

Successful Nuclear Projects - Financed

OECD NEA / IFNEC

High-Level Warsaw Conference on Nuclear Financing | November 23, 2021

William E. Fork

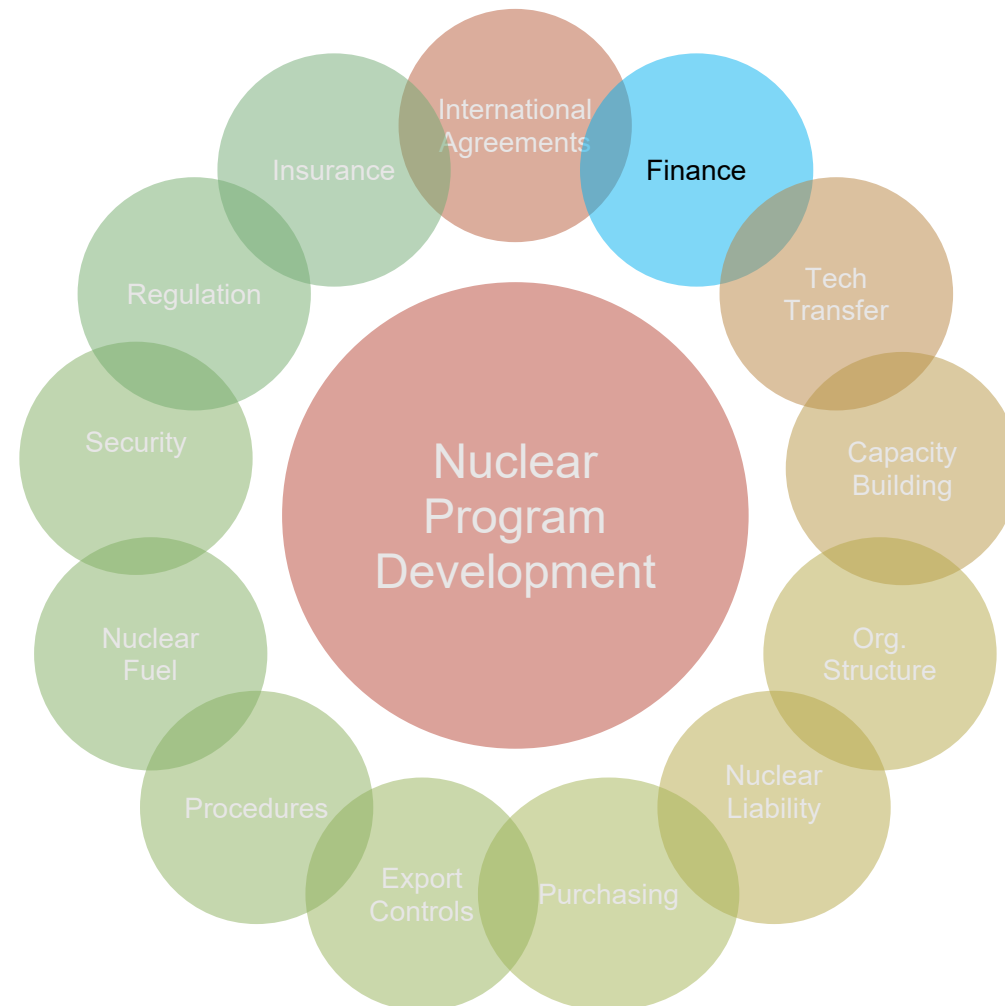
Partner

Pillsbury Winthrop Shaw Pittman LLP

william.fork@pillsburylaw.com

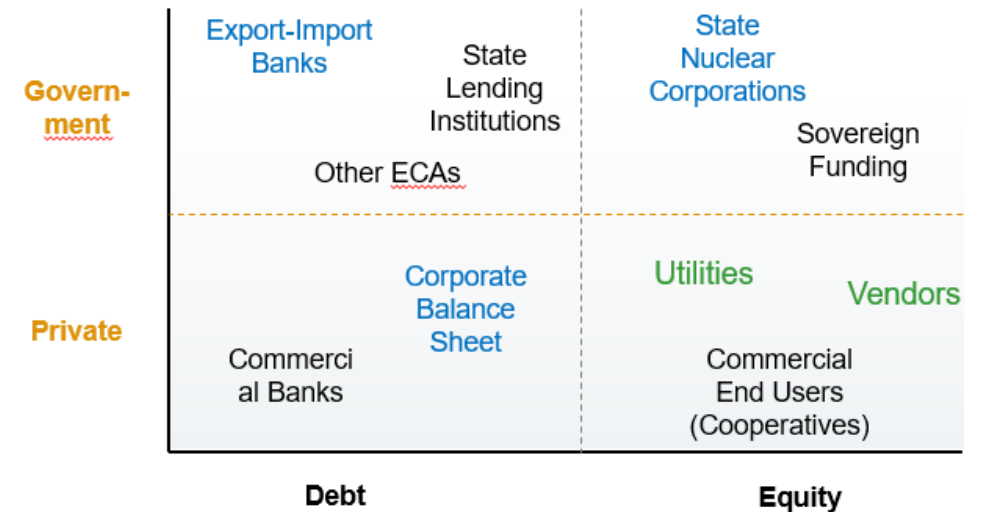
The Pillsbury logo, featuring the word "pillsbury" in a lowercase, sans-serif font. The letters are a dark red or maroon color. The logo is positioned on a white rectangular background.

Finance is a Key Legal Area of Interest



Many Finance Sources

- **Government:** Direct and indirect delivery mechanisms
- **Project sponsors:**
 - Utilities – government owned or private; individually or collectively
 - Most common: balance sheet financing – full recourse
 - Reactor vendor – strategic partner
 - Other investors – power consumers; strategic investors
- **Lenders:**
 - Export Credit Agencies, Multilaterals
 - Sovereign wealth funds, capital markets, commercial banks



Key Point: Financing Follows Successful Projects

*Successful
Projects “Block
and Tackle”*

*The Owner’s
Goal is Power*



- **Well-run Procurement with Competition:** Can potentially save billions EUR
- **Well-drafted EPC Contract:** Provides a strong legal foundation
 - Reduces finance costs through thoughtful payment systems
- **Government Funding:** Efficiently managed to pay construction costs to reduce the time value of money
- **Best-In Class Project Managers:** Who have successfully constructed and operated
- **First Class Vendor:**
 - Reference plant complete or near complete
 - Well-understood technology risk (consider which SMRs)
 - Best warranties
 - Licensed using similar licensing regime
- **Willingness to Execute:** Vendor and owner do not delay

Various Finance Models

- **Sovereign State-Based Model**
 - Russia, China, France, India, S. Korea, Argentina, Brazil
- **Utility Balance Sheet Model With Bonds, Loan Guarantees**
 - Georgia Power, other U.S. projects
- **Regulated Base Model (RAB)**
 - UK Heathrow T-5, Thames Tideway Tunnel
- **Special Equity Investment Models**
 - Akkuyu (Vendor), Fennovoima (Mankala)
- **Contract for Difference (CfD)**
 - Hinkley C

Ultimately:

*“Nuclear is the
Province of
Governments”*

Conclusion



William E. Fork
Partner
Washington, DC

william.fork@pillsburylaw.com
T: +1.202.663.8388

pillsbury