

Agenda CoC Nuclear Project Review, March 13, 2009

10:00 – 10:30	Introduction / Feedback / Strategy Retreat	<i>E.ON AG</i>
10:30 – 11:00	Project Screening USA/France Trila WG2	
11:00 – 12:00	Project status of UK Fennovoima all other nuclear projects	<i>CoC NND supported by MU</i>
12:00 – 13:00	Status Project Screening Part 2 Sweden; Italy; France; CEE	<i>CoC NND</i>
13:00 – 13:45	Lunch break	
13:45 – 14:00	Status Kooperation Areva/Siemens CoC Any other business	<i>All</i>



New framework for mid term investment planning

CoC Nuclear Project Review, March 13, 2009

Four reasons to consider prioritized investment planning

1 Financial constraints

- Current "Generation Strategy" requires €28bn between 2009-15 (€18bn Capex + €10bn maintenance)
- €28bn equals 34% of total E.ON group investments in this period!
- €15bn sunk for projects under construction and committed maintenance

2 Uncertainty around CCS

- Relaisation of CO₂ targets and development of new coal is dependant on uncertain CCS technology
 - Clarity on legal framework and social acceptance not expected before 2015
 - Cost of full scale CCS looks high and not likely to be proven before 2020
 - CCS comes in large blocks so is ill suited to a progression role out

3 Regional prioritisation

- Ranking of Generation markets leads to a relative allocation of capital (most attractive markets receive the most capital)

4 New emerging long term nuclear options in Europe need to be incorporated

- Options look initially attractive, but require further appraisal
- Further new nuclear needs to be incorporated in the Generation Strategy

Capital Constrains leads to stronger focus on project prioritisation

Two pillar approach to Project Prioritization assesses both the regional market and project attractiveness

1

Regional assessment

- Attractiveness of regional generation markets (based on regional split)
- Requirements of regional portfolios (based on regional split)

2

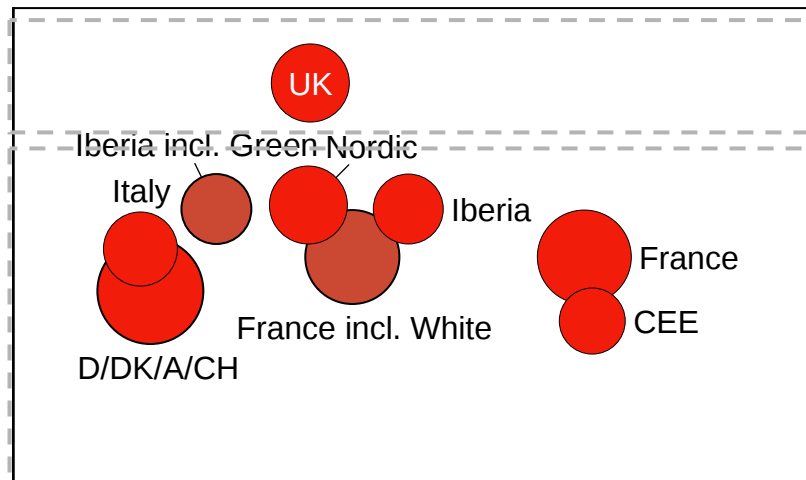
Project assessment

- Site quality
- Site synergies
- Strategic merits (e.g. CHP)
- Maturity of projects

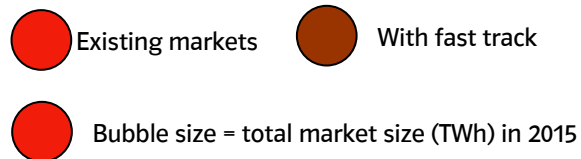
Regional assessment and portfolio requirements leads to clear implications

Market Attractiveness

Consists of: Market size, generic IRR, market liquidity efficiency, feasibility with Generation Strategy, gas-to-power synergies



Portfolio Requirements 2015



Implications

Market Attractiveness

- UK, single most attractive market due to high replacement needs
- Slightly higher potential for Spain and Italy mainly due to higher expected growth rates

Portfolio requirements

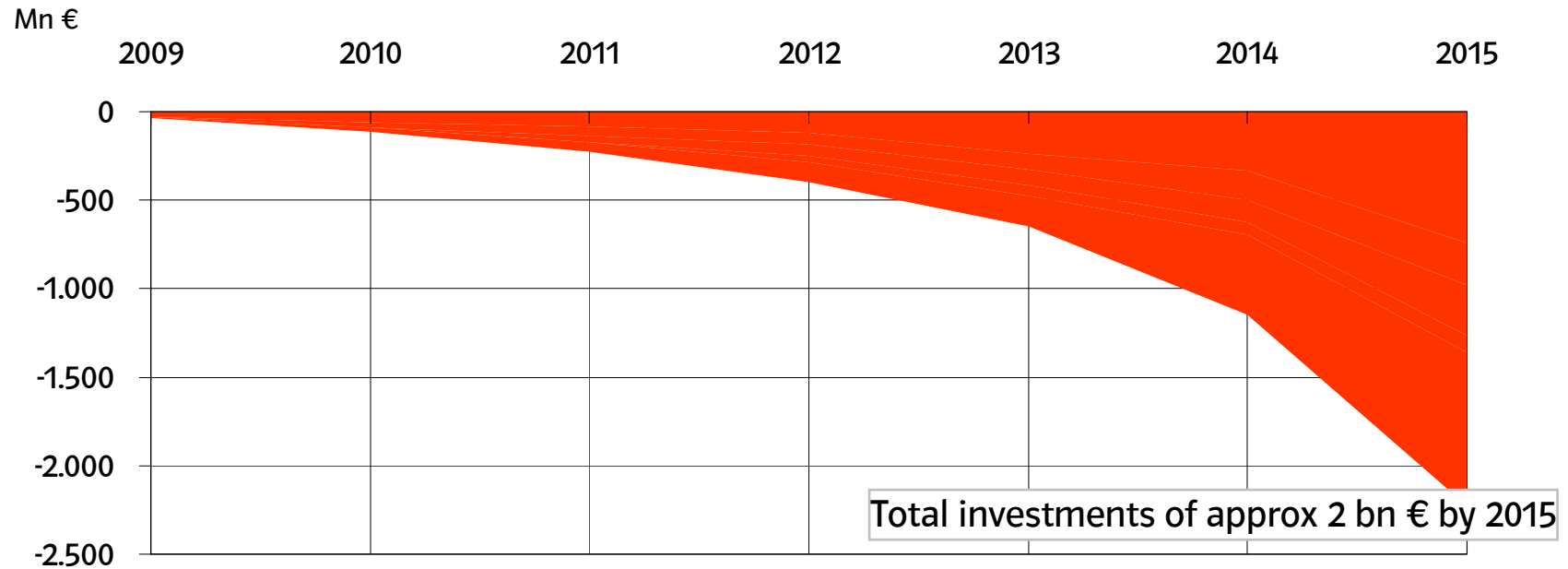
- Italy and CEE least investment needs from E.ON market position point of view
- Position improvement in CEE requires a very high level of investment

