

New Nuclear Power Plants in Europe - legislation impact to engineering and commissioning phase costs

Jaromír Novák – General Manager

Euroenergy

Legislative issues – prolongation of the process

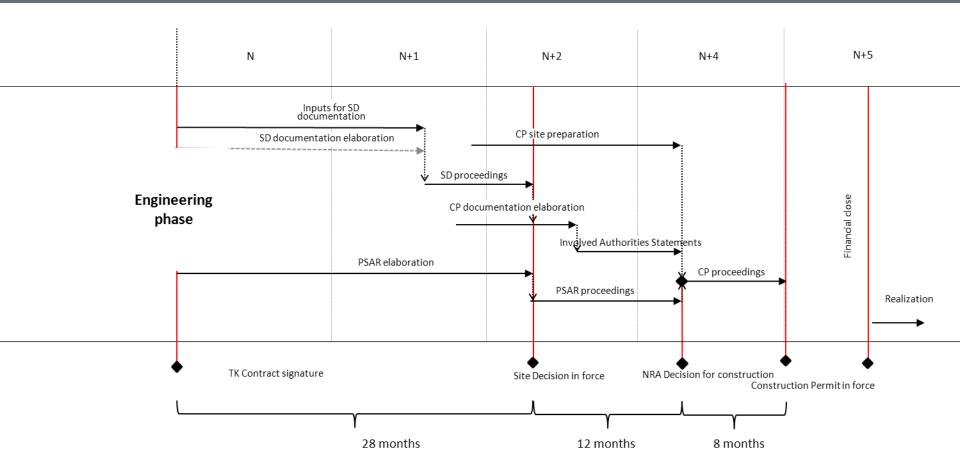
- Complicated EU legislation has a direct impact on the engineering phase and therefore on costs
- Construction Act, Atomic Act, related legislation regarding permitting and licensing activities, EIA, statements and approvals from the Involved Authorities based on specific Acts etc. - a substantial hindrance
- The Public Procurement Act transposition of numerous EU directives
- The risks are increasing and the resulting financial costs can become unbearable

Legislative issues – prolongation of the process

The engineering phase costs

- From the permitting and licensing point of view the engineering phase includes the selected activities:
 - elaboration of Site Decision documentation;
 - Site Decision proceedings;
 - elaboration of Preliminary Safety Report;
 - Preliminary Safety Report proceedings;
 - elaboration of Construction Permit for temporary structures and on site facility areas;
 - Construction Permit for temporary structures and on site facility areas proceedings;
 - elaboration of Construction Permit (for the main site);
 - Construction Permit proceedings
- Substantial capital requirements at this stage already

An example - sequence and time schedule of listed activities



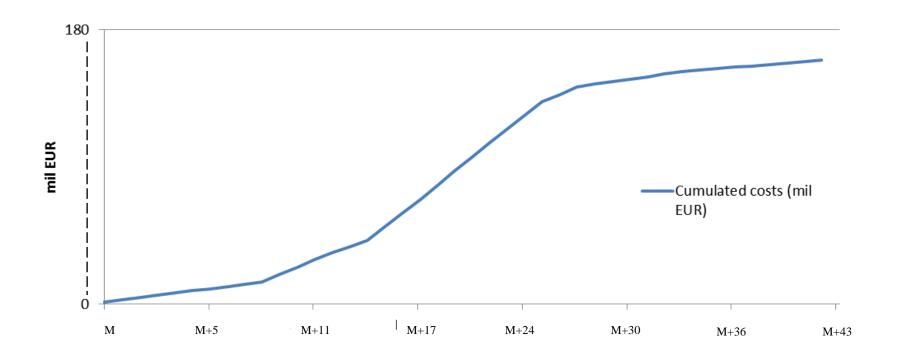
An example - estimate of engineering activities costs for a EU based NPP project (% of a total)

⇒ Site decision documentation – inputs	13%
⇒ Site decision proceedings	3%
⇒ Preliminary Safety Analysis Report – elaboration	38%
⇒ Preliminary Safety Analysis Report– proceedings	4%
⇒ Construction permit for site preparation and temporary facilities – proceedings	2%
⇒ Construction permit documentation – elaboration	31%
⇒ Construction permit – involved authorities statements	5%
	5%

An example - the following two graphs represent the assumed supplier's engineering costs time schedule framework



An example - the following two graphs represent the assumed supplier's engineering costs time schedule framework - continued

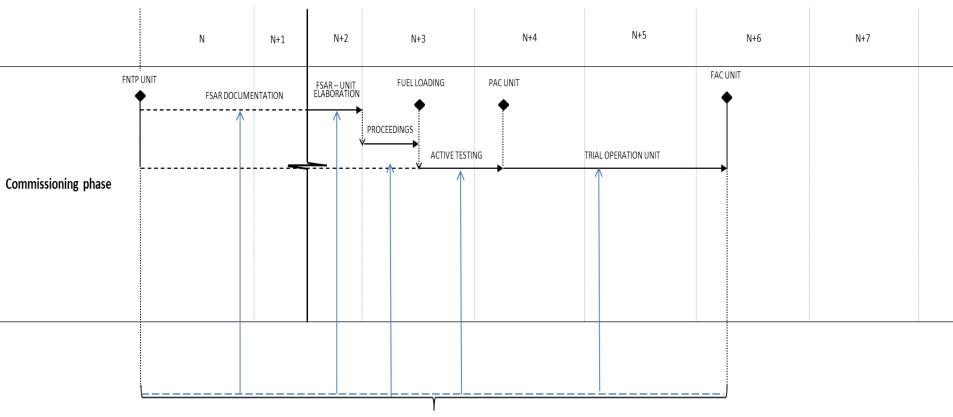


Legislative issues – prolongation of the process

The commisioning phase costs

- From the permitting and licensing point of view the commissioning phase includes the following activities:
 - elaboration of Pre-operational Safety Report
 - Pre-operational Safety Report proceedings
 - elaboration of license documentation for particular stages of nuclear installation commissioning
 - documentation for individual stages of nuclear installation proceedings
 - elaboration of license documentation for other licenses
 - license proceedings
 - elaboration of documentation for trial operation
 - Pre-operational Safety Report update
 - Pre-operational Safety Report update proceedings

An example - sequence and time schedule of listed activities



DOCUMENTATION FOR START-UP, COMMISSIONING AND OPERATION PERMITTING AND LICENSING

An example - estimate of commisioning activities costs for a EU based NPP project (% of a total)

- ⇒ Pre-operational Safety Report elaboration (incl. update for operation approval) 67%
- ⇒ Pre-operational Safety Report proceedings (incl. update for operation approval) 7%
- ⇒ Permitting Documents, Licensing Documents to obtain the Licences for individual stages of the Nuclear Installation Commissioning and Operation, Other Licensing Documents (elaboration and proceedings)
 - ⇒ The sum of all these costs can reach approx. EUR 75 mil

New Nuclear Power Plants in Europe - legislation impact to engineering and commissioning phase costs

Thank you for your attention.

Questions?