



Confrontations – Europe Conference

Relaunching the nuclear industry in Europe: expectations from energy consuming industries

Philippe Rosier

President of Rhodia Energy

Chairman of BUSINESSEUROPE « Energy » Group

Need for an EU energy strategy using all options

- All of the following resources are needed to deal with the economic and environmental challenges linked to energy:
 - improved energy efficiency;
 - development of renewables;
 - use of nuclear energy;
 - carbon capture and storage (CCS) technologies.
- A delay in developing any one of these resources will have very harmful effects



Eliminating obstacles to development of nuclear

Need for an EU action agenda promoting:

- greater harmonisation of safety requirements;
- simpler and more harmonised permitting procedures;
- mutual recognition of certificates issued when assessing the design of new reactors;
- establishment of national plans for management of radioactive waste;
- anticipation of skills needs;
- research, development and demonstration projects;
- an open and well-informed debate on nuclear energy.



Supply of energy at competitive prices (general)

BUSINESSEUROPE calls for:

- achieving the European gas and electricity market
 - improvements to governance (reformed competences for national energy regulators)
 - an effective unbundling regime, which creates fair and equal access to the network, while encouraging investment in network infrastructure
- building a strategic EU vision on long-term contracts between producers and users



Long-term contracts (LTC's) (1)

- General advantages:
 - they give consumers long-term visibility and a price for baseload electricity which reflects the economics of baseload tools
 - planning stability for energy suppliers

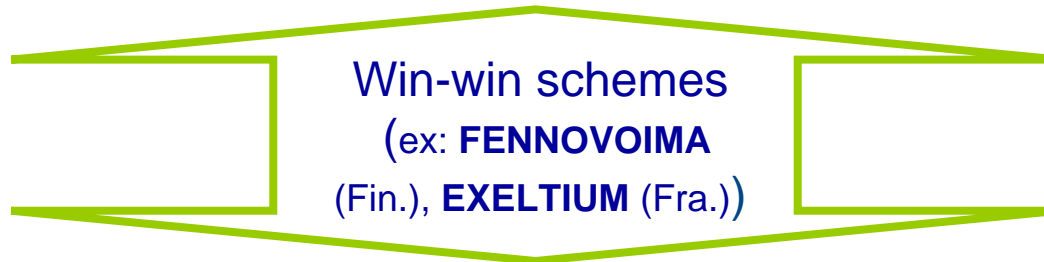


Long-term contracts (LTC's) (2)

Nuclear: win-win schemes exist!

Energy intensive industrial consumers are looking for:

- Competitive prices
- Long term visibility



Producers' needs:

- find project finance mechanisms coupled with a minimisation of the risk by securing baseload outputs



Long-term contracts (LTC's) (3)

- Problem: LTC's exist/are planned only in a few countries; their definition is a difficult process
- Reason : existence of « bottlenecks »



LTC's: Bottlenecks at national level

- Uncertainty about the effective duration of contracts, which can be made unstable by national legislation
- Limited role played by the state in bringing parties together
- Not sufficiently diversified pricing models



LTC's: Bottlenecks at EU level

- Uncertainties generated by the European Commission's decisions and thinking in connection with competition law
- Slow development of cross-border electricity interconnections
- Insufficiently effective functioning of the internal energy market



Addressing the bottlenecks by EU action

- Publication of effective EU guidance (guidance approaches which are not narrowly prescriptive, but which open possibilities)
- Disseminate best practice in the area of LTC's (Exeltium, Fennovoima,...)
- Creation of incentives which enable energy-intensive industries to enter LTC's or innovative co-investment models