Specific strategic rationales for CEE

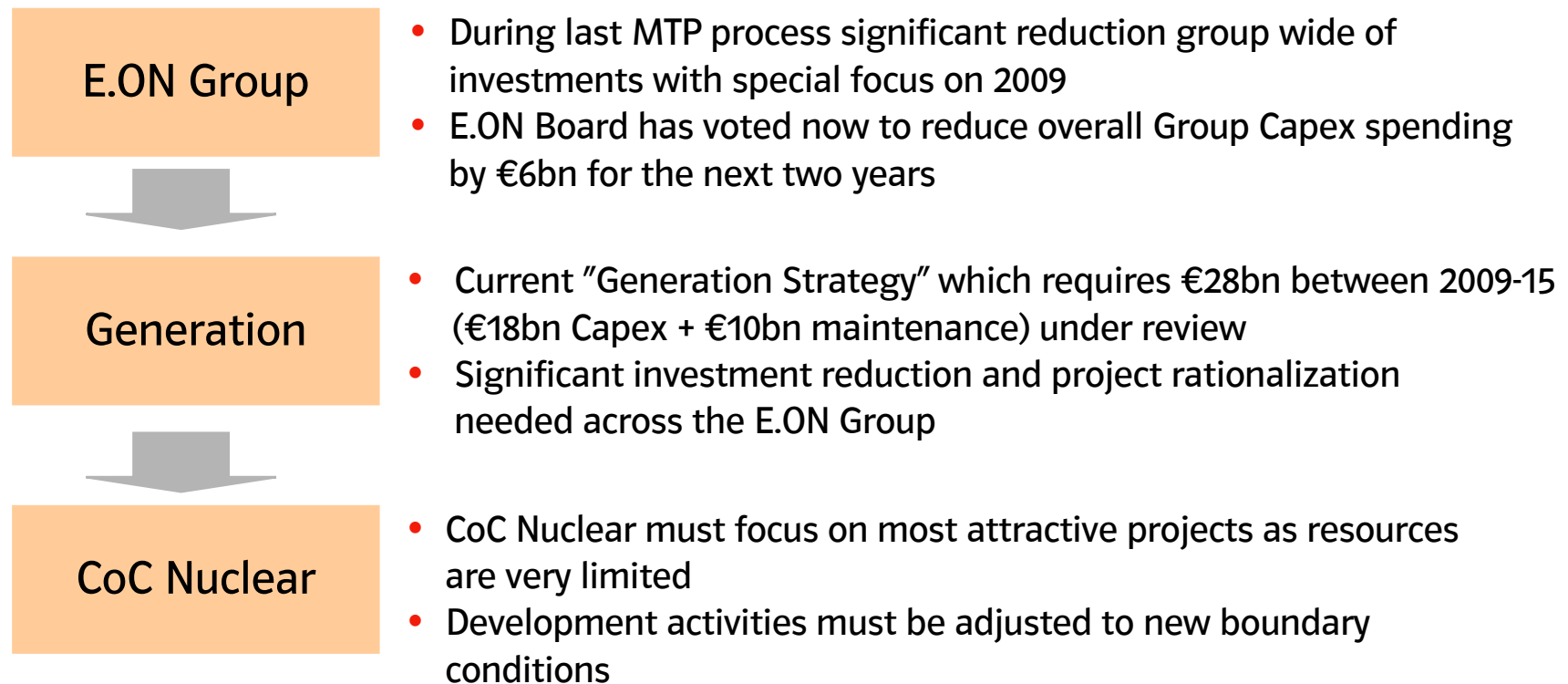
- Long term potential of nuclear new build and prospects from "forced" market opening leads to special treatment of France
- High uncertainty caused by German nuclear phase out

Nuclear: 1 bn € needed until 2015 for nuclear opportunities
if assuming a success rate of 50 %

