Financing nuclear construction – Swedish model

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Political priorities

Enable low cost of electricity production in Sweden

Nuclear to contribute to a well-functioning electricity market in Sweden

Minimize support complexity to ensure the support model can be swiftly implemented and effectively and sustainably maintained over time

New nuclear reactors operational in Sweden in the mid 2030s

Act on state aid for investments in new nuclear power

Up to 5000 MWe installed capacity

Aid may be granted in the form of central government loans and two-way CfDs

- loans may be granted for the construction and test operation of new nuclear reactors, and for project planning and other preparatory measures
- CfDs may be entered into for the commercial operation of new nuclear reactors

At least 300 MWe in the same place

Based on an application

Economic frameworks in the Budget Bill for 2026

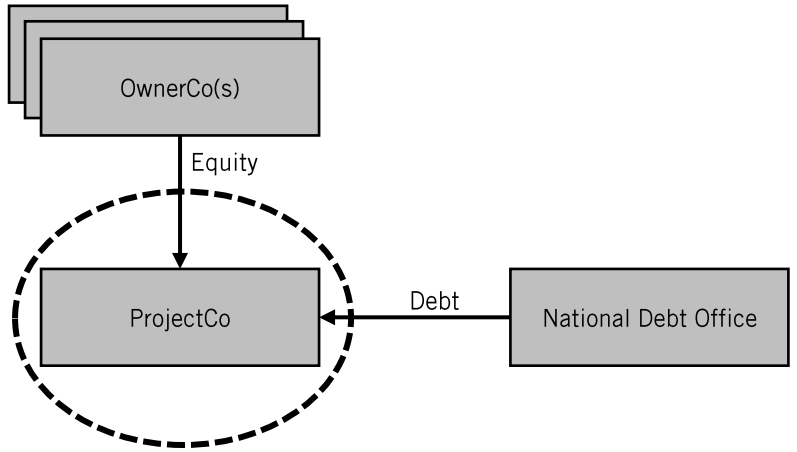
- Around half of the 5000 MWe
- Expected lending over 12 years (2026-2045 including delays in construction)
  - Expected costs
  - Risk reserve for unexpected cost overruns
- Expected future annual expenditures for CfD:s over 40 years (2035-2085 including delays before operation)

Three model components to address key risks in a nuclear power project

1. State loans
2. Contract for Difference
3. Risk and gain-share mechanism

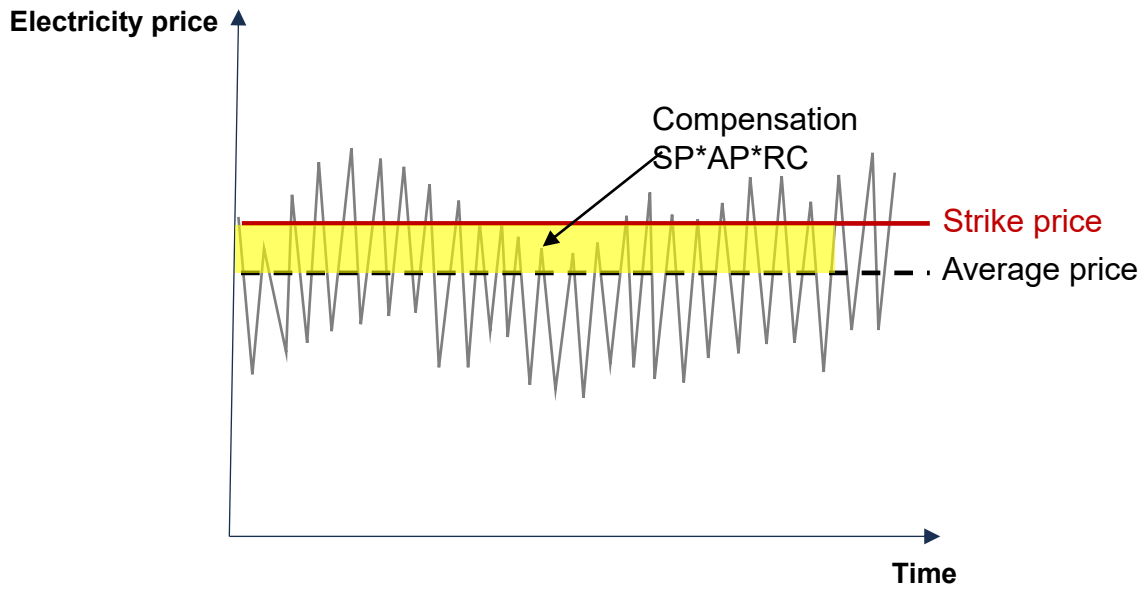
1. State loans

- State lends directly to ProjectCo and assumes the credit risk
- ProjectCo borrows at subsidized rate during construction
- Risk reserve to, in part, finance cost overruns



2. Contract for Difference

- Two-way to protect electricity consumers against high prices
- Capacity based CfD means that remuneration is decoupled from NPP's production and bidding decisions to reduce market distortions



3. Risk and gain-share mechanism

- Meant to protect against tail risk while preserving incentives for project efficiency
- Main purpose is to protect against construction risk
- Acts through the terms of CfD and state loans being temporarily adjusted
- Final design will be an outcome of negotiations.

How to apply – Step 1 Basics

The Company, management, owners

Planned location, disposal over the location

Conditions for connection to the electricity grid

Alternatives planned: reactor technology, reactor model, number of reactors and capacity in MW

The plan from preparatory measures all the way until decommissioning

The share capital the owners plan to invest

The process of applying for the permits

How to apply – Step 2 Costs

- estimated annual electricity production per reactor
- the expected operating period of the reactors
- estimated total costs and annual costs for planning and other preparatory measures prior to the construction
- estimated total costs and annual costs for construction and test operations
- estimated annual costs for operation of each reactor from the time of its commissioning for routine operation

Current status

An application from Videberg Kraft AB (VKAB), owned by Vattenfall (80 %) and Industrikraft (20 %). Industrikraft is owned by 9 large Swedish corporations

VKAB plans to build SMR:s of approx. 1500 MWe nearby existing Ringhals

Negotiations with VKAB has started

Key issues:
State ownership
Risksharing

Ongoing dialogue with potential other applicants

More information

On our webbsite
Nuclear financing - Government.se

Questions can be sent to
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Thank you!