Understanding and Allocating Risk to Mobilise (Private Sector) Funding for New Investments in Nuclear Power Plants

Selected Remarks

Brussels, 9th September 2025

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Electricity & Nuclear: A Sensible Pair

Electricity is key - today and tomorrow

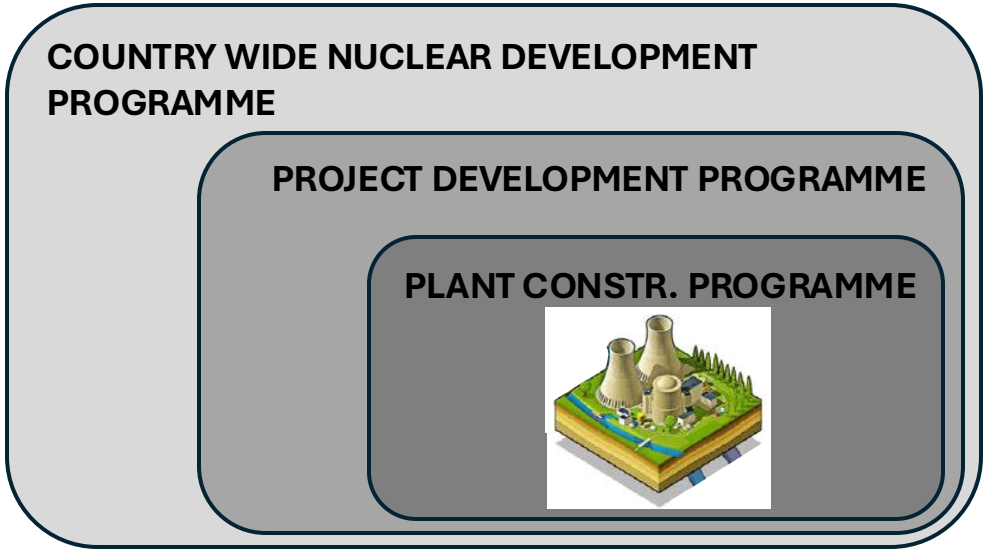
- Strategic resource requiring 99.9999% reliability
- Central part of modern life in our societies (past 20 years…)
- Cornerstone for the future
  - Growing consumption worldwide (e.g., industrialisation, Global South, etc.)
  - Climate change (e.g., switch to electricity, ‘smart housing’, etc.)
  - Explosion in demand (e.g., data centers, IA, etc.)

Nuclear power generation is duly tested

- Low carbon source of electricity
- 60-year operating life, with extensions possible
- Reliability in operations
- Stability in operating costs
- Closing of fuel cycle (gen. IV)

