DEPUTY DESIGNATED FEDERAL OFFICIAL PRESENTATION

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U.S. DEPARTMENT OF ENERGY

Portsmouth Site Specific Advisory Board
May 5, 2011

AGENDA

1. Transition Update
2. Federal Budget
3. Plant Developments
4. Public Outreach
5. Calendar

TRANSITION UPDATE

- The transition periods for the Decontamination and Decommissioning (D&D) contractor - Fluor-B&W Portsmouth, LLC (FBP) – and the Depleted Uranium Hexafluoride conversion contractor – Babcock & Wilcox Conversion Services, LLC (BWCS) – ended March 28, 2011.

- USEC hourly employees have been transitioned to FBP with salaried employees expecting to be transitioned on or about July 1, 2011.

- All LATA/Parallax Portsmouth, LLC (LPP), employees have completed transition to FBP.

FEDERAL BUDGET

- Congress and The White House came to terms on the federal budget for Fiscal Year (FY) 2011.
- The site was previously operating under a continuing resolution.
- The site is expecting no impact to our FY 2011 budget, provided we maintain the ability to barter uranium.

PLANT DEVELOPMENTS

- DOE and USEC are progressing with the transfer of the Gaseous Diffusion Plant facilities from USEC back to DOE.

- DOE and USEC have entered into an agreement that allows both parties to achieve their missions at the Portsmouth site.
  - The agreement allows DOE the ability to proceed with its D&D mission for the Portsmouth Gaseous Diffusion Plant.

PLANT DEVELOPMENTS

- BALANCE OF PLANT UPDATE
  - X-103 (AUXILIARY OFFICE BUILDING)
    - Building Demolished
    - Completing Removal of Below-Grade Infrastructure
    - Preparing for Final Grading and Seeding
  - X-630 (COOLING TOWER COMPLEX)
    - Two Cooling Towers Demolished
    - Stripout of Pump House Under Way
      - Demolition Pending
  - X-344B (MAINTENANCE STORAGE BUILDING)
    - Stripout of Facility Under Way
    - Demolition Pending

PLANT DEVELOPMENTS

- BALANCE OF PLANT UPDATE (CONTINUED)
  - X-334 (TRANSFORMER CLEANING BUILDING)
    - Building Demolished
    - Completing Slab Removal
    - Preparing for Final Grading and Seeding
  - X-701B (PLUME REMEDIATION)
    - Source Term Treatment Complete
    - Site Restoration Under Way

PLANT DEVELOPMENTS

- PROCESS BUILDING UPDATE
  - Hazardous Material Removal
    - Identification and Removal of Hazardous Materials Under Way in X-333, X-330, and X-326 (also occurring in X-340 Complex)
  - Excess Material Removal
    - Identification and Removal of Excess Items (e.g., forklifts, golf carts, piping, etc.) Under Way in X-333, X-330, and X-326 (also occurring in X-340 Complex)
  - Characterization of Process Equipment to Resume Following Ohio EPA Approval of Sampling and Analysis Plan

PLANT DEVELOPMENTS

- DEPLETED URANIUM HEXAFLUORIDE (DUF_6) CONVERSION FACILITY UPDATE
  - A Readiness Assessment was conducted in April 2011.
  - DOE has given approval to perform a phased restart of testing on Line 1.

PLANT DEVELOPMENTS

- INVESTMENT RECOVERY UPDATE
  - SODI DEVELOPMENTS SINCE MARCH
    - The Southern Ohio Diversification Initiative (SODI) has received $1.7 million from G&S Technologies as part of a contract to remove 18 power transformers and transformer oil from the recently decommissioned X-533 Switchyard.
    - In addition, SODI has received $987,000 for the removal of scrap metal from the demolition of the X-533 Switchyard material located in the East scrap pile.
    - Additional scrap metal material from the X-533 Switchyard (5.4 million pounds) has been offered and accepted by SODI. This material fair market value is estimated in excess of $3 million.
    - Total funds received by SODI to date is more than $2.5 million.

PLANT DEVELOPMENTS

- REGULATORY UPDATE (CERCLA)
  - BALANCE OF PLANT ENGINEERING EVALUATION/COST ANALYSIS (EE/CA)
    - Comments Received From Ohio EPA
      - Revision Under Way
        - **Public Comment Period Expected This Summer**
  - PROCESS BUILDING PRE-INVESTIGATION EVALUATION REPORT (PER) AND REMEDIAL INVESTIGATION/FEASIBILITY STUDY (RI/FS) WORK PLAN
    - Comments Received From Ohio EPA
      - Revision Under Way
        - **Public Comment Period Will Accompany Proposed Plan Issuance (estimated in CY 2012)**

