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## **REDUCING CAPITAL COSTS OF NUCLEAR POWER PLANTS**

The OECD Nuclear Energy Agency (NEA) announces the publication of a new report which analyses various means of reducing the capital cost of nuclear power plants in order to maximise their economic potential versus less capital intensive energy production sources. The economic competitiveness of nuclear power will continue to be a most important factor determining its share in future energy mixes.

The report finds that, where power system characteristics allow, building nuclear power plants with units of larger size and several replicate units on the same site will result in the greatest reduction in specific capital costs, with potential savings of as much as 15-20%. This has been demonstrated in such countries as Canada, France, Korea, Sweden and the United States.

The report concludes that, in spite of the current cost advantage of fossil fuels, nuclear can be much more competitive if countries engaging in nuclear programmes utilise and combine the advantages of the range of means available to reduce capital costs.

Since the mid-1980s, the declining real price of fossil fuels and the significant technical development of combined-cycle, gas turbine power plants have eroded the competitiveness of nuclear power plants. In addition, the electricity sectors in most OECD countries are experiencing great changes in their structures and regulation.

Today, the capital investment to construct a nuclear power plant represents some 60% of the total generation cost and, consequently, identifying the means to reduce the capital cost of nuclear power plants has a high priority.

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News Media Contact: Jacques de la Ferté - Tel. 33 (0)1 4524 1010 - Fax 33 (0)1 4524 1110 e-mail: news.contact@nea.fr - web site: http://www.nea.fr The new report, which is a synthesis of experience and views of experts from NEA Member countries, identifies eight areas in which capital cost reductions could be achieved. These are: increases in plant size; improvements in construction methods; reductions in construction schedules; improvement in designs; improvements in procurement, organisational and contractual aspects; standardisation and construction in series; construction of multiple units; and regulatory and policy reform. Certain other steps to reduce capital costs of nuclear power plants further, such as financing, siting, and site-specific issues, are not covered by the report.

**"REDUCTION OF CAPITAL COSTS OF NUCLEAR POWER PLANTS"** OECD, Paris, 2000 - ISBN 92-64-17144-4 FF 240 - £ 24 - US\$ 38 - DM 72 - ¥ 4400

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