Nuclear Power Generation Is Different

- A nuclear power generation plant sits in a broader long-term nuclear programme

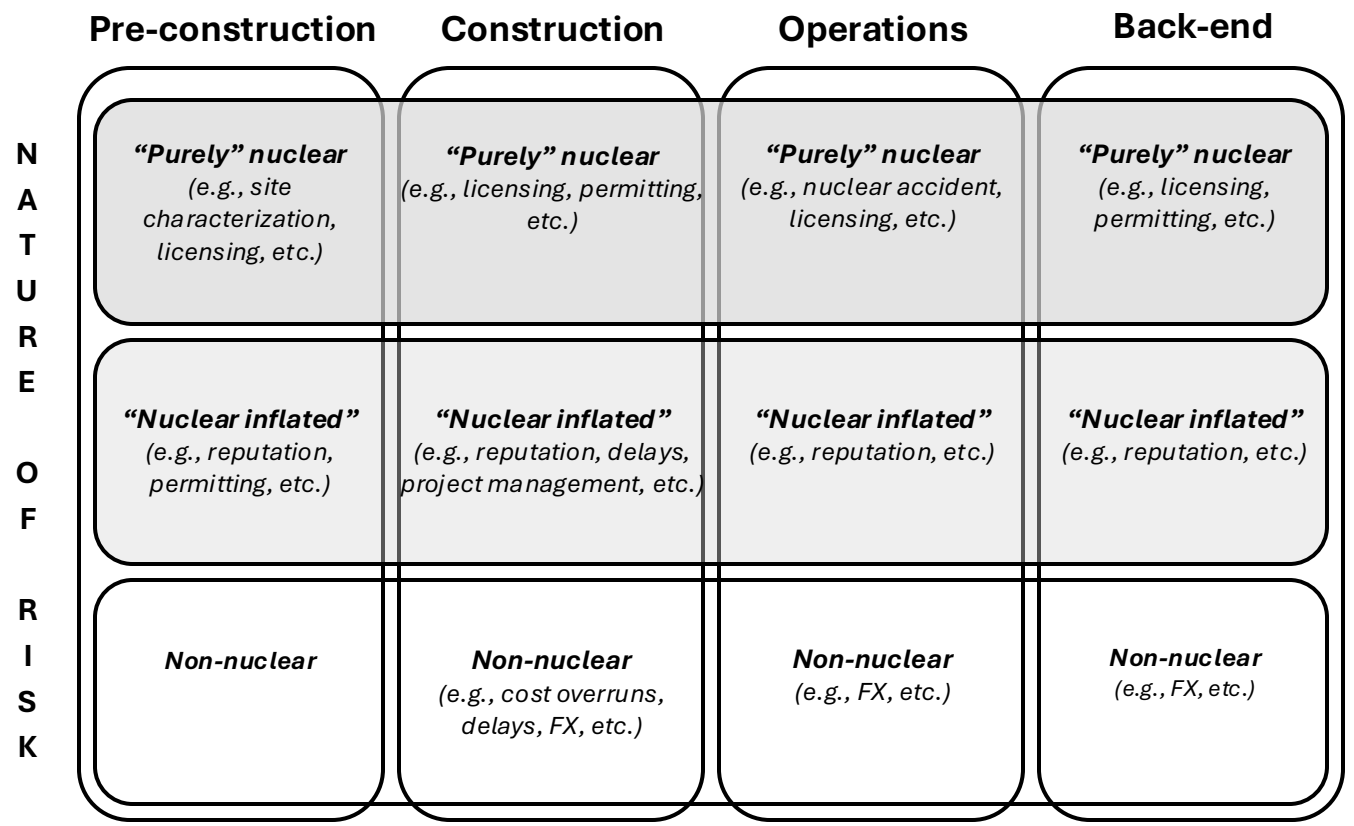


- A broader range of considerations is part of the decision to promote nuclear power, including political “strategic” decision, national independence, diversification of energy mix
- Various requirements also make nuclear power generation “special”, including front-loaded capital requirements, large quantum of funding, the management of the back-end of the cycle

