



REGULATORY, FINANCIAL AND POLITICAL CHALLENGES TO NEW BUILD: THE EDF EXPERIENCE

WNA Regional Workshop Series

WORLD NUCLEAR
ASSOCIATION

Moscow 25-26 October 2016

Sandro Baldi

*Director of Technologies and Strategy –
Nuclear New Build Division - EDF*



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Nuclear New Build: an exceptional endeavour



- Highest **safety** and **security** standards &
- Rigorous **licensing** process



Capital intensive
with
Large **upfront CAPEX**

* Source: IEA-NEA Nuclear Energy Roadmap 2015



- Vast quantities of **materials** and **equipments**
- Millions **Engineering hours**
- Hundreds **contracts**
- **Thousands people** on construction site



Significant
Impacts and Benefits
on
Local communities and
business



Long Average
Construction duration
=>
belated
Return On Investment

Current Challenges to New Build in the World



Regulatory Challenges



Financing Challenges



Politics and Policy Challenges



Public Acceptance Challenges

Current Challenges to New Build in the World



Regulatory Challenges

◇ Nuclear Licensing & Environmental acceptance

- ▶ *Prescriptive or guidelines approach*
- ▶ *Visibility and reliability of duration of process*
- ▶ *Regulators approachability and vendor/regulator openness*

◇ Safety & Security

- ▶ *Increased and more stringent requirements*

◇ Electricity Market competition

- ▶ *Competitive market or protected/controlled markets*
- ▶ *Existence or not of capacity mechanism*
- ▶ *Contract for Difference/Price guaranty*

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Current Challenges to New Build in the World



