Visaginas nuclear power plant  Lithuania

**Sectors:** Nuclear Electric Power Generation

**On record**
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By: BankTrack
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Contact:
Jan Haverkamp, Greenpeace EU Unit, Belgium
Jan Beranek, Greenpeace International, Netherlands
Lauri Myllyvirta, Greenpeace Nordic, Finland

**Project website**

<table>
<thead>
<tr>
<th>Sectors</th>
<th>Nuclear Electric Power Generation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Location</strong></td>
<td></td>
</tr>
</tbody>
</table>

**About Visaginas nuclear power plant**
Visaginas is the atomic phoenix the Lithuanian government hopes will rise from the ashes of the Ignalina nuclear power plant. Ignalina was finally closed in 2009 for safety reasons as a condition of Lithuania being admitted to the European Union and Visaginas will be built on the site.

The Visaginas nuclear power plant was originally to be a joint project between Lithuania, Poland, Estonia and Latvia. However, thanks to the financial crisis, the involvement of the other three countries is in doubt. Currently estimated to cost between three and four billion euros the plant is estimated to be completed in 2018. With nuclear industry estimates proving to be flexible at best, that timescale and budget can be expected to increase.

Like most nuclear babies, Visaginas has had a long gestation period having been under discussion since the 1990s. Only in 2007 did the Lithuanian government pass the required law to allow what is expected to be two nuclear reactors. An Environmental Impact Assessment, completed in 2009, was challenged as being insufficient by the Lithuanian organization Atgaja, the Latvian Green Movement, the CEE Bankwatch Network and Greenpeace.

The tender process to attract bids from builders for the reactors is ongoing.

**Issues**

**Human rights and social issues**
During the construction of the Ignalina nuclear power plant, mainly Russian people were moved to the area and the town of Visaginas was built to house them. Until the closure of Ignalina, most of the people in Visaginas were working for the power station. The town was relatively wealthy. After closure, many people lost their jobs, although still a fair amount remains working on the decommissioning and closure of the power station.

The Visaginas nuclear power station was designed to give job security for the Ignalina workers. However, there will be a gap of at least seven years between Ignalina closing and Visaginas opening. This will mean a loss of skill in the meantime. Also, as long as the Visaginas project remains under development, investments in the region are on hold. This results in a long term unemployment and lack of development of the region.

The Ignalina nuclear power project created an enclave of a Russian minority in Lithuania. Due to slow development of the Visaginas project, while waiting for the power station project to start this minority will face long term unemployment.

**Environmental issues**
The Environmental Impact Assessment has been challenged as insufficient. Criticisms include: a failure to consider alternatives to another nuclear
power plant, a lack of data about pollution caused by uranium mining, production, decommissioning and radioactive waste, and insufficient analysis of serious accidents. The third generation reactors under consideration for Visaginas all have serious concerns about their designs.

The narrow focus in Lithuania on nuclear power is preventing the development of clean renewable energy solutions and is a barrier to energy efficiency measures. The amount of inflexible nuclear-generated electricity in the Lithuanian grid would be so high, that proposed investments in wind energy projects, biomass plants and geothermal project will not be possible.

Other issues
The costs for the project have been heavily understated by the Lithuanian government. When the cost of a project is based on too low a cost estimate, the chance of heavy budget overruns is enormous. This leads to electricity cost prices far above current market prices.

Governance

Updates

Latest update
May 6 2011

Regardless of the scandals which have been known to characterize the project and the investors' jitters that have followed the scandals, as of May 2011 the Visaginas project is again moving ahead. As stated in a report by the Economist "...since Japan’s nuclear accident, firms wanting to build nuclear-power plants have become less choosy about the conditions. Mr Kubilius says he hopes to find a strategic investor "within months"." One Lithuanian official explains their dedication to the project as follows, "We are more motivated because our needs are more severe."

The Environmental Impact Assessment (EIA) of the Visaginas NPP was started in 2007 and finished in 2009. Currently an appeal against the EIA is awaiting appeal for the High Court in Vilnius because of complaints of insufficiency by a group of NGOs, including the Lithuanian organisation Atgaja, the Latvian Green Movement, the CEE Bankwatch Network and Greenpeace.

In December 2009, the Lithuanian government issued a tender for strategic investor for the Visaginas project. Interested parties mentioned include Sweden's Vattenfall, Germany's RWE and E.ON, France's Suez-GDF and EDF, Italy's Enel and Spain's Iberdola. After closure of the bids, Lithuania narrowed down the choice to five potential partners and is expected to make a choice before summer. The names of the possible strategic investors have been kept secret.

Financiers

Banks

<table>
<thead>
<tr>
<th>Bank</th>
<th>Country</th>
<th>Profile</th>
<th>Advisor</th>
<th>Details</th>
</tr>
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<td></td>
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<td>7 November 2011</td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

Related companies

<table>
<thead>
<tr>
<th>Company</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pöyry Energy Oy</td>
<td>Finland</td>
</tr>
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