



European Nuclear Assembly 2008

Tools for supporting the drive for new nuclear build

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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



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 (LTCs) between producers and users



Why are LTCs important ?

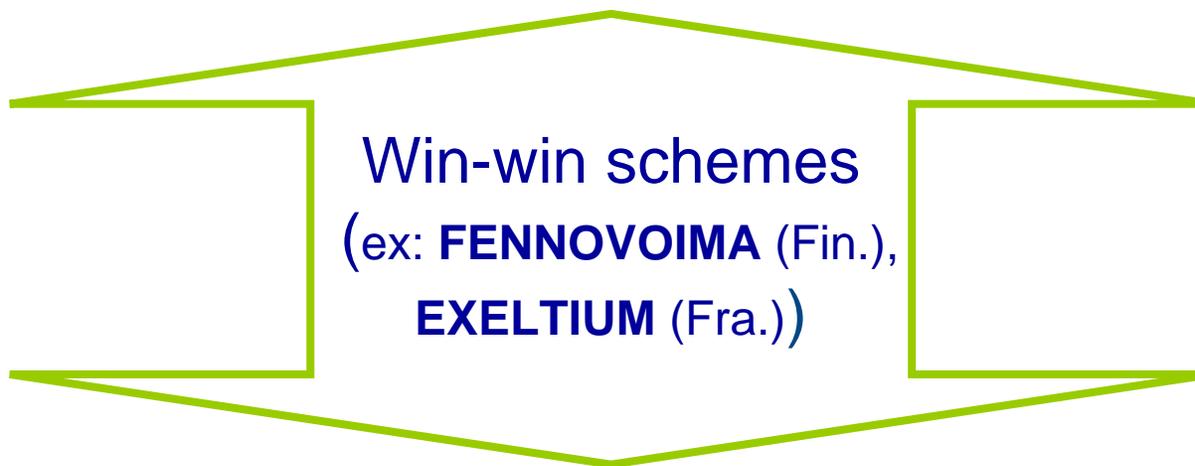
- LTCs facilitate major energy investments by giving guarantees for their long-term viability
- LTCs can be based on electricity prices which reflect the economics of baseload tools
- LTCs give visibility of the economic conditions for future energy supplies
- LTCs give planning stability for energy suppliers
- Above features are important for new nuclear build



Nuclear: example of win-win schemes

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



LTCs: current situation

- LTCs between producers and
 - individual consumers
 - consortia of consumers
- exist / are planned only in a few countries
- Their definition is a difficult process
- Reason: existence of « bottlenecks »



LTCs: Bottlenecks at national/EU level

- Uncertainties on effective duration of contracts (due to national legislations)
- Passive attitude of the state
- Insufficiently diversified pricing models
- Competition law: Commission's decisions and thinking generate uncertainties
- Insufficiently effective functioning of the internal energy market; limited interconnections



What is needed to address the bottlenecks

- EU plus national strategic debates on LTCs.
NB: MEPs underline role of LTCs
- EU framework facilitating LTCs (without hindering the internal market)
- EU guidance principles that open possibilities for parties to conclude LTCs (even with leading producers)
- Give LTCs adequate length to foster security of supply and liberalisation
- Disseminate best practice in the area of LTCs

