THE ECONOMIC CASE FOR NUCLEAR ENERGY IS COMPELLING

During a panel debate today in Brussels, Belgium, Luis Echávarri, Director-General of the OECD Nuclear Energy Agency (NEA) said that “the competitiveness of nuclear energy continues to improve. If the decision to include nuclear in the energy mix is made on economic grounds alone, then the case for nuclear energy can be compelling.” Mr. Echávarri’s comments came during the panel debate “Nuclear: A persuasive economic option”, organised as part of the European Nuclear Assembly.

Mr. Echávarri went on to cite how lower investment and fuel cycle costs had improved the projected profitability of new nuclear power plants. At the same time, gas prices were projected to rise and other technologies face the likely internalisation of their external costs in their price, he said. The external costs of energy are costs that are imposed on society and the environment, but which are not included in the cost to producers and consumers. For conventional technologies these typically include waste disposal costs and environmental impact.

The NEA has extensively studied the economics of nuclear energy. These studies have covered its capital, investment, operation, maintenance and total costs as well as its competitiveness in liberalised energy markets. Mr. Echávarri said that the competitiveness of new or existing plants in these markets is often influenced by such country-specific factors as the availability and price of natural resources. The NEA will publish in March 2005 a major new joint study with the International Energy Agency (IEA) on the economics of electricity, including nuclear.

The European Nuclear Assembly is a biannual, high-level meeting of European nuclear industry leaders and officials. The assembly focuses on political, economic and strategic energy issues. Invited speakers represent the full scope of nuclear industry activity in Europe and European institutions (ENA website: www.foratom.be/ENA). The European Nuclear Assembly concludes tomorrow.

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The OECD Nuclear Energy Agency (NEA) is an intergovernmental organisation established in 1958. Its primary objective is to assist its member countries in maintaining and further developing, through international co-operation, the scientific, technological and legal bases required for a safe, environmentally friendly and economical use of nuclear energy for peaceful purposes. It is a non-partisan, unbiased source of information and analyses, drawing on one of the best international networks of technical experts. The NEA currently has 28 member countries.

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Further reading:
Nuclear Electricity Generation: What Are the External Costs?

Nuclear Power in Competitive Electricity Markets

Paper copies may be requested from the NEA.