

Hungary has received confirmation from the European Commission that its Paks II nuclear power plant project meets the objectives of the European Atomic Energy Community (Euratom) Treaty, a government official told World Nuclear News on 11 September. Speaking at the side of the World Nuclear Association's Annual Symposium in London, Attila Aszódi said the formal confirmation had been received on 7 September.

The European Commission has reviewed the documents for the Paks new build project, or Paks II, which were communicated pursuant to Article 41 of the Euratom Treaty, Aszódi said.

Aszódi is the government commissioner for maintaining the capacity of Paks Nuclear Power Plant "in the long run", he said, meaning the Paks II project, at the Hungarian Prime Minister's Office. He said, "From the point of view of DG Energy, we can proceed."

The Directorate-General for Energy is focused on creating a competitive internal energy market in the European Union which can provide secure and reliable energy supply, by lowering greenhouse gas emissions with affordable energy prices.

Euratom is the nuclear watchdog of the EU and Article 41 refers to the requirement that persons and undertakings engaged in certain industrial activities communicate to the European Commission investment projects relating to new installations and also to replacements or conversions.

Aszódi said the approval was "a very significant step" and referred to its importance to other projects, including Hinkley Point C in the UK. The EC provided the UK government with a favourable view on EDF's investment plans for Hinkley Point C under Article 41, concluding that it fulfils the objectives of the Euratom Treaty and contributes to the development of a sustainable national energy mix.

"If you look at the history of Hinkley Point, or other projects, it is always an important milestone because it shows that technically, from an energy policy point of view, from a security of supply point of view, and even from the point of view of combating climate change, the project is recognised by the Commission as a good tool," he said.

An inter-governmental agreement signed in early 2014 would see Russian enterprises and their international sub-contractors supply two VVER-1200 reactors at Paks, as well as a loan of up to €10 billion (\$10.5 billion) to finance 80% of the project. Paks currently comprises four Russian-supplied VVER-440 pressurized water reactors, which started up between 1982 and 1987. Though originally 440 MWe gross, the units have been upgraded to give 500-510 MWe gross.

#### Controversy

Asked why the project had attracted controversy at the political level, Aszódi compared and

contrasted the Paks II project with Finnish Fennovoima's plans to build Hanhikivi 1.

"This is a very complicated question because technically speaking the project is very similar to the Finnish one, but Fennovoima started its preparations for the Hanhikivi project, including the EPC contract negotiations, one year before us," he said.

Fennovoima aims to start building the plant - based on a Russian-designed AES-2006 VVER that would produce 1200 MWe - in 2018, with operation beginning in 2024.

Aszódi added: "The attention our project attracted was due to the crisis in Ukraine and the sanctions against Russia. But I have to say, the Hungarian government signed the inter-governmental agreement with Russia in January 2014 at which time there was no crisis in Ukraine and the whole world was preparing for the Sochi Olympics. So there was no problem at all at the international level."

While the two new units in Paks will be very similar to the unit in Hanhikivi, the ownership structure is different: the Hungarian plant will be 100% state-owned property.

Opposition to the Paks II project by anti-nuclear groups has been no different to the experience of nuclear power plant projects in other countries, he said. "It's important to stress that if Hungary cannot realise this project, which is aimed at maintaining the capacity of the current plant in the long run - we have 2000 MWe on the Paks site and these units will be shut down in the 2030s - then I don't know how we can ensure the electricity supply of the country."

Euratom approved a contract between Hungary and Russia on nuclear fuel supply for the Paks II new build project in April. János Lázár, Minister of the Prime Minister's Office, said then that the European Commission had officially informed the Hungarian government that the ESA had signed the contract between the two countries.

While it is normal for vendors to supply a new reactor's first load of fuel as well as some subsequent reloads, the EU requires that new nuclear projects have options to involve other than the original fuel supplier in the long term, too, if there will be alternative fuel suppliers on the market. The ESA ensures this common policy on fuel supply in the nuclear sector, overseen by the European Commission, which must countersign any nuclear fuel contract for it to comply with EU law.

News reports in the months prior to this approval that the ESA and the European Commission had blocked the agreement between Hungary and Russia were unfounded, Lázár said. Hungary has concluded three agreements with Russia - on the construction of the nuclear power plant; on its operation and maintenance support; and on the supply of nuclear fuel for the facility. The ESA's direct approval was necessary for the third agreement, Lázár said.

### Talks continue

Hungary is still in talks with the European Commission on the Paks II project, Aszódi said. “The fuel contract was signed in April and we now have the confirmation from the point of view of Article 41. But two other questions are still open. One concerns the kind of procurement rules that should be applied during realisation of the project and the other is the so-called ‘no state aid versus state-aid’ issue. We are in daily contact with the Commission and we hope to finish those processes in the near future,” he said.

In addition, Hungary is working on environmental licensing for the project, which includes adhering to the processes of the Espoo Convention. This international agreement, overseen by the United Nations Economic Commission for Europe, sets out the obligations of Parties to assess the environmental impact of certain activities at an early stage of planning. It also lays down the general obligation of States to notify and consult each other on all major projects under consideration that are likely to have a significant adverse environmental impact across borders.

“We hope to complete the Espoo process this year, with international hearings and consultations with all the 11 countries that have asked to participate in the process for the Paks II project,” Aszódi said. “We are also working on the site investigation program. That will be followed by an application for a site licence and then for a construction licence, which will need to be issued by the end of 2017 to be able to start construction in 2018 as planned.”

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