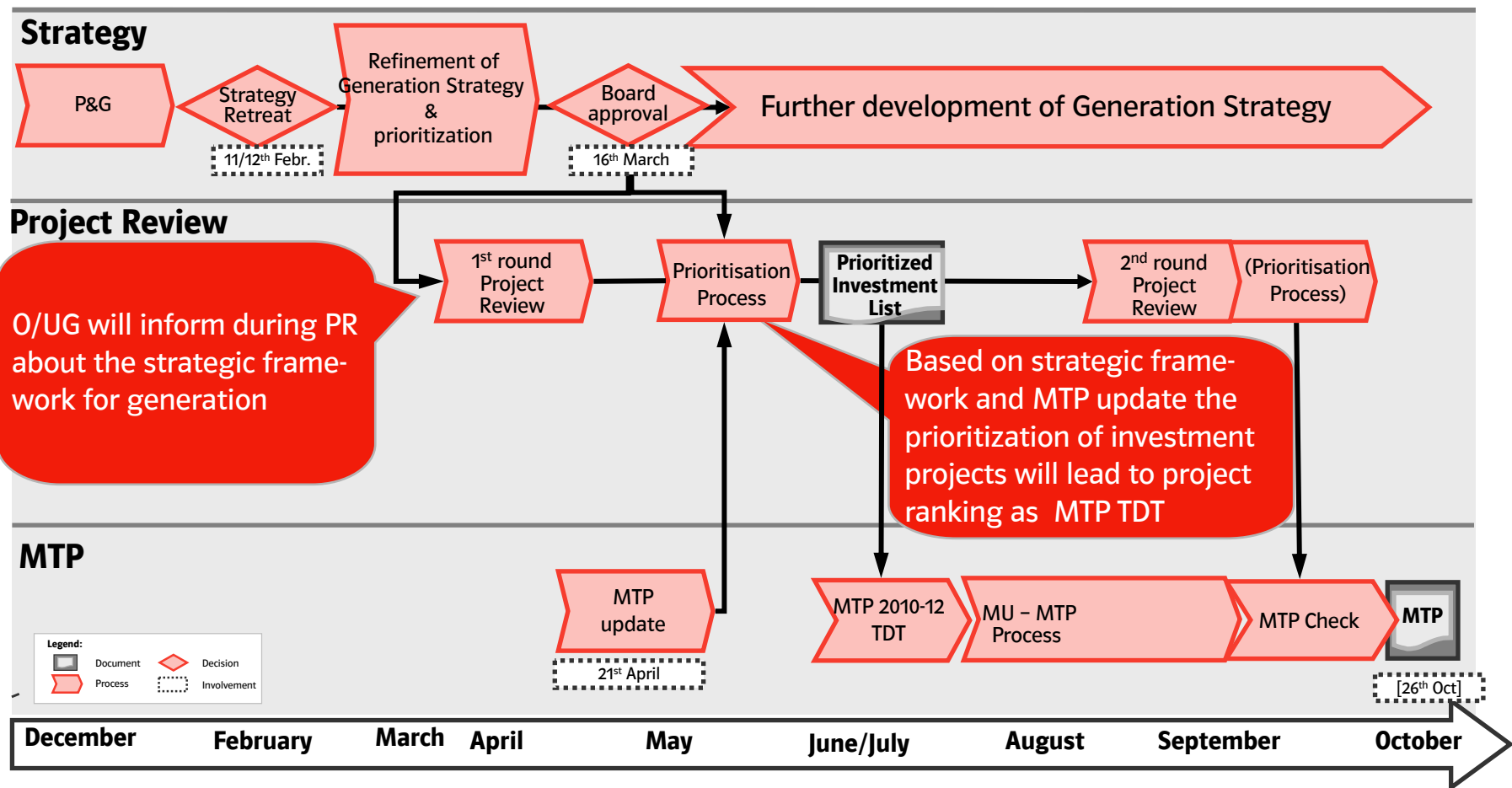
Acc. Capex for nuclear opportunities by 2015



