

How to succeed?

Critical items and assumptions for successful construction of the new NPP in the Czech Republic

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 - **Financing structure**

Critical items of new NPP construction in the Czech Republic

- **Fulfilment following conditions and assumptions**
 - Deficit or future deficit electricity balance in the country and region
 - On which electricity market we will sell the product
 - Procedure without conditions of Public Procurement Act
 - Legislation simplifying
 - Investment model
 - Financing structure
- **State support**

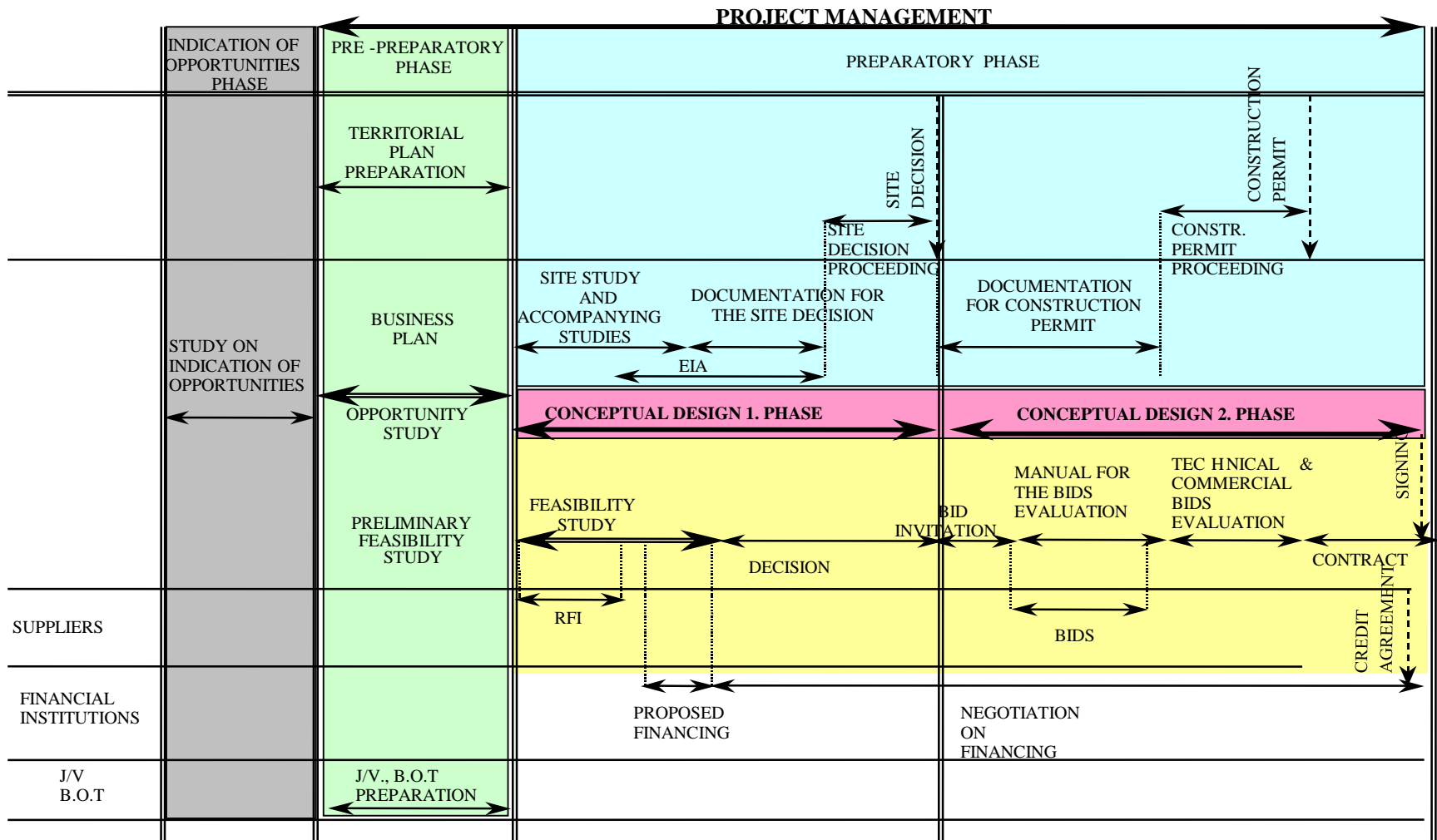
New EU NPP Analysis

- **New NPP Analysis of successful/not successful projects (from the aspects of permitting/licencing, legislation, investment model and financing structure) in the following countries of EU:**
 - Finland
 - UK
 - Lithuania
 - Hungary
 - Slovakia

New EU NPP Analysis

Country	Selling electricity	Balance deficit	Legislation simplifying	Investment model	Financing
Finland	Bilateral	Yes (incl. future)	Yes	Mankala model	Strategic partner
Velká Británie	New market	No (today) Yes (future)	Yes	Foreign investor	Foreign investor
Lithuania	Bilateral	Yes (incl. future)	Yes	International Mankala	Strategic partner
Hungary	EC conditions + wholesale market	Yes (incl. future)	No	Project company	IGA
Slovakia	Wholesale market	Yes (incl. future)	No	JV + strategic partner	???

