

Nuclear issues, Nuclear Russia

Rosatom loses hope in its international nuclear builds, eyes renewables

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Published on July 3, 2017 by [Charles Digges](#)

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The announcement marks a sharp departure for the corporation, which until recently has posed its contracts with other countries as the bread and butter of its bottom line – as well as a potent tool for broadening Moscow's sphere of political influence.

But there's a silver lining to the nuclear monolith's recent disillusionment with its traditional lifeblood: A possible, albeit modest, shift in the direction of renewable energy and battery technologies.

Speaking at last month's [Tekhnoprom-2017](#) (<http://forumtechnoprom.com/page/335>)

conference, a technical conference in the Siberian

city of Novosibirsk, Rosatom's deputy director Vyacheslav Pershukov called the market for nuclear power stations abroad "exhausted."

"We see that the market is contracting, and for the sustainable growth of the corporation...we must make our money on something other than nuclear technology," he said, according to [the RBK news agency](#)

(<http://www.rbc.ru/business/21/06/2017/5949f3109a794744052bb41b>).

His remarks dovetail with a worldwide nuclear sag.

In the United States, renewable energy output eclipsed [nuclear for the first time during March and April](#)

(<https://morningconsult.com/2017/06/27/nuclear-falls-behind-renewable-electricity-national-scale/>). Meanwhile, huge nuclear corporations are trying to stave off going broke. Exelon, the country's biggest nuclear operator, has seen its share prices plummet by 60 percent since 2008.

Westinghouse, meanwhile filed for bankruptcy in March, and Toshiba, its parent company, is trying to sell of its computer divisions to cover the debt. France's Areva was saved from financial peril by a huge taxpayer infusion into its owner EDF, but that bailout will only stop the bleed the company is experiencing thanks to huge cost overruns on an ambitious but delayed reactor build in Finland.



(<http://network.bellona.org/content/uploads/sites/3/paks.jpg>)

A protest at the Pak-2 nuclear power plant in Hungary. (Photo courtesy of Ecodefense)



(<http://network.bellona.org/content/uploads/sites/3/rosatom.jpg>)

Rosatom's headquarters in Moscow. (Photo: Charles Digges/Bellona)

infrastructure to support nuclear power for decades.

In other cases, like Hungary, the Rosatom-built Paks-2 plant (<http://bellona.org/news/nuclear-issues/2017-02-russias-new-reactor-hiccups-could-change-europes-attitudes-toward-moscow>) has been approved, but will leave Budapest's right wing-government heavily indebted to Moscow for the \$10 billion plant.

Another similar deal would have indentured South Africa (<http://bellona.org/news/nuclear-issues/2017-05-is-rosatom-selling-debt-and-dependence-to-its-overseas-customers>) to Rosatom for \$76 billion, but that country's high court torpedoed the deal before it got off the ground.

Other countries where Rosatom builds are already underway – like India's Kudankulam, Iran's Bushehr, China's Tianwan and Belarus's Ostrovets (<http://bellona.org/news/nuclear-issues/2017-05-rosatom-replaces-reactor-core-that-technicians-dropped-at-its-belarusian-plant>) – are already familiar with Rosatom's typical cost overruns and delays.

The company can pay for these huge loans because of the generous state subsidies it receives, but taxpayer injections are slated to dry up by 2020.

Oskar Njaa, a nuclear adviser with Bellona said curtailing Rosatom's international nuclear ambitions represents a humbling moment for the company, and a dampening of its political influence abroad.

"This is an economic blow," he said. "For Russia, reducing an ability to make other countries dependent on Moscow's nuclear fuel and expertise for energy needs is a blow to its geopolitical interests as well."

As such, Rosatom is casting a wide net for other avenues of influence and revenue. In May, the company appeared in Chile's Lithium Call Roadshow, and is reportedly pursuing inroads with Santiago to become a player in cell phone and electric car batteries. Other reports say the company is making a foray into fiber-optics.

More optimistically, Njaa noted, the company also seems to have discovered a bent for the renewable energy sector. He noted Rosatom's recent interest in small hydroelectric plants and wind energy.

"Investing in other, more environmentally friendly sources of energy would probably yield a higher profit, and require less state subsidies than Rosatom's current endeavors," Njaa said.

Pershukov told the Tekhnoprom conference that Rosatom would shift some of its efforts to providing nuclear power plant services abroad, primarily to those it's in the process of building.

For the past several years, Rosatom has touted its VVER-1200 reactor packages to international capitals and has worked vigorously to sign up customers even – if not especially – those who can barely afford it.

On paper, the company has \$130 billion in outstanding "memoranda of understanding" and other handshake type deals with foreign countries.

But many of the counties Rosatom counts among its potential contracts – like Jordan, Algeria, Nigeria and Bolivia, and most recently Uganda and Ethiopia – won't have



(<http://network.bellona.org/content/uploads/sites/3/2016/08/belarus-reactor-shell.jpg>).

Assembly of the reactor vessel for Ostrovets unit 2
at the manufacturing plant in Russia (Photo:
Rosatom)

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