Capital Constraints are a real enduring issue and have significant implications



Project review as link between Strategy and investment target setting for MTP





Status of WG2 – Commercial Implementation

CoC Nuclear Project Review, March 13, 2009

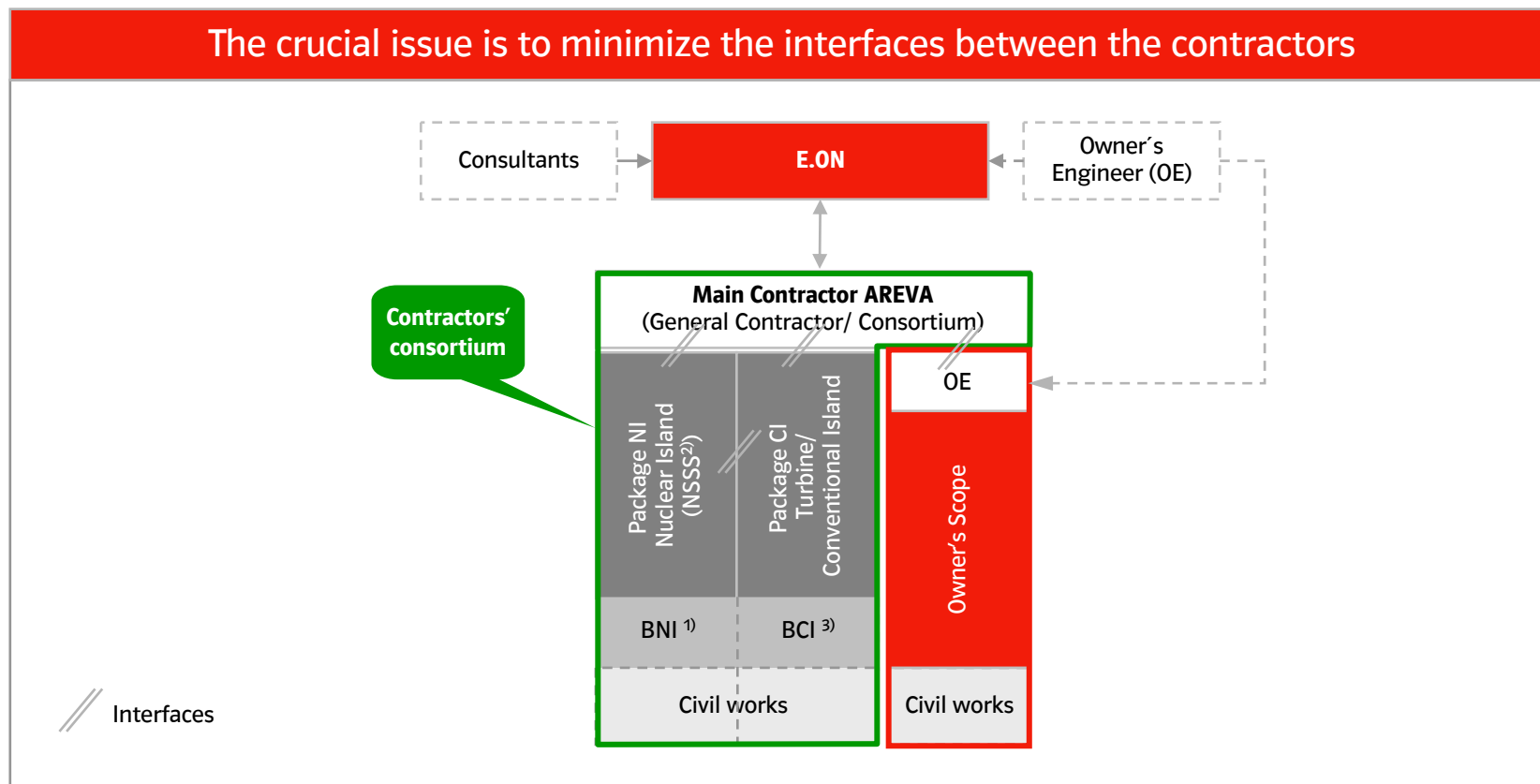
Status of WG2 – Commercial Implementation

- Common development of contract structure –as defined in LOI- turned out to be difficult
 - To little ressources on all sides
 - obviously no common understanding concerning partnership approach (e.g. AREVA asked for E.ON-proposal as basis for offer)
- E.ON-internal groups analysed several contract structures. Based on these results E.ON-proposal for overall contract structure was derived
- In subgroups agreement on specific issues was reached, e.g.
 - Contract law (german)
 - Number of consortium partners (meanwhile questioned by AREVA)
 - General pricing mechanisms

Status of WG2 – Commercial Implementation

- Trilateral discussions officially intermitted by E.ON due to following reasons
 - Unclearity concerning responsible and authorised contact persons within AREVA (Meanwhile AREVA nominated new contact person)
 - No answer on E.ON-proposal for contract structure (Meanwhile AREVA and Siemens generally agreed on E.ON-proposal)
- Resumption of discussions with trilateral meeting on March 13th
 - Official answer on E.ON-proposal
 - Definition of road map to offers/quotations (required at end of year 2009)
- According to schedule the newly appointed commercial project manager for UK (Rainer Veith) took over the lead

Preferable solution for first projects is turnkey approach with two consortium members (subcontracting of civil works)



¹ Balance of Nuclear Island, ² Nuclear Steam Supply System, ³ Balance of Conventional Island



CoC NN Reporting Summary – v2
January – February 2009

Maya Kushewa, EKK NNQ

Status: E.ON Nuclear UK (ENU) Project

Project: ENU Project

Author: Lothar Mertens (EKK NU)

Reporting period: January–February 2009

Project description/ Overall status:

- Nuclear development in UK enjoys support both from Labour Government and Conservative opposition. Generic Design Assessment (pre-licensing) proceeds, if slowly. Further public consultations (Justification, SSA) are continuing. NDA land auctioning process started.

Major achievements since last project reporting

- Creation of 50%/50% Joint Venture (JV) with RWE for the development, licensing, construction and operation of up to 6 GW nuclear generation capacity in UK by 2025
- Joint Preparation and organization of the NDA bid process between RWE and E.ON
- E.ON's Land acquisition at Oldbury adjacent to NDA land finalized end of February 2009
- E.ON AG Board approval of participating in the NDA bid process including fixing of maximum bid amounts (24 Feb)

Issues / Required decisions

JVA development issues:

- Increasing delegated authority of JV
- Implementation of lead operator concept
- Inclusion of RWE's Sellafield sites in JV scope

Critical aspects

- Success in site acquisition of the NDA bid process
- Build up and operational start of JV organization
- Selection of nuclear design AREVA (EPR) or Westinghouse (AP 1000) by end of 2009
- Site nomination in SSA process by NDA or alternatively by E.ON (Oldbury) and RWE (Wylfa)

Next steps / Necessary alignment and coordination

- Start and finalization of bid process in March 2009
- Prepare all necessary steps to nominate possible site(s) in SSA by end March 2009
- Preparation of JV organization and start up by joint workstreams of RWE and E.ON

Status: FENNOVOIMA Project

Project: Finland

Author: Dr. Klaus Hahne (EKK-NNQ)

Reporting period: **January-February 2009**

Project description/ Overall status:

- Fennovoima (FV) Project generally on schedule: EIA report and Decision-in-Principle (DiP) application submitted; official statement on EIA report by respective Ministry of Economy and Environment on February 20th, 2009
- BoD approval for the start of the Design & Procurement Phase and the outline of the planned activities during 2009-2010; budget increase for this accelerated activities amounts to 7.5 m EUR.

