Successful Nuclear Projects - Financed

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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
  o 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:
  o Reference plant complete or near complete
  o Well-understood technology risk (consider which SMRs)
  o Best warranties
  o 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