

Testimony of Robert Freeman, Vice President Fuels

Framatome, Inc.

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Energy and Public Utilities Committee
Ohio Senate
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Thank you Chairman Wilson, Vice-Chair McColley, and Ranking Member Williams for the opportunity to speak here today. My name is Robert Freeman; I am Vice President of Contracts and Services, Fuel Commercial and Customer Center for Framatome, Inc. Substitute House Bill 6 is vital to supporting Ohio's nuclear assets, the highly skilled workforce associated with those plants, and sustaining the millions of dollars spent in local Ohio communities during plant outage work. Framatome, Inc. supports this legislation because it recognizes the unique contributions made by decades of investments in nuclear power in Ohio.

Leveraging the expertise of its 2,300 North American employees, Framatome Inc. is focused on servicing and fueling today's U.S. and Canadian nuclear fleet. We provide on-site services for nuclear plant operators, including reactor maintenance and modernizations, component repair and replacement, and refueling. We design and manufacture fuel assemblies for the existing and next generation of nuclear reactors.

We are the Original Equipment Manufacturer for the Davis-Besse Nuclear Power Plant.

Framatome has supplied fuel to the plant since it began operations in 1977. Davis-Besse is the newest B&W reactor in the US fleet. Many of the key components have been replaced with the latest technology we can provide as an industry including steam generators, a reactor vessel head, and pressurizer heaters. The plant is also continuing to modernize in order to increase

reliability and improve performance. It is well-run and one of the most modern reactors in the U.S. nuclear industry. Ohio's nuclear power plants are truly national assets that should not be discarded lightly.

Previously, my colleague and leader of our Installed Base business unit, Craig Ranson, testified before the House Energy and Natural Resources Committee. He detailed the critical economic impact that nuclear plant outages have on a community. I have included that information for reference, but today I would like to focus specifically on the refueling process for Davis-Besse.

As I mentioned earlier, Framatome has been the exclusive fuel supplier for Davis-Besse since the plant's inception. Refueling is required every 24 months at Davis-Besse with the next scheduled refueling outage in February of 2020, but work begins well before that time to enable on time delivery required to maintain safe and reliable operations. Fabrication begins more than one year in advance of the scheduled delivery including manufacturing of the fuel parts common to our fuel designs. Additionally, there is engineering and licensing work specific to this refueling that begins as well. Nuclear fuel is custom designed and licensed for a specific nuclear reactor and operating cycle. As a result, FirstEnergy Solutions (FES) must make critical financial commitments at least 8 months prior to the February 2020 scheduled refueling outage to order its fuel. FES will reach this critical decision and spending point for Davis-Besse at the end of June.

Many of today's speakers can tell you about the benefits of an operating nuclear power plant. They can tell you how retiring Davis-Besse and Perry would reduce Ohio's GDP by hundreds of millions of dollars and result in approximately 4,200 job losses. How gross electricity costs

would increase and impact residents across Ohio. How local and state tax bases will be affected. However, the supplier community knows that is not the only impact. If plants like Davis-Besse close, and the number of refueling outages per year continues to shrink, the culture and highly skilled resources will be eroded. Moreover, for the next generation, the incentive to get into the nuclear industry will decrease further causing strains on our workforce.

There is no technical reason why Ohio's nuclear power plants need to close. This legislation will mean highly-skilled, family-supporting jobs, stay in Ohio. It will ensure emissions-free electricity powers millions of properties. It will benefit local communities with millions of dollars in annual spending. Finally, it will show this generation of Ohioans had the foresight to preserve irreplaceable assets handed down to it by prior generations. We thank you for your support.

Nuclear Plant Outage Footprint

Support for the Ohio nuclear plants is an investment in people and skill-sets. Many of the outage workers come from local communities and union halls. Framatome uses a mix of our highly trained employees with local workers as appropriate. As much as possible, these workers have specific experience working at Davis-Besse in order to achieve high levels of performance, quality, and safety. And, in terms of the local workers we employ, we have trained them to perform outage specific tasks that cannot be performed in another industry. In the past, we have employed as many as 500 workers to support our outage tasks and we believe as many as 200 workers will be needed for our near-term work. This influx of labor stays in the community for 30 to 60 days given the demands of pre-planning an outage, executing it and any follow-up work

required. Our employees rent hotel rooms, eat at local restaurants, and make other purchases thereby contributing to the local and state tax bases. In addition, we use local machine shops to purchase some parts and supplies locally in support of our work.

I'm proud to say that every dollar spent by our employees and contractors in restaurants, hotels, and local businesses supports local schools, police and fire departments, and regional producers in Northwest Ohio.

Nor are these one-time occurrences. Nuclear power plants undergo scheduled outages every 18 to 24 months. At a minimum, the plant disassembles, re-fuels, and re-assembles the reactor during a typical outage. Along with this work there are also required inspections and maintenance work on various components throughout the plant to ensure the plant is safely operated for another 18-24 months. If the inspections performed identify any issues for the plant they are addressed prior to restart of the plant. A typical outage in the United States lasts from 25-30 days. They generally cost in the tens of millions of dollars. Most of that cost is in labor. Of that, a supplier like Framatome may seek to perform millions of dollars' worth of work in a tightly coordinated effort that ensures first time quality with world-class safety. Hundreds of well-compensated, supplemental, workers are required to perform these tasks. Indeed, anywhere from 700 to 1,000 workers support outage activities.

At Davis-Besse, Framatome has an Alliance Agreement with FirstEnergy Solutions to support the plant's outages. We are proud of our contributions to that facility. During the last outage in 2018, for example, Davis-Besse Nuclear Power Station shutdown for refueling and maintenance

for 24 days which represented their best ever outage performance. More than 1,000 FirstEnergy and outage contractors performed inspections, preventative maintenance, and improvement projects.

The skillsets of a nuclear worker are truly unique but what really makes them stand out from other industries is the culture of operational excellence that we demand. As a company, we know that nuclear is special and thus we demand a special culture from everyone we employ to ensure the safety of the plant, the employees, and the surrounding population. During the 2018 outage season, Framatome successfully supported 38 outages at nuclear energy facilities across North America. In total, Framatome employees completed a record-setting 5.1 million safe work hours with zero lost-time incidents, accomplishing more than 10,000 fuel moves, and over 200,000 steam generator tube inspections. These critical inspection and maintenance tasks extend the life of nuclear power plants by supporting long-term operations, enhancing safety, and optimizing resources. Our unique skillsets, and this mindset, are what make us irreplaceable.

