



**Policy Watch Briefing Service**



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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 – Highlights of Global Policy Developments</b>	<b>6</b>
• Nuclear Power Policy	6
• Front End Nuclear Fuel Cycle	9
• Secondary Supplies	10
• Nuclear Trade Issues	10
• Spent Fuel Management	11
• Nonproliferation	12
<b>2 – Nuclear Power Policy</b>	<b>13</b>
North America	14
• U.S. Federal Budget for Fiscal Year 2020	14
U.S. NRC Budget Request	15
• NRC Issues Post-Fukushima Safety Rule	15
• U.S. DoD Issues RFI for Small Mobile Reactor Demonstration Project	16
• U.S. DOE Signs Deal for Two NuScale Modules at INL	17
• U.S. DOE Launches Versatile Fast Neutron Source Program	17
• U.S. Congressional Developments	18
Nuclear Energy Innovation and Modernization Act	18
Green New Deal Introduced by Progressive Lawmakers	18
• Federal Government Efforts to Support At-Risk Nuclear Plants	19
• State Efforts to Support At-Risk Nuclear Plants	20
Connecticut	20
New Jersey	21
Pennsylvania	22
Ohio	24
• NERC Report Shows Risks of Early Reactor Retirements	25
• NARUC Winter Policy Summit Panel Calls for Nuclear Power Support	25
• New Mexico Moves to Require 100% Clean Energy by 2045	26
• U.S. Nuclear Industry Advocates for Export Financing Support	26
Western Europe	28
• Spain to Decide on Energy Transition and Nuclear Phase-Out	28
Political Shifts	28
Preliminary Agreement on Nuclear Phase-Out	28
• Analysis	29
• France Update	31
Climate Bill Under Consideration	31
Strategic Nuclear Contract	31
Potential for Nuclear New Build	31
EDF Update	32
Nuclear Safety Upgrades	32
Flamanville 3 Update	33
Analysis	33
• UK Update	34
Operating Fleet Issues & Sale of EDF Energy	34
Nuclear New Build	34
• Hinkley Point C Update	34
• Horizon Nuclear / Wylfa Newydd	34
• Moorside Project	35
• Bradwell Project	35
Small Modular Reactors	36
Analysis	36
• European Energy Strategy	37
Baseline Scenario	37
Analysis	38
Eastern Europe	40

- Bulgaria Launches Belene Tender..... 40
- Analysis..... 40
- Czech Government Outlines Plans for Nuclear New Build ..... 43
  - Analysis..... 44
- Rosatom Adopts a 100-year Strategy ..... 45
  - Analysis..... 45
- Asia ..... 47
  - Japan Update..... 47
    - Reactor Restart Developments ..... 47
    - Reactor Restart Forecast ..... 47
    - Kyushu Announces Genkai 2 Decommissioning..... 48
    - JAIF Survey of Industry Executives Shows Doubts Over Nuclear Targets ..... 49
  - South Korea Update..... 50
    - Domestic Nuclear Power Program ..... 50
    - Opposition Mounts to Moon Government Nuclear Phaseout Policy..... 50
    - Nuclear Export Initiatives ..... 51
  - China Update ..... 52
    - China’s Atomic Energy Law ..... 52
    - Current Projects ..... 52
    - Domestic New Projects ..... 52
    - AP1000 Technical Problems ..... 54
    - International Projects ..... 54
    - New AP1000 Projects and U.S. Sanctions..... 55
    - Analysis..... 55
  - Taiwan Update ..... 57
  - India Update..... 59
    - Analysis..... 60
- Africa & Middle East..... 61
  - UAE Update: Barakah Project ..... 61
    - Barakah Long-Term Maintenance Agreement ..... 61
    - Qatar Expresses Concern over Barakah..... 62
    - Analysis..... 62

**3 – Front End Nuclear Fuel Cycle ..... 63**

- In Focus: High-Assay Low Enrichment Uranium Initiatives..... 64
  - DOE Clears Path for HALEU Fabrication at INL..... 64
  - U.S. DOE Selects Centrus for HALEU Project..... 64
  - Opposition to the Award..... 65
  - NEI’s Role in Promoting Government Action on HALEU ..... 65
  - URENCO USA announces HALEU activities..... 65
  - Analysis..... 66
- In Focus: Kazakh President Nazarbaev Resigns ..... 69
  - Analysis..... 69
- Wyoming Legislators Seek Tax Break for Uranium Miners ..... 71
  - Uranium Mining in Wyoming ..... 71
  - House Bill 139..... 72
  - Analysis..... 72
- Westwater Moves Temrezli Dispute to Arbitration ..... 75
  - Background..... 75
  - License Revocation..... 75
  - Arbitration and Acceptance..... 75
  - Analysis..... 76

**4 – Secondary Supplies ..... 77**

- U.S. Department of Energy Inventories..... 78
  - UF<sub>6</sub> Barter: President’s Budget Proposal ..... 78
    - Analysis..... 79
  - NNSA HEU Downblending..... 79
  - DOE High Assay Depleted Uranium ..... 80
  - Section 232 Petition and DOE Inventory Disposition..... 80