Major achievements since last project reporting

- DiP application submitted on January 14th 2009 as well as additional material to STUK end of January 2009
- Common job advertising campaign between FV and E.ON Suomi went public end of January 2009; job advertisement done by EKS 12/2008 – recruiting process ongoing
- First contacts to potential vendors on plant contracting issues and procedure

Critical aspects

- Start discussion on vendor and site selection, long lead items early in 2009 depending on program planning and structuring of FV along project phases
- Open discussion on number of granted DiP, i. e. NPP
- Solution for spent fuel disposal in Posiva highly political
- Recruiting concept dependent on E.ON's secondments and support

Issues / Required decisions

- Agreement on design selection as well as on contract terms and structures; secure availability of long lead items in overall project schedule
- BoD-approval of work plans including resources for FV subprojects for the period 2009-2010
- Intensify support/secondments by E.ON experts

Next steps / Necessary alignment and coordination

- Specify the preferred project model and two-step contracting process including associated specifications
- Write top-level set of Owner's Contract specifications and vendor selection criteria; vendor selection LOI in 2010
- Secure site readiness for site selection in 2010
- Set up FV's Project management (PM, QM, requirement management); basis EKK's New Nuclear Guidebook

Status: Bohunice V5

Project: Bohunice V5

Author: Dr. Ulrich Wilke (EKK NNP)

Reporting period: **January-February 2009**

Project description/ Overall status:

Following a proposal to develop a new nuclear power project in Slovakia, the Slovak Government decided in Dec. 2008 to build a new nuclear power plant at the existing site Jaslovské Bohunice (Project "Bohunice V5").

- Agreement announced between Slovak Government and Czech utility CEZ as well as Russian unsolicited offer towards Bohunice new build, TVEL offered fuel fabrication; no tender has taken place yet

Major achievements since last project reporting

- Pre-project team established with joint lead among EKK, ZSE, EEA
- Steering Committee constituted EKK-EEA-ZSE 11/2008
- Contracting of local consultant "Agentura Tytan" 01/2009 reg. pre-feasibility
- La Hague visit in Jan. 2009 postponed by SK

Critical aspects

- CEZ/Russian agreements reveal very strong competition
- No tender process visible
- Preferred technology not known
- Commissioning date depends also on further nuclear projects in Slovakia (Mochovce)
- What is the unique selling position of E.ON in SK market?

Issues / Required decisions

- Clarification on E.ON position in Slovak energy sector and regional strategy and definition of internal approval procedure (Gate 1) through EEA
- Strategic announcement of AREVA-JMD along with the top meeting?

Next steps / Necessary alignment and coordination

- Continuous JMD with AREVA
- 3rd SC-Meeting March 19, 2009, Telco
- Planned Meeting PM Fico – Dr. Teyssen, March 23, 2009, Hanover (coordinated by EEA)
- Preparation of "E.ON proposal" following to the top meeting if desired (reconfirmation of MoU 2007)

Status: PROGETTO ITALIA

Project: Italia

Author: Dr. Magnus Mori [EKK-NNR]

Reporting period: January-February 2009

Project description/ Overall status:

- Project commenced in September 08.
- E.ON is contributing to the government's efforts to modernize the legislative and regulatory framework.
- A legal and regulatory working group (EKK-E.ON Italia) is operating successfully.
- A second working group (siting) was established.

Major achievements since last project reporting

- Definition & approval of the project organization.
- Definition & approval of the schedule for site investigations.
- Consulting Agreement with Luigi Noviello.
- Negotiation of a Non-Disclosure Agreement with SOGIN.
- Agreement on a date for the visit to Isar of the Italian Senate's Industry Commission.

Critical aspects

- MoU Italy-France, ENEL-EDF → 4 EPRs (feasibility studies)
- Define strategy re. partners (industrial and commercial).
- Availability of sites.
- Institutional nuclear knowledge and experience is obsolete: legislators might not succeed to set up a state of the art, enabling legislation for nuclear deployment.

Issues / Required decisions

- Consulting agreement with SOGIN.
- Engagement with potential partners.
- Communication campaign.

Next steps / Necessary alignment and coordination

- Meeting with Ansaldo.
- Meeting with SOGIN.
- Workshop about licensing and regulations for the nuclear task force.
- Visit to Isar of the Senate's commission.

Status: Project Initiation "Paks New Build", Hungary

Project: Paks New Build

Author: Dr. Ulrich Wilke (EKK NNP)

Reporting period: January-February 2009

Project description/ Overall status:

- The Hungarian PM Ferenc Gyurcsany proposed in 02/2009 to double the generation capacity at the existing nuclear site Paks (~ 1800 MW)
- A vote by the parliament is expected latest in spring 2009, whereas all parties are in strong favour of nuclear
- Hungary is open to strategic investors and reactor technology

Major achievements since last project reporting

- CoC NN presentation at MVM, January 21, 2009, jointly with E.ON Hungaria (presentation of E.ON competence in nuclear)
- Joint Market Development with AREVA, March 2, 2009

Critical aspects

- Strong affiliation towards Russian nuclear technology
- Strong dependence on Russian gas (80%)
- Potential competitors EdF, ENEL, Fortum, Atomstroyexport
- Impact of financial crisis on Hungarian financial stability and economics
- Investor to be selected beginning 2010?