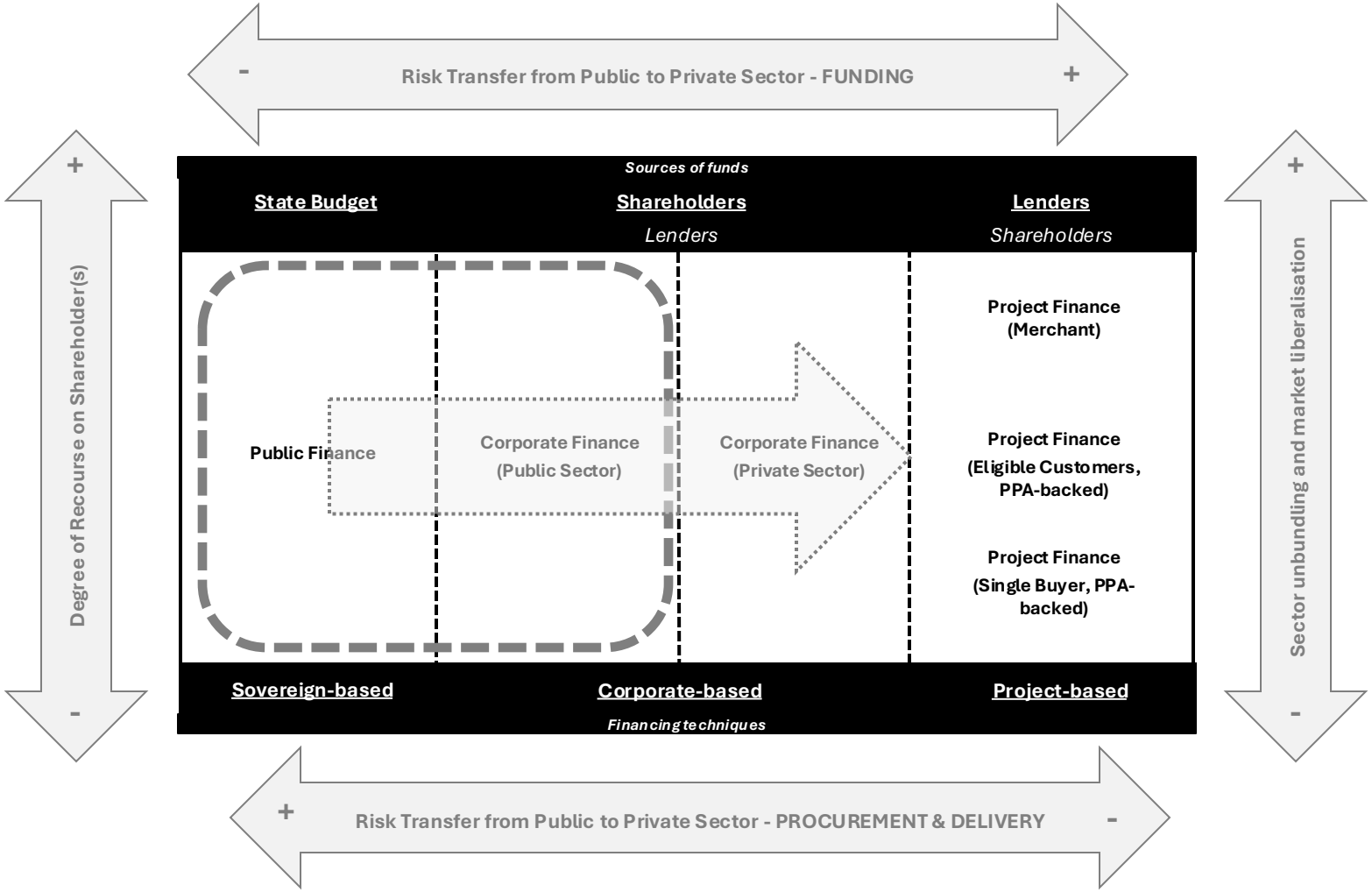
Understanding (Financial) Risk

- Sources of financing for a NPP are very similar to the ones typically tapped for infrastructure projects in general
- Financial risk is to be found at various levels
  - The asset itself
  - The corporate and commercial structure carrying the investment
  - The contractual framework supporting it (broad and project-related)
- Financial risk is found throughout the investment life cycle and may have a dramatic impact on the finance-ability and the “bankability” of the investment

Identifying, Assessing and Mitigating Risk



Risk Allocation and Financing Models



Nuclear Power Generation and Access to Financing

- Raising capital - in particular from the private sector - is challenging from a quantum and a cost perspective
- Beyond its “typical” risks (e.g., long development and construction phases, large upfront expenses, etc.), nuclear power generation is also subject to, *inter alia*,
  - Lengthy and costly planning, permitting / licensing processes
  - Comprehensive and costly reviews, (regular) controls by safety authorities that are not harmonized throughout the EU, etc.
  - Political risk at country and EU, as well as at industry level

Investment Decision and Nuclear Power Generation

- Although nuclear new-builds have specific challenges, financing a new NPP should, as a matter of principle, depend primarily on an economic decision (like for any other technology)
- However, several additional considerations are typically neither acknowledged nor incorporated fully in the underlying economic and financial analyses leading to an investment decision
- In fact, changes in market rules have arguably led to "*expelling*" such specificities from the decision-making process (e.g., market design, price-setting mechanism, access to funding, etc.)

Suggested Action Points (Selected)

- Promotion of an EU-wide technology-neutral energy policy
  - Confirmation of Commission's (long-term) revised position vis-à-vis nuclear power and promotion of the public debate
  - Clarification of Commission's and governments' roles and responsibilities, and promotion of harmonized frameworks / policies when possible
  - Clarification / streamlining of EU review process (e.g., notification, State aid, etc.)
  - Reform of electricity market(s) to support investments in the long term, in particular by promoting clear and "fair" price-setting mechanisms principles
  - Freedom of access to EU clean financing schemes (rehabs. and new-builds)

Suggested Action Points (Selected) (cont'd)

- Governments to focus on key parameters, including
  - Due ownership of political risk
  - Definition and implementation of a clear and stable legal and regulatory framework with a view to harmonizing at EU level
  - Facilitation of access to competitively-priced sources of funding, in particular through the provision of focused risk mitigation measures, the promotion of flexible commercial, contractual, insurance and financing structures, etc.

A Few Take-Away Points

- Electricity is the blood of our societies (common good)
  - Investments in affordable power generation are a priority and should be supported
- Nuclear power generation has a key role to play
  - Low carbon electricity production
  - Reliable, competitive, long-term source of production
- Commission should further promote an EU-wide technology-neutral energy policy
- Governments supporting nuclear have a major role to play
  - Such role can be tailor-made and limited in time
- Ultimately, there is no reason why nuclear should not be a profitable investment
  - Even more when full system costs are duly attributed

Thank you!