....	44
<b>3 – Secondary Supplies .....</b>	<b>45</b>
Russian HEU Feed.....	46
DOE Excess Uranium Disposition.....	46
• DOE to Update May 2012 Secretarial Determination .....	47
Russia Begins Utilization of MOX.....	47
<b>4 – Nuclear Trade Issues .....</b>	<b>48</b>
In Focus: Impact of the Geopolitical Situation in Ukraine and Russia on the Nuclear Fuel and Nuclear Power Markets .....	49
• Western Response: Imposition of Sanctions .....	49
• Immediate Impact: Nuclear Power in Ukraine and Eastern Europe.....	50
• Russian Reaction .....	51
• United States.....	52
What If?.....	52
Bottom Line.....	53
• European Union .....	54
• Impact on the Global Nuclear Power Industry.....	55
• Conclusions.....	56
Contract Approvals Pursuant to Quotas Established by the Amended Russian Suspension Agreement and the Domenici Agreement .....	57
• End of the HEU Agreement.....	57
• TENEX Contract Approval .....	57
• USEC Contract Approval .....	57
USEC Requests Permission to Import LEU into the U.S. Outside of the RSA Limits .....	58
• Background.....	58
• RSA Re-Export Exemption Rule Request.....	58
• RSA Re-export Quota Background .....	59
• PRI/CBR Register Objection .....	60
• USEC Submits Revised Request.....	61
• DOC Suspends and Restarts Comment/Rebuttal Period .....	61
• Analysis.....	62
Progress Update on the U.S. 123 Agreements .....	64
• China.....	64
• IAEA .....	64
• Norway .....	65
• Republic of Korea.....	65
• Taiwan.....	65
• Vietnam.....	66
DOE Rulemaking: 10 CFR Part 810.....	67
<b>5 – Spent Fuel Management .....</b>	<b>68</b>
UK Policy on the Management of Civilian Plutonium: An Update .....	70
• Background .....	70
• Assessing the use of MOX Fuel.....	71
• Analysis.....	72
Nuclear Waste Fund Fee Collection to Be Suspended .....	73
• DOE Sought <i>En Banc</i> Review.....	75
• Review Denied .....	77
• Analysis.....	77
• Impact of the Ruling .....	78
Waste Confidence and Yucca Mountain .....	80
• Waste Confidence.....	80

• Yucca Mountain .....	82
• Analysis.....	82
<b>6 – Nonproliferation .....</b>	<b>84</b>
2014 Nuclear Security Summit: Reducing HEU and Pu Stockpiles .....	85
• Background.....	85
• HEU-LEU Conversion in Research Reactors .....	85
• US-Japan Cooperation: Reducing HEU and Pu stockpiles .....	86
• Final Communiqué.....	86
• Analysis.....	87
Construction of U.S. MOX Fabrication Facility to Be Suspended .....	88
• History.....	88
• Delays and Cost Overruns in U.S. Program .....	89
• U.S. Reaction and Possible Impact on PMDA .....	90
• Conclusions .....	92
Threat of Sanctions: Potential Role for the Nuclear Fuel Banks .....	93
• Russian Nuclear Fuel Bank in Angarsk .....	93
• IAEA Fuel Bank.....	93
• American Assured Fuel Supply.....	94
• Possible Russian LEU Disruptions .....	94
• Potential Role of the Fuel Banks.....	95
• Conclusions .....	96
<b>Appendix 1 – GLE Letter of Intent .....</b>	<b>97</b>
<b>Appendix 2 – NRC Response to GLE Letter of Intent .....</b>	<b>98</b>
<b>Appendix 3 – USEC Request December 11, 2013 .....</b>	<b>99</b>

## List of Tables

Table 1. U.S. DOE Proposed Nuclear Energy FY 2015 Budget .....	8
Table 2. Japanese Reactors with Restart Applications Submitted to NRA .....	13
Table 3. NRA Seismic and Tsunami Evaluations of Japanese Reactors.....	14
Table 4. DOE Funding to Date for the RD&D Program.....	41

## Introduction

From the early days of the nuclear fuel industry to today, government policy decisions have shaped the way we do business. The events at Fukushima Daiichi marked a turning point in the global nuclear industry, leading to a range of political responses by governments around the world. In the wake of the Fukushima accident, the role of governments and public policy has become even more important in all areas of the nuclear fuel market and the wider nuclear industry. Recent events, such as the threat of western sanctions against Russia, negotiations with the government of Niger over the terms of uranium mining operations, or U.S. government excess uranium inventory disposition, are just some examples of the key role that governments and policy play in shaping the future of the nuclear power and nuclear fuel industries.

UxC's *Policy Watch* monitors decisions in such key areas as nuclear power policy, regulatory policy, economic and trade policy, nonproliferation, and national security, recognizing that decisions made today will shape the market for decades to come.

## Purpose of the Report

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This report's primary objective is to provide comprehensive information and analysis of the key nuclear policy developments over the past quarter. The goal is to examine how these various policy decisions influence the supply and demand side of the nuclear markets so as to provide support for the current participants in the nuclear markets, including suppliers, utilities, government agencies, investors, and financial institutions.

For many years, UxC's *Policy Watch* has served as a detailed source of information and analysis of key policy issues that affect the global nuclear fuel market. Although it has traditionally been a periodical on-line source of information, UxC has decided to expand *Policy Watch* to a quarterly report service in light of the fact that the influence of policy decisions continues to increase in the post-Fukushima world and more comprehensive coverage was needed. In an effort to improve our service, *Policy Watch* will issue quarterly reports while retaining timely periodical updates on key issues.

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## Structure of the Report

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The report organizes different nuclear policy issues into key topics, each of which is covered in a separate chapter.

**Chapter 1 – Nuclear Power Policy** takes a close look at the key policy developments – both those that support and hinder nuclear power growth – that impact the nuclear power industries worldwide.

**Chapter 2 – Front End Nuclear Fuel Cycle** focuses on the government policies related to the front end of the nuclear fuel cycle – uranium, conversion, and enrichment.

Supplies in the nuclear fuel market can be divided into primary and secondary. The latter is a broad term which encompasses non-traditional supplies, including government inventories in various forms, commercial inventories, mixed oxide fuel (MOX), and reprocessed uranium (RepU). This important source of supply is addressed in **Chapter 3 – Secondary Supplies**.

One of the key ways governments can influence markets is through various trade policies. In recent years, the international nuclear fuel markets have experienced a major transformation in nuclear material trade issues; however, despite normalization of many trade relations worldwide, trade restrictions continue to cause distortions in material flows as well as influence supply, demand, and prices. **Chapter 4 – Nuclear Trade Issues** focuses on trade issues affecting both the nuclear power and fuel markets.

**Chapter 5 – Spent Fuel Management** includes developments and changes or modifications in national policy decisions related to spent fuel management, significant milestones towards implementing established policy, and major decisions that affect spent fuel management.

Finally, **Chapter 6 – Nonproliferation** explains and analyzes nonproliferation developments as they pertain to the commercial nuclear fuel cycle and aims to provide readers with an understanding of current nonproliferation developments and how these could affect commercial nuclear markets.