<b>5 – Nuclear Trade Issues</b>	<b>82</b>
U.S. DOC Revokes Antidumping Duty Order on LEU from France .....	83
• Analysis.....	83
Section 232 Investigation.....	85
• Impact of the U.S. Government Shutdown .....	85
• Domestic Industry Surveys .....	85
• NEI Seeks Industry Compromise.....	85
• Congressional Investigation of U.S. Uranium Producers’ Lobbying .....	86
• Congressional Efforts to Reform Section 232.....	86
• Analysis.....	87
Russian Suspension Agreement.....	90
• U.S. DOC Opens RSA Consultations with Rosatom .....	90
• Administrative Reviews.....	90
• Russian Sanctions .....	91
• Analysis.....	92
Brexit Update .....	94
Nuclear Cooperation Agreements.....	97
• India – Uzbekistan .....	97
• United States – India.....	97
• India – Russia .....	97
• India – Argentina.....	97
• India – France.....	98
<b>6 – Spent Fuel Management</b>	<b>99</b>
Expert Panel Offers U.S. Spent Fuel Management Recommendations .....	100
• Recommendations.....	100
• Analysis.....	102
DOE and NRC Fiscal Year 2020 Budget Requests .....	104
• Next Steps / Analysis .....	108
<b>7 – Nonproliferation</b>	<b>109</b>
DOE Shuttles MOX Fuel Fabrication Facility.....	110
• Analysis & Next Steps.....	112
<b>Appendix Attachments</b>	<b>113</b>
• Appendix 1 – Expression of Interest for a Strategic Investor in Bulgaria’s Belene NPP.....	113
• Appendix 2 – Congressional Inquiry into Uranium Lobbying .....	113
• Appendix 3 – S.287 Bill to Amend U.S. President’s 232 Authority .....	113
• Appendix 4 – S.365 Bill to Amend U.S. President’s 232 Authority .....	113
• Appendix 5 – NEI’s Proposal to DOC in Response to Section 232 Investigation .....	113
• Appendix 6 – Revocation of Antidumping Duty Order on LEU from France .....	113
• Appendix 7 – U.S. DOC’s Invitation to Rosatom for RSA Consultations .....	113
• Appendix 8 – U.S. DOC’s Administrative Records Re: RSA Consultations.....	113
• Appendix 9 – Agenda for U.S. DOC’s Verification of RSA Questionnaire Responses .....	113
• Appendix 10 – LES Pre-Verification of RSA Comments.....	113

## List of Figures

Figure 1. Primary Energy Production in the Baseline Scenario .....	38
Figure 2. Gross Electricity Generation in the Baseline.....	38
Figure 3. NEI Estimated Annual Requirements for HALEU to 2030 (MTU/yr) .....	66
Figure 4. U.S. Department of Energy FY 2020 Budget Request.....	78

## List of Tables

Table 1. Japan Reactor Restart Forecast Scenarios, 2015-2025 .....	48
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## Introduction

From the early days of the nuclear fuel industry to today, government policy decisions have shaped the way we do business. There is no doubt, however, that today, the impact of decisions made by governments have increased. The events at the Fukushima Daiichi nuclear power plant in 2011 marked a new 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.

When thinking about present-day nuclear fuel markets, the only thing one can say with certainty is that these are uncertain times. Factors not stemming from broader market fundamentals have become increasingly prominent. Conspicuous among them has been a flurry of recent developments related to nuclear trade that has raised the specter of a new trade war. The Section 232 investigation, Russia's inclusion of the nuclear industry within proposed retaliatory sanctions against the U.S., the ongoing fight over the Russian Suspension Agreement (RSA), and 'Brexit,' that are all developing concurrently, represent but a few of the key events that have the potential to radically change the nuclear fuel markets.

Government policies are key determinants shaping future nuclear capacities. These policy developments – including those that both support and hinder nuclear power growth – impact the global nuclear power industry and determine the most important factor for the industry: how many reactors will be operating and where.

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.

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## Purpose of the Report

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 to provide support for the nuclear market participants, 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. UxC's *Policy Watch* has been expanded to include comprehensive quarterly reports. In addition to four quarterly reports per year, subscribers will receive timely periodic updates on key developing 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.

In **Chapter 1 – Executive Summary: Key Policy Developments**, we provide the latest quarter’s highlights of key policy-related developments.

**Chapter 2 – Nuclear Power Policy** takes a close look at the key policy developments – including those that both support and hinder nuclear power growth – that impact the nuclear power industries worldwide.

**Chapter 3 – 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 supply categories. The latter is a broad term that 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 and its related policy issues are addressed in **Chapter 4 – 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 a normalization of many trade relations worldwide, trade restrictions continue to cause distortions in material flows as well as influence supply, demand, and prices. **Chapter 5 – Nuclear Trade Issues** focuses on trade issues affecting both the nuclear power and fuel markets.

**Chapter 6 – 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 7 – 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.