

The Czech Republic: a year of delay in settling the bid to extend Temelin

On 19 October, Prime Minister Petr Necas announced that the government will decide the winner of the tender for the extension of the nuclear power plant in Temelin in 2013. This statement by the Prime Minister ends media speculation about the postponing of the date for the power plant's extension, due to the worsening financial situation of the company CEZ that is organising the bid. In the Prime Minister's opinion, the choice of winner carries important risks, both economically and in the areas of security and foreign policy. For these reasons it is the government, not the state-owned CEZ as initially announced, that will be responsible for the schedule of the bid and its result.

The bid, that was launched in August 2009, is described as the largest in Europe. Its subject is the construction of two nuclear blocks in the power plant in Temelin with the option of building three additional blocks (most likely one in Dukovany in the Czech Republic and two in Jaslovske Bohunice in Slovakia). The American company Westinghouse, a Russian-Czech consortium led by Atomstroyexport and the French Areva have applied for the bid; the companies are set to submit their offers in 2012. Only then will it be possible to assess the actual value of the contract (as of now its value is estimated at €14-20 billion) and the date when the new reactors will be activated.

Signals that there may be delays in Temelin's extension started to appear in connection with CEZ's deteriorating financial condition. Growing debts, the decreasing demand for energy, and the taxation put on licenses for greenhouse gas emissions have prompted the company to reduce its investments significantly over the next five years (from the planned €17.2 billion to €13.5 billion). CEZ initially intended to finalise the bid for Temelin's extension at the beginning of 2012. Despite the postponement of the date of the decision, this extension remains a priority for the Czech government and CEZ. <grosz>