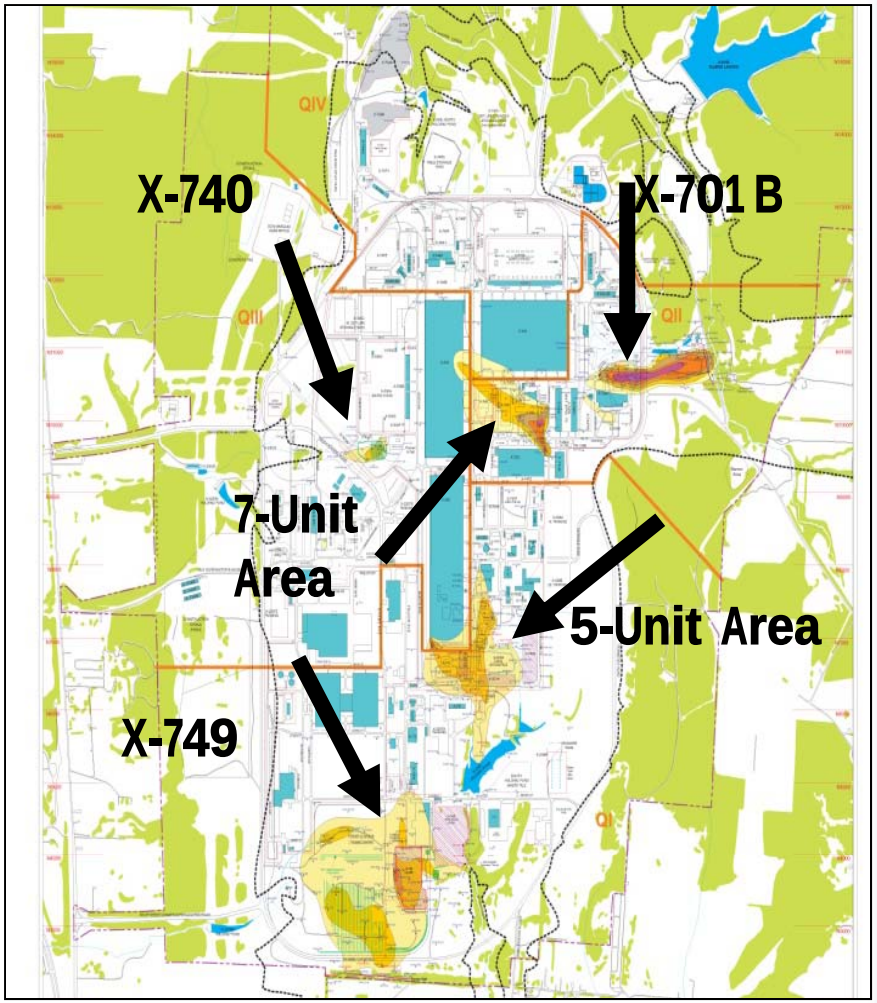
PLANT DEVELOPMENTS

- REGULATORY UPDATE (CONTINUED)
  - WASTE DISPOSITION REMEDIAL INVESTIGATION/FEASIBILITY STUDY (RI/FS) WORK PLAN AND SAMPLING AND ANALYSIS PLAN
    - Comments Received From Ohio EPA
      - Revision Under Way
        - **Public Comment Period Will Accompany Proposed Plan Issuance (estimated in CY 2013)**
  - REMOVAL ACTION WORK PLAN FOR X-626 COOLING TOWER COMPLEX
    - Comments Received From Ohio EPA
      - Revision Under Way
      - **Public Comment Period Occurred in Fall of 2010**

PLANT DEVELOPMENTS

Enhanced Anaerobic Bioremediation (EAB) Update

- EAB is a remediation approach that uses naturally occurring microorganisms in the subsurface to degrade chloroethenes to harmless byproducts (i.e., ethene, ethane).
- During EAB, biological transformation of TCE occurs via the reductive dechlorination pathway (TCE to dichloroethene to vinyl chloride to ethene).
- EAB occurs through the addition of fermentable carbon compounds.
  - X-740 plume – emulsified soybean oil
  - 7-Unit plume – sodium lactate



PLANT DEVELOPMENTS

X-740 Groundwater EAB Pilot Study Update

- Installed 30 injection wells
- Completed baseline groundwater sampling December 16, 2010
- Began EAB injections December 16, 2010 and completed on January 19, 2011
- Quarterly groundwater monitoring will be conducted for the next 18 months
- December 2010 and January 2011 Class V Well Monthly Injection Report was submitted to Ohio EPA in accordance with OAC Rule 3745-34-11(G)(3).
  - The report addresses the description, volume, and rate of fluids injected into the Class V wells along with monitoring results.
  - The first post-injection quarterly sampling event took place in late April 2011.

PLANT DEVELOPMENTS

7-Unit Area EAB Groundwater Interim Remedial Measure Update

- Installed 33 injection wells
- Completed baseline groundwater sampling January 26, 2011
- Began EAB injections January 31, 2011 and completed on February 21, 2011
- Monthly groundwater monitoring with EAB injections every six weeks
- February 2011 Class V Well Monthly Injection Report was submitted to Ohio EPA in accordance with Ohio Administrative Code (OAC) Rule 3745-34-11(G)(3).
  - The second month of EAB sampling was initiated on March 21, 2011 and was completed on March 23, 2011.
  - The next round of EAB injections in the 7-Unit Area took place in mid-April 2011.

PLANT DEVELOPMENTS

Pump and Treat Activities

- Pump and Treat at the X-622, X-623, X-624 and X-627 is used to remove Trichloroethene (TCE) from groundwater using air stripping and activated carbon.
- Facilities run 24/7.
- In Fiscal Year 2010, more than 37 million gallons of groundwater were treated.
- As a result of those efforts, more than 2,900 pounds of TCE were removed.

PUBLIC OUTREACH

- DOE had the inaugural Science Alliance event on May 3 and May 4, 2011, welcoming more than 800 high school juniors from the four-county region to the plant site.

- Students were provided a driving tour around a portion of Perimeter Road and also saw demonstrations from contractors and other partners that were related to science and environmental stewardship.

- Inclement weather on Tuesday resulted in the cancellation of the demonstration portion of the event.

CALENDAR

- SUBCOMMITTEE MEETINGS
  - May 10, 2011
    - Community Involvement – 4:30 p.m., Room 165
    - Future D&D/Recycling – 4:30 p.m., Room 112
    - Waste Disposition – 6:30 p.m., Room 165
    - Historical Preservation – 6:30 p.m., Room 112

- EXECUTIVE COMMITTEE MEETING
  - May 26, 2011

- NEXT FULL BOARD MEETING
  - July 7, 2011