Issues / Required decisions

- E.ON generation strategy in Hungarian and CEE region

Next steps / Necessary alignment and coordination

- 1. status meeting E.ON Hungaria/EKK jointly with AREVA, April 1, 2009

Status: EUR/EPR design assessment

Project: EUR/EPR

Author: Dr. Holger Teichel (EKK-NND)

Reporting period: January-February 2009

Project description/ Overall status:

- Elaboration of a new EUR subset 3 for current standard EPR
- Getting knowledge on EPR technology

Major achievements since last project reporting

- Coordination group meeting # 10
 - Assessment of all chapters finished
 - Synthesis reports reviewed

Critical aspects

- Final formulation of assessment reports
- Finalisation of synthesis reports
- Preparation of overhead chapters

Issues / Required decisions

Next steps / Necessary alignment and coordination

- Steering Committee meeting March 16th, 2009
- Finalisation of the EPR volume 3 by the EUR secretariat

Status: SWR 1000 Basic Design Contract

Project: SWR 1000 BDC

Author: Frank Diercks EKK-NND

Reporting period: January-February 2009

Project description/ Overall status:

- Preparation of the Final Basic Design to achieve a maturity in the design status of NI
- Implementation of Siemens , contract for TI and BoP with Siemens

Major achievements since last project reporting

- 2nd Steering Committee Meeting with AREVA on February 18th
- Kick Off meeting between Forschungszentrum Dresden, EKK and AREVA for Validation of AREVA calculations with the ATHLET code for INKA test facility on February 19th
- Kick Off meeting with Siemens for implementation and contracting on February 19th

Critical aspects

- AREVA has announced a four month time delay in the project due to a lack of personnel recourses
- Commercial terms for contribution of SPG have to be clarified
- The budget for the NI has to be confirmed
- The SPG-part has to be finalized up to mid 2010

Issues / Required decisions

- AREVA has to take measures to minimize the announced delay in the BDC project
- Rebranding of the SWR 1000 is soon provided by AREVA

Next steps / Necessary alignment and coordination

- Negotiations between EKK, AREVA NP GmbH and SPG about the Turbine Island and Balance of Plant for contracting
- Preparation of a contract for the NI and BoP between EKK and Siemens ready to sign until April 17th (next TRILA SC-Meeting)

Status: AP1000 / EPP European Passive Plant

Project: AP1000 / EPP

Author: Kurt Wagner [EKK-NND]

Reporting period: January-February 2009

Project description/ Overall status:

- For EPP WEC and 5 European utilities worked on the justification of identified non-compliances to the EUR document and actually try to redefine an European version of the AP1000 different from the US design
- E.ON UK is following the GDA process which is based on the AP1000 US design

Major achievements since last project reporting

- EPP Phase IIE was finalized in July 2008
- In the Steering Committee on Oct. 31. WEC accepted the Utility Parties proposed requirements for an European version of the AP1000 different from the US-design
- The scope of a next work program was discussed in the Steering Committee Meeting on January 15, 2009

Critical aspects

- Deployment of US-philosophy in Europe questionable (Defense-in-Depth Systems are non safety systems and therefore not seismic designed and no spatial separation)
- ACC: Discrepancy between established European design rules and WEC calculation method

Issues / Required decisions

- Participation of E.ON in a next project phase 2F has to be decided; dependent on how far WEC will adopt E.ON's requirements on the active Defense in Depth systems

Next steps / Necessary alignment and coordination

- A utility team shall discuss with WEC a proposal of a detailed work program as preparation of the next Steering Committee meeting on May 5, 2009
- GDA Process still to be followed by E.ON to recognize the regulator's opinion at first hand on diverse issues which are common with the EPR process

Backup

- UK
- Fennovoima
- Bohunice
- Italy

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ENU Project submitted by EKK

1. Project description (Key Data)		2. Project Economics					
• Technology • Supplier • Fuel type • Capacity • Efficiency • Tech. availability • Power generation • Heat generation • NBU informed • NBU-project support • EEN informed • EEN-project support	- EPR - AREVA - UO₂ 1.600 MW 37 % >90 % 12,6 TWhel/a - yes ~ 10 FTE - yes/no ~ 3 FTE	• While high level generic economics indicate that nuclear is attractive as a strategic opportunity, the development and procurement activities are not yet sufficiently advanced to provided meaningful project-specific information. • With regard to the preparation of the joint bid process RWE and E.ON's separated valuation models verified the NPV of different sites					
3. Strategic Rationale and Portfolio Fit							
• Maintain nuclear generation's strategic share of E.ON Group's portfolio • Replace nuclear capacity in the UK caused by the closure of Magnox and AGR stations • De-carbonizing E.ON's portfolio in UK and Group • JV project's objective is to have 6 GW nuclear capacity operational in UK by 2025.							
4. Project Timeline (first NPP)							
Phase	Screening	Initiation	Conception	Contracting	Licensing	Construction	Commissioning
Start date	2005	2008	2009	2010	2011-13	2014	2020

ENU Project submitted by EKK

5. Site Assessment

- JV participates at the NDA site auction process of Bradwell, Oldbury and Wylfa
- The bid process is expected to be finalized end of March 2009
- Sites suitable for new nuclear development for operation before 2025 must be nominated into the Government's Strategic Siting Assessment (SSA) in March 2009
- If NDA site nomination fails alternatively E.ON will nominate Oldbury including NDA land into the SSA

Picture of the
site or plant

6. Risk Assessment

Chances

- Agglomeration of purchasing power and resources by creation of JV with RWE
- Purchase sites by JV for nomination into SSA
- Increasing supplier competition due to open design selection between EPR and AP 1000

Risks

- Failure to secure sites for early development
- E.ON's land acquisition at Oldbury if NDA's Oldbury site will be purchased by competitor
- Adverse public / customer reaction to nomination
- Increased development costs / risks as a result of unforeseen technical issues
- The effect of the "Green Package" on market price volatility is a major emergent risk.

