

Financing Procedures for Nuclear Waste Storage and Disposal in Finland

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Financing Procedures for Nuclear Waste Storage and Disposal in Finland - Contents

- Organisation and basic principles
- Mechanism for financial provision for nuclear waste management costs
- Other specific features
- Current situation



Organisation of nuclear waste management in Finland

- Government
- Ministry of Employment & the Economy

- Ministry of Employment & the Economy
- Radiation and Nuclear Safety Authority (STUK)

- Ministry of Employment & the Economy
- State Nuclear Waste Management Fund

Licenses



Decisions-in-Principle

- Fennovoima Oy
- Posiva Oy

Supervision



Construction license

- Teollisuuden Voima Oyj

Funding



Operating licenses

- Fortum Power and Heat Oy
- Teollisuuden Voima Oyj
- Technical Research Centre of Finland



Basic principles on financial provision

- Primary responsibility with license-holders (operating license)
- Timely burden on the costs of nuclear electricity
- Sufficient funds available if needed
- External segregated fund founded in 1988
- Internal funds up to 1988



Financial provision for nuclear waste management costs (1/2)

- The State Nuclear Waste Management Fund
 - established in 1988, operated by a Board and a managing director nominated by Government
 - Fund capital to be invested against full securities and yielding the best possible return
 - Fund capital corresponds to the costs of the remaining waste management measures for the existing waste ("a guarantee fund")
 - Each license-holder (operating licenses) has an "account" with specific interest rates
- Liabilities
 - Based on the license-holders' proposals: current plans, currently available technology, current prices with no discounting, current amount of waste
 - Confirmed annually by the Ministry of Employment and the Economy: based on statements and replies
 - Regular procedures reduce uncertainties



Financial provision for nuclear waste management costs (2/2)

- Fund target
 - Fund targets for each license-holder confirmed annually by the Ministry of Employment and the Economy: based on statements and replies
 - Fund targets correspond to the confirmed liabilities
- Payments
 - Payments to the Fund annually: current procedure
 - Repayments from the Fund possible but rare
- Securities
 - Cover the difference between liabilities and fund shares
 - Given to the Ministry of Employment and the Economy
 - 10 % supplementary securities reduce uncertainties



Other specific features

- Distribution period
 - Large fixed costs not depending on the amount of the waste
 - 25 years
- Temporary decrease in the fund target
 - Approved by the Government or the Ministry of Employment and the Economy
 - Maximum 5 years
- Loans
 - 75 % of the capital can be borrowed back by the license-holders: against full securities
 - 25 % can be borrowed by the State
- Financial provision obligation exists despite of the measures
 - Funds cannot be used before all waste management measures are over



Current situation 31.12.2009

- Liabilities over 2 billion euros
- Fund shares approximately 1,9 billion euros
- Difference covered by securities
- Fund profits approximately 40 million euros

The total costs of nuclear waste management estimated to be approximately 6 billion euros