Financing Challenges

Large upfront CAPEX

History of cost overrun and delays

Manage long term risks

Long term Return On Investment

Costs of decommissioning and waste disposal

►► Need to keep a healthy Balance Sheet ◄◄

Current Challenges to New Build in the World



Politics and Policy Challenges

**Political
Instability**

Unfavourable Energy
Policies

International
Climate
Resolutions

Disadvantageous Energy
Subsidy Approach

Lack of National
Energy Strategy

Current Challenges to New Build in the World



Public Acceptance Challenges

Rarely managed via a mature political approach

Frequently erratic

Used and abused by media

Require high level of effort and extensive communication

EDF: How to Manage the Challenges and Succeed



Strong Leadership



Durable and Reliable Partnerships

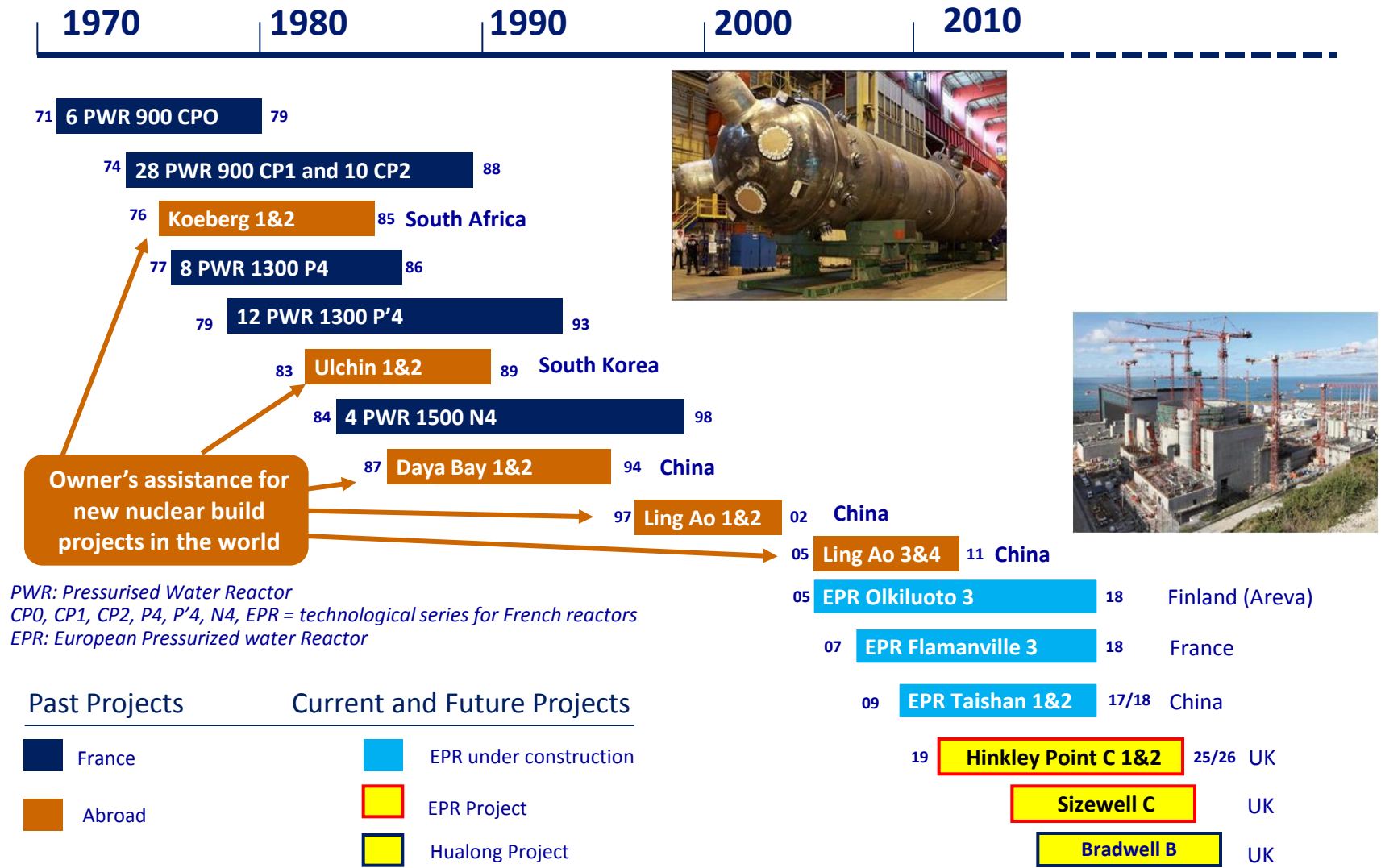


***Transparent, Flexible, Resilient
Stakeholders Management***



Safe, Performing, Reliable Product

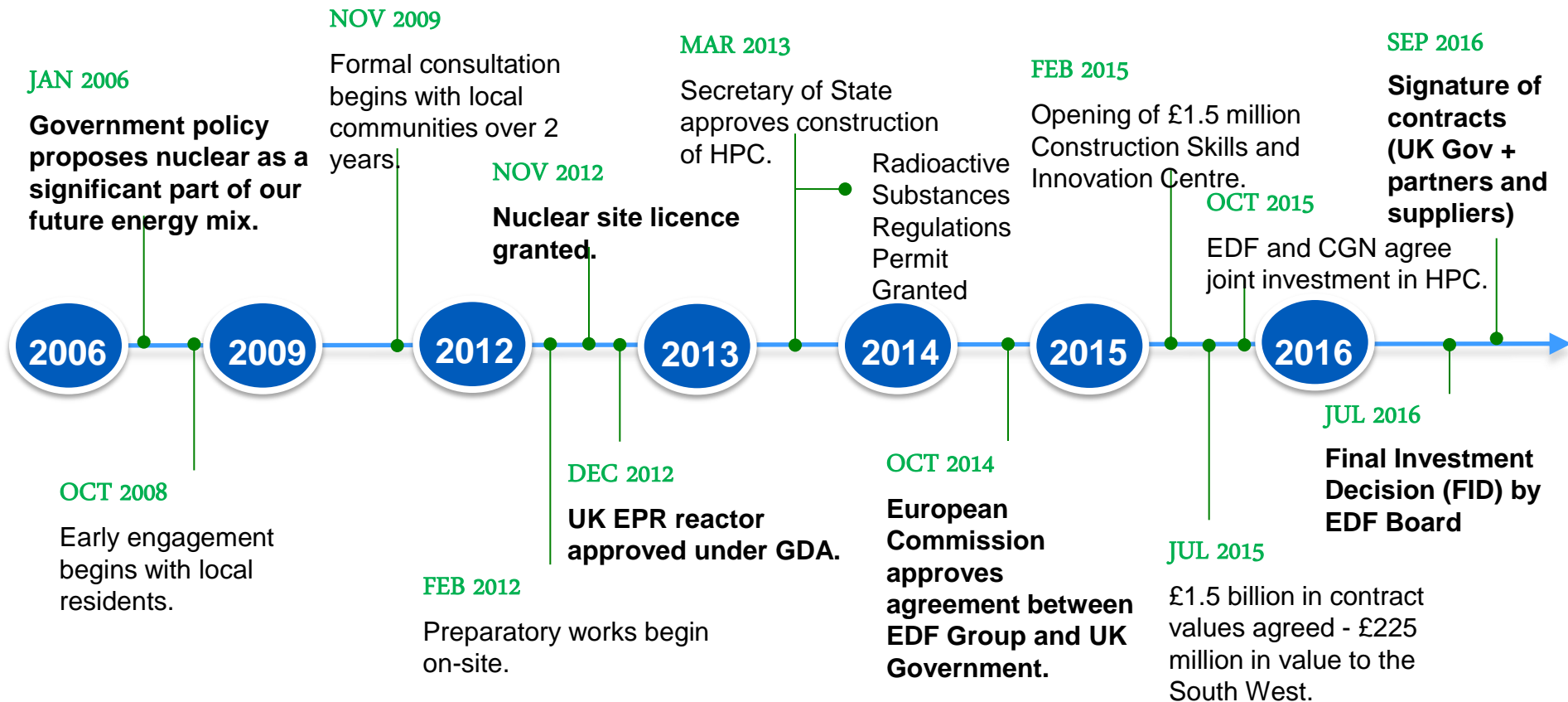
EDF and its Worldwide Partners: A Long Journey which started in the 1970's



Worldwide Licensing Experience & Worldwide Strong Partnerships

Hinkley Point C: a unique and exciting journey

The first nuclear power station to be built in the UK in a generation.



EDF: What Did We Learn?

- ▶ Strong **Leadership**

- ▶ **Developer Credibility** and Durable and Reliable **Partnerships**

- ▶ Transparent, Flexible, Resilient **Stakeholders Management**

- ▶ Safe, Performing, Reliable **Product**

Are the KEYS to unlock SUCCESS in overcoming CHALLENGES

Thank You