Preparatory Phase activities of the new NPP



Conditions and assumptions of new NPP

- **Project management capabilities**
- **Fulfilment following conditions and assumptions in the areas:**
 - Legislation simplifying
 - Investment model
 - Financing structure
- **Condition for construction of the NPP project:**
 - Deficit or future electricity balance deficit in the country and region



Conditions and assumptions of new NPP

- **Deficit or future electricity balance deficit in the country and region**
 - Elaboration of long-term electricity balance in the Czech Republic and region (at least Germany, Poland, Slovakia, Hungary, Austria)
 - Security of supply
 - TSO cross-border capacity
 - Market Coupling
 - De-creasing of cross-subsides on the power market

Conditions and assumptions of new NPP

- **On which electricity market we will sell the product**
 - Decision is imported for selection of investment model and project financing structure. We have following possibilities:
 - 1) Wholesale market
 - Financial derivate development
 - 2) Bilateral market
 - Out of wholesale market for example Mankala in Finland or linternational Mankala in Lithuania
 - 3) New electricity market
 - UK electricity market reform (+ conditions for foreign investors)

Conditions and assumptions of new NPP

- **Legislation simplifying**

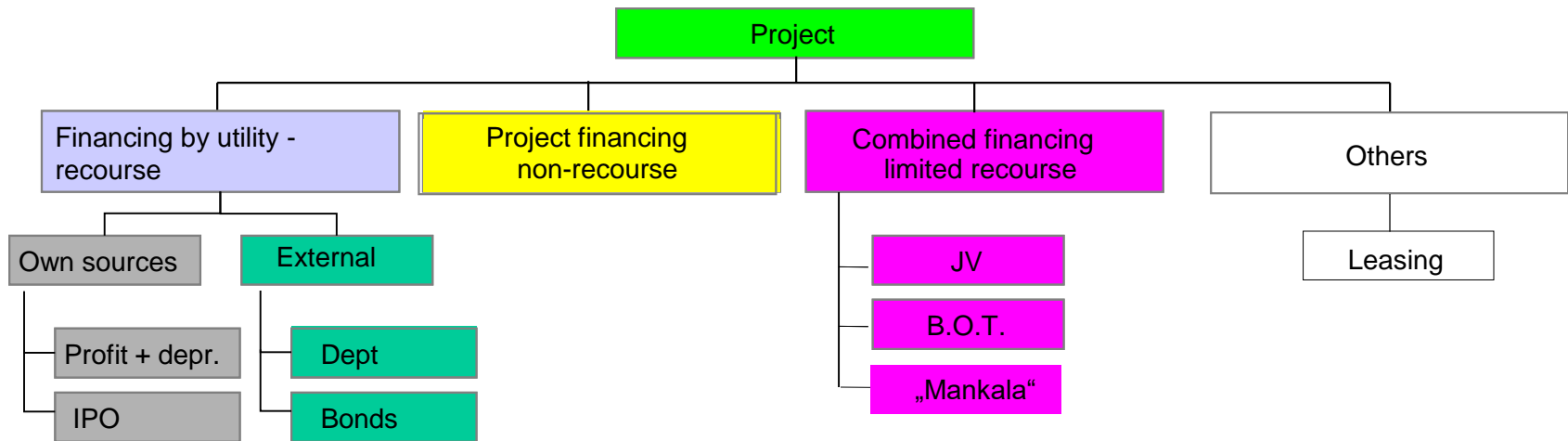
- On the basis of experience from new NPP analysis in EU we have to stress that legislation conditions are very important for successful development of the project:
 - Legislation environment
 - Procedure without conditions of Public Procurement Act
- As a example for legislation simplifying could be Atomic Act in Finland or Lithuania

Conditions and assumptions of new NPP

- **Legislation simplifying in Finland**
 - Atomic Act for nuclear power plants has 3-steps permitting/licencing process:
 - „Decision in Principle“
 - Construction Permit
 - Operation License
 - **„Decision in Principle“** is decision of Government and Involved Authorities approved by the Parliament as a first step of permitting process based on the evaluation:
 - Site
 - Standard design
 - Impact to environment
 - Nuclear safety
 - Public hearing
 - Involved Authority statements

Investment model and Project financing

- Investment model and Project financing



Investment model and Project financing - Mankala