7. Comments

- Colin Scoins; Colin.Scoins@eon-uk.com ; Tel. +44 7747 756561 (Interim Head of ENU Project)
- Lothar Mertens; Lothar.Mertens@eon-energie.com; Tel. +49 175 587 5953 (Project Coordinator)

Status: FENNOVOIMA Project

Project: Finland

Author: Dr. Klaus Hahne (EKK-NNQ)

Reporting period: January-February 2009

Project description/ Overall status:

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Next steps / Necessary alignment and coordination

- Specify the preferred project model and two-step contracting process including associated specifications
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- Secure site readiness for site selection in 2010
- Set up FV's Project management (PM, QM, requirement management); basis EKK's New Nuclear Guidebook

Project **FENNOVOIMA** submitted by EKK

1. Project description (Key Data)

- | | |
|--|----------------------------------|
| • Technology (<i>to be selected</i>) | EPR, SWR 1000; ABWR |
| • Supplier (<i>to be selected</i>) | AREVA; Toshiba/West. |
| • Fuel type | UO ₂ (PWR, SWR) |
| • Capacity | 1,500 – 2,500 MW |
| • Efficiency | 37 % |
| • Technical availability | >90 % |
| • Power generation | 11.8 – 19.7 TWh _{el} /a |
| • Heat generation | ... TWh _{th} /a |
| • NBU informed | yes |
| • NBU-project support | ~ 5 FTE |
| • EEN informed | yes |
| • EEN-project support | to be decided |

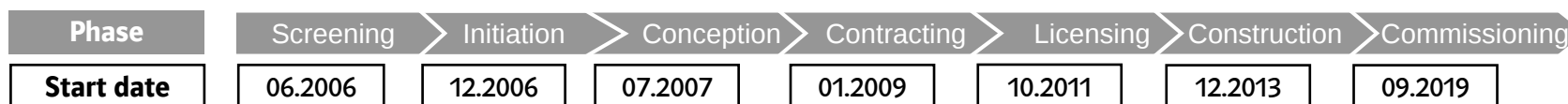
2. Project Economics

- Estimated Investment: 1.2 – 1.8 bn EUR (34% E.ON share)
- Budget for Preparatory Project Phase 7/2007-6/2010: 25.8 Mio. EUR
 - 34% share of budget already incl. in MTP:
 - Budget increase due to accelerated tasks to extend subproject work during Preparatory Phase: 7.5 m EUR (3.3 m EUR in 2009, 4.2 m EUR in 2010)
- "Decision to continue" the Project at beginning of next Project Phase after Decision-in-Principle in spring 2010
- Investment decision scheduled for end of 2011

3. Strategic Rationale and Portfolio Fit

- To enlarge E.ON's generation portfolio in Northern Europe and to strengthen E.ON's position in the competitive Nordic Market while enlarging the nuclear generation capacity outside Sweden
- To establish a New Nuclear Project with E.ON in a minority shareholder position but basing on E.ON's Nuclear Governance
- To include the New Nuclear Power Plant in E.ON's nuclear fleet basing on E.ON's nuclear safety guidelines
- To keep a competitive market open with respect to Generation III designs while analyzing three different reactor concepts

4. Project Timeline



Project **FENNOVOIMA** submitted by EKK

5. Site Assessment

- Location, Country: Ruotsinpyhtää, Pyhäjoki or Simo (Finland)
- Grid access: under discussion with Fingrid
- Cooling conditions: sea water, no cooling towers
- Local partner: in total 64 shareholders in Fennovoima Oy (Finnish and Swedish industrial, retail and service companies, regional and local energy suppliers)
- Commissioning: provisional take over scheduled for end of 2019
- Land acquisition finalized; land use planning process started at all sites



6. Risk Assessment

Chances

- To improve E.ON's know-how on different reactor designs
- To achieve 500-800 MW of capacity in the Nordic Market
- To improve experience in PM, QM and QA in the framework of a large international new build project
- To embed E.ON's influence in a project despite of only being a minority shareholder

Risks

- Financing strategy to be developed (no assets)
- Change of shareholder structure possible in the current financial crisis
- Posiva case – spent fuel disposal not solved yet
- Strong need for reliable technical, project model, PM, QM concepts and instruments as basis for DiP-decision process

7. Comments

- Contact for this project: Klaus Hahne; klaus.hahne@eon-energie.com; Tel. +49 177 308 7024 (Project coordinator)
- Internal project organization established: **ENFi** - E.ON Nuclear Finland organization
 - Project coordination: Klaus Hahne
 - Steering Committee: Håkan Buskhe, Ralf Güldner, Per Lindell, Eckhardt Rümmler, Michael Micklinghoff

Status: Bohunice V5

Project: Bohunice V5
Author: Dr. Ulrich Wilke (EKK NNP)
Reporting period: January-February 2009

Project description/ Overall status:

Following a proposal to develop a new nuclear power project in Slovakia, the Slovak Government decided in Dec. 2008 to build a new nuclear power plant at the existing site Jaslovské Bohunice (Project "Bohunice V5").

- Agreement announced between Slovak Government and Czech utility CEZ as well as Russian unsolicited offer towards Bohunice new build, TVEL offered fuel fabrication; no tender has taken place yet

Major achievements since last project reporting

- Pre-project team established with joint lead among EKK, ZSE, EEA
- Steering Committee constituted EKK-EEA-ZSE 11/2008
- Contracting of local consultant "Agentura Tytan" 01/2009 reg. pre-feasibility
- La Hague visit in Jan. 2009 postponed by SK

Critical aspects

- CEZ/Russian agreements reveal very strong competition
- No tender process visible
- Preferred technology not known
- Commissioning date depends also on further nuclear projects in Slovakia (Mochovce)
- What is the unique selling position of E.ON in SK market?

