

V4G4/GFR - NC2I/HTR meeting

26 May 2017, Budapest, Hungary

EU Public Financing Options

An analysis made by NC2I-R

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NC2I is one of SNETP's strategic technological pillars, mandated to coordinate the demonstration of high temperature nuclear cogeneration.

Background



M. Pecanka, V. Chauvet, Map and analysis of financial resources of interest to NC2I, NC2I-R deliverable D1.2.3, 30.09.2015.
(restricted to NC2I-R consortium members).

What are the possible sources of funding for a demonstration project?

Question is not new:

2009 Deloitte study for EU Commission:

Funding opportunities and legal status options for ESNII facilities

Work within NC2I-R recommends splitting a demonstrator project into:

- 1.Design Phase
- 2.Construction Phase

Both private and public funding are required together, but more public funding is required in Phase 1 i.a. to de-risk Phase 2.

Business plan will likely rely on grants, loans and equity
A single funding source is never sufficient
→ complex financial arrangements required.

Eligible financing tools NC2I

Nuclear Cogeneration Industrial Initiative

- Horizon 2020
- European Structural and Investment Fund (ESIF)
- European Regional Development Fund (ERDF)
- European Investment Bank (EIB) products:
 - Risk-sharing finance facility → H2020 InnovFin
 - InnovFin Advisory
 - InnovFin Large Projects
- European Fund for Strategic Investment (EFSI) and Juncker Investment Plan
- Euratom loans
- European Fund for Energy, Climate Change and Infrastructure (Marguerite fund) tbc

Tools were analyzed and compared, i.a. with respect to:

- Applicability to an NC2I demonstration project
- Prerequisites
- Financial Ceiling
- Guarantees requested
- Complexity and time necessary for application
- Combination with other tools
- Award conditions
- Challenges

Conclusions

- Any demonstrator requires a mix of private and public funding including grants, loans and equity.
- R&D community would benefit from assistance to build business plan (e.g. InnovFin Advisory)
- There is potentially a lot of private money around, but the ROI expectations are often still excessive.
- Energy generation projects have the reputation of being unprofitable at this time. Difficulty to factor in strategic targets (e.g. energy security, clean air etc.)
- Nuclear energy projects have a reputation for cost and time overruns
- International collaboration can alleviate the financial burden and enhance the credibility of the project.
- **Projects must be de-risked to become attractive for investors:**
 - **mandatory are high TRL, realistic project objectives and timing, political support**

Questions for Discussion



- ALLEGRO has asked for funding from European Fund for Strategic Investments: status?
- Exchange of experience from building business plans, organizing private and public funding as well as political support.
- What are the main hurdles and how can they be overcome?
- Can NC2I and V4G4 cooperate?