Ministerial Conference on Nuclear Power in the 21st Century News

26–28 October 2022, Washington D.C., USA

Dear Ladies and Gentlemen, esteemed colleagues,

Thank you for the invitation to address a few words in the opening of this extremely important event for the nuclear energy community.

We are all facing extreme challenges in dealing with the current energy crisis and securing affordable and constant supply to our consumers and industry. The current war in Ukraine has demonstrated the importance of a **balanced energy mix in the EU and of a resilient energy** system when faced with extreme events.

Europe is accelerating its strategies towards decarbonization, with an additional layer of challenges related to the reduction of dependency on Russian gas imports. These days, the energy security dimension becomes a top priority on the EU agenda.

Additionally, the current energy prices crisis triggers long term economic burdens on consumers and businesses and short-term mitigation measures are not financially sustainable.

We strongly condemn the usage of energy as a political weapon. The over reliance on Russian imports was a vulnerability of the UE even before the war started.

An important, critical step, in ensuring security of supply in Europe during these challenging times was the joint action plan agreed in Brussels on March 25th between the **EU and US** to reduce Europe's dependency on Russian gas and facilitate energy transition. We appreciate the constant support of the US in ensuring additional LNG deliveries to the EU.

As you may know, during our previous meetings of the EU Energy Council we have put in place measures to deal with the current crisis, aimed at increasing gas storage levels, diversifying suppliers and routes, consolidating the energy and gas infrastructures, reducing demand and caping the revenues of market participants to finance the protection measures implemented for households and businesses. However, **more still needs to be done** to secure our energy security and perspective for future growth.

Romania has the benefit of a **balanced energy mix** incorporating diverse sources with the potential to complement each other and ensure a resilient and stable production. We also rely on our indigenous energy supplies, having one of the highest degrees of energy independence in the EU. The gas from the Black Sea will ensure our self-sufficiency by 2026 as well as export capacities. Replacing coal with nuclear power and renewable energy sources is the pathway to secure the decarbonization of our energy mix and maintain jobs and domestic supply chains.

In the long term, we need to start thinking about the economic relaunch of Europe. Bringing down high energy prices requires **investments in low carbon new energy capacities** and the adequate

financial and administrative support. **In our view, nuclear power is an important component of the energy mix,** enabling Romania to build on the existing excellent track record of operational safety as well as be at the forefront of SMR deployment in the EU.

We have developed a strong partnership with North-American and European companies in the nuclear field since the selection of the CANDU technology in the 60s. Further building on this partnership, we are planning to advance our new build project in Cernavoda, Units 3 and 4 and the refurbish Unit 1 for an additional 30 years of safe and efficient operation. As you know, our nuclear supply chain and technology are independent from Russian imports and influence.

In our 25 years of experience in the nuclear field, this technology has proven its merits in ensuring stable baseload production, affordable energy prices, the formation of an entire horizontal industry and the retention of highly skilled personnel in the country. Nuclear power is included in the energy strategy of Romania as a pillar of decarbonization and security of supply, ensuring 18% of our energy needs. This figure will increase to 36% with the commissioning of the two additional units on Cernavoda site which will represent almost 70% of the low-carbon energy production in Romania. This adds up to the multiple benefits in terms of job creation, income to the local budget, economic growth.

As it is often mentioned, *every crisis provides for new opportunities*, **we need to reopen and consolidate the discussion about nuclear energy in the global context of security of supply**. Coal will be phased out by 2030 in most countries, leaving a gap of aprox. 35% in energy consumption which will need to be replaced by nuclear and renewable energies. It is expected that global primary energy consumption will continue to rise, with the increase of electrification of transport and industry. Meeting both global and regional energy demand will be a challenge. Securing low-carbon low-cost energy source is a decision that we must make today. Without investments in nuclear, it is estimated that more than two-thirds of nuclear capacity in advanced economies will be closed by 2040, leading to a $1.6 trillion increase in the cost of transitioning to a sustainable, carbon-free energy sector.

The inclusion of nuclear power in the EU Taxonomy for sustainable finance is, of course, a positive signal, to which Romania greatly contributed, being among the main advocates. The next challenge is to ensure a fair, transparent and **encouraging investment framework** for both large scale nuclear new build as well as SMR projects going forward. Nuclear power projects require a **long term vision** and it is our responsibility, as leaders, to ensure, in close cooperation with the private financial sector, that we put forward the right instruments and support.

I strongly believe that timely efforts to **accelerate nuclear innovation** are necessary. A common understanding of the urgency at EU and global level to further develop nuclear power in the energy mix will allow policy makers and private investors to streamline their policies with greater predictability.

We need to look at nuclear technologies, and especially SMRs not just from the perspective of energy supply but from that of extensive uses in correlation to the current and future needs of our consumers. **The production of heat and hydrogen** are valuable economic components that nuclear power can bring, further contributing to decarbonization, in a sustainable ecosystem which

places the consumer at the center. Low-carbon hydrogen is both competitive and domestic, thus reducing our need for future imports.

When talking about SMRs and different technologies, I want to underline the importance of **cooperation and sharing of information** in order to accelerate the licensing process and the timely implementation. We rely on the strong partnership with our American and European friends to develop integrated supply chains and R&D networks for current and future applications of SMRs.

In **Central and Eastern Europe**, more than in other parts of the continent, we are facing the challenge of decarbonization as well as the imperative to reduce our dependency on Russian energy imports. We see great potential for nuclear deployment in this part of the world and support a close cooperation with our neighbors in this regard, including in the framework of **P-TEC and the 3Seas Initiative**. Romania stands ready to share its experience in the nuclear sector and SMR deployment at regional level, uniting our effort for a common purpose: safe, clean, reliable and affordable energy for our consumers.

Going forward, nuclear needs to be placed in the center of our political and strategic discussions about security of supply and decarbonization, and the international community can play an important role in leading the way.

Thank you!