Issues / Required decisions

- Clarification on E.ON position in Slovak energy sector and regional strategy and definition of internal approval procedure (Gate 1) through EEA
- Strategic announcement of AREVA-JMD along with the top meeting?

Next steps / Necessary alignment and coordination

- Continuous JMD with AREVA
- 3rd SC-Meeting March 19, 2009, Telco
- Planned Meeting PM Fico – Dr. Teyssen, March 23, 2009, Hanover (coordinated by EEA)
- Preparation of "E.ON proposal" following to the top meeting if desired (reconfirmation of MoU 2007)

Bohunice V5 submitted by EKK

1. Project description (Key Data)		2. Project Economics	
• Technology • Supplier • Fuel type • Capacity • Efficiency • Tech. availability • Power generation • Heat generation • NBU informed • NBU-project support • EEN informed • EEN-project support	- Nuclear - tbd - tbd 600-1600 MW % >90% - TWh_{el}/a - TWh_{th}/a - EKK 2 FTE - no 0	Detailed project information on economics not available at this initial stage since capacity and design selection has not taken place	

3. Strategic Rationale and Portfolio Fit	
• Slovakian Energy Security Policy (draft only, final scheduled by the end of 2008) • E.ON Nuclear Generation Strategy • Asset Backing strategy in CEE, in particular, in Slovakia for distribution subsidiary ZSE • NPP-Project "Bohunice V5" complements CCGT-Project "Malzenice" (EKW) in Slovakia	

4. Project Timeline							
Phase	Screening	Initiation	Conception	Contracting	Licensing	Construction	Commissioning
Start date	11/2007	11/2008					

Bohunice V5 submitted by EKK

5. Site Assessment

- Bohunice, Trnava, Slovakia
- Pre-feasibility jointly with AREVA/Agentura Tytan planned (grid, cooling conditions, etc.)
- Local partners/specialist to be identified
- Commissioning date: ~2025



6. Risk Assessment

Chances

- Early market approach (MoU)
- Joint market development with vendor AREVA
- Local network via ZSE
- Promote competition in an ENEL/SE-dominated market
- Participation in tender
- Contribute to secure energy supply in SK (gas, electricity)

Risks

- Political situation regarding energy projects (price caps, Mochovce)
- Preferred technology not known
- Very strong competition (CEZ, Atomstroyexport, ENEL)
- Commissioning date depends also on further nuclear projects in Slovakia

7. Comments

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Status: PROGETTO ITALIA

Project: Italia

Author: Dr. Magnus Mori [EKK-NNR]

Reporting period: January-February 2009

Project description/ Overall status:

- Project commenced in September 08.
- E.ON is contributing to the government's efforts to modernize the legislative and regulatory framework.
- A legal and regulatory working group (EKK-E.ON Italia) is operating successfully.
- A second working group (siting) was established.

Major achievements since last project reporting

- Definition & approval of the project organization.
- Definition & approval of the schedule for site investigations.
- Consulting Agreement with Luigi Noviello.
- Negotiation of a Non-Disclosure Agreement with SOGIN.
- Agreement on a date for the visit to Isar of the Italian Senate's Industry Commission.

Critical aspects

- MoU Italy-France, ENEL-EDF → 4 EPRs (feasibility studies)
- Define strategy re. partners (industrial and commercial).
- Availability of sites.
- Institutional nuclear knowledge and experience is obsolete: legislators might not succeed to set up a state of the art, enabling legislation for nuclear deployment.

Issues / Required decisions

- Consulting agreement with SOGIN.
- Engagement with potential partners.
- Communication campaign.

Next steps / Necessary alignment and coordination

- Meeting with Ansaldo.
- Meeting with SOGIN.
- Workshop about licensing and regulations for the nuclear task force.
- Visit to Isar of the Senate's commission.

PROGETTO ITALIA submitted by EKK

1. Project description (Key Data)		2. Project Economics	
- Technology - Supplier - Fuel type - Capacity - Efficiency - Tech. availability - Power generation - Heat generation - NBU informed - NBU-project support - EEN informed - EEN-project support	- Nuclear - TBD - UOX/MOX 1000-1600 MW % 90+% - TWh_{el}/a - TWh_{th}/a - EKK 1 FTE - no 0 FTE	Information on project economics is not available at this stage since. Site and design have not been finalized yet.	

3. Strategic Rationale and Portfolio Fit	
"... to contribute to the energy mix, through the construction of nuclear power plants in Italy" (Wulf Bernotat, 18 Nov. 2008) - Profitability (high electricity prices) and promising price development (peak and base). - Shared and common energy strategy with the Italian government. - Complementary to E.ON Italia's expansion strategy.	

4. Project Timeline							
Phase	Screening	Initiation	Conception	Contracting	Licensing	Construction	Commissioning
Start date	04.2008	09.2008	02.2009			12.2013*	< 2020*

* These are the government's new reference dates.

PROGETTO ITALIA submitted by EKK

5. Site Assessment

- A comprehensive site identification and evaluation plan was approved.
- Contribution of consultants and local contacts will be essential.
- First overview should be completed during the next reporting period.



6. Risk Assessment

Chances

- Strong political support.
- Creation of a new regulatory and licensing framework.
- EKK's international experience is needed.
- Open to different technologies.
- Excellent local contacts through E.ON Italia.

Risks

- Local public acceptance.
- Long term political commitment.
- Strong and well connected competitors.
- Preferred technology might be chosen by the government.
- Availability of sites.

7. Comments

- Contact @ EKK for this project: Dr. Magnus Mori, Magnus.Mori@eon-energie.com, Tel. +49 151 12544114.