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President, dear Excellencies, distinguished Delegates, Ladies and Gentlemen,

The Czech Republic as a land-locked country looks for a long time for the realization of the State Energy Policy adopted in 2015 and based on truly balance of three strategic goals – security, competitiveness and sustainability. The current situation with natural gas – which should have been a bridging technology towards mix of nuclear energy and renewables - makes planning more difficult.

Currently, the Czech Republic is fully self-sufficient in its production of electricity and heat. In accordance with the European Union's decarbonisation goal, we will phase-out almost half of the energy sources producing electricity and heat from lignite and coal over the next 10-15 years. The geographical conditions do not allow ensuring the energy security by using exclusively renewable sources. Furthermore, a number of academic and internationally recognised studies demonstrate that more cost-effective, resilient and reliable are power, heat or hydrogen systems based on a mix of low-carbon energy sources consisting of nuclear and renewables.

That's why, the Czech government relies on nuclear energy for today and for the future – not only for the generation of electricity, which is in Czechia covered by 36% from nuclear energy, but also for the generation of fossil free heat and hydrogen. We do use nuclear heat for supplying a town of population eight thousand, finishing currently a heat pipeline to supply another thirty thousand people and there is a plan for a new heat pipeline to supply two hundred and fifty thousand people. However, this is not enough.

To meet our energy and climate policy goals, and to ensure generation adequacy in the Czech Republic, we have decided to launch a tender for one new unit at Dukovany site which will be followed next year by an assessment of an option for up to three additional large units at Dukovany and Temelín sites. We have worked hard to establish a national scheme to secure investment conditions and deliver the main goal – to maintain energy security and decarbonization of the energy production. Reflecting longevity of the investment and a number of market failures and uncertainties, the state support for nuclear new build follows recommendations by OECD NEA, IEA,

IAEA or UNECE and consists of favourable financing conditions, investment framework ensuring reasonable rate of return and guarantees for political and legal risks. Furthermore, we would also need an appropriate electricity market design which would value also stability - of supply but also stability of price level! - and in the EU also member states' responsibility by meeting generation adequacy.

To substitute coal power plants and heating plants, we need to find a low-carbon fossil free solution. This could be also small modular reactors which could use already developed district heating systems or could be coupled with hydrogen production. The possibility for their deployment is being evaluated and discussed with the Czech energy company ČEZ and the energy intensive chemical and steel industry as a potential user and possibly also investor. One of the regions already started cooperation with CEZ on the preparations of the site for a small modular reactor, and a special dedicated company South Bohemian Nuclear Park has been established. Five coal power plant sites are currently being assessed for the potential use of small reactors and the government is working on a roadmap which will be presented in mid-2023. With the nuclear experience dating back in the fifties, we could be – and we will aspire to be – among first countries in the European Union using a small modular reactor.

The role of the governments is to make the conditions easier to deliver results. Without any acceleration of changes of the legislative framework for permitting and licencing procedures and also appropriate strengthening of concerned authorities, nuclear new-build would be much more challenging and lessons-learned would not be fully materialized. Therefore, our government started a number of specific measures on the national level or in the field of international cooperation, be it within IEAE platforms or on bilateral basis such as recently signed Memorandum of Understanding between OPG – Ontario Power Generation – and CEZ under which they will share information related to the deployment of new nuclear projects. But it must not be up-to the states and their authorities only, we need ambitious technology vendors who are ready to bear risks which are in their influence and thereby make their offers more competitive. We also need an experienced supply chain with sufficient capacities – despite being mid-size country, Czechia has an excellent nuclear industry and research with long tradition, an important asset for our nuclear programme.

The production of electricity, heat and hydrogen has been a priority of the current Presidency of the Czech Republic in the Council of the EU. The Czech Republic focuses on five closely linked priority

areas, including ensuring the EU's energy security and meeting the EU's climate goals, which includes nuclear energy. The Council's 18-month programme, prepared by the French, Czech and Swedish Presidencies foresees that the trio will work toward transparent and inclusive alliances and strategic value chains while fulfilling the objectives of the European Climate Law and European Atomic Energy Community. To facilitate investment and ensure the establishment of the basic installations necessary for the development of nuclear energy in the Community, the Czech EU Presidency supports a broad discussion on the construction and safe operation of new nuclear power plants, for the generation of electricity or heat, including for hydrogen production, using best-available technologies.

After the inclusion of nuclear energy in the taxonomy of sustainable finance in the EU, I personally strongly believe that conditions for investments in nuclear new build in the European Union will change and there is also a room for Transatlantic partnerships regarding nuclear new-build including small reactors, not only in technology but also in operation. The momentum for investments in new nuclear is now and the Czech Republic is part of this process.

Thank you.