

# Mochovce nuclear power plant (units 3 & 4) Slovakia

**Sectors:** Nuclear Electric Power Generation

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## About Mochovce nuclear power plant (units 3 & 4)

The building of Slovakia's Mochovce 3 and 4 nuclear reactors is the longest running nuclear construction project anywhere in Europe. The reactors were designed by the Soviet Union back in the 1970s. Construction began back in 1987 but in 1992, soon after the collapse of the communist regime, it was suspended. Economic studies in 2000 showed the project to be a financial disaster.

Although operating since the mid 1980s in the Czech Republic, Slovakia and Hungary, four of the same model of reactor as Mochovce 3 and 4 under construction in East Germany, were cancelled in 1990 after the German re-unification because the reactors did not meet basic safety standards.

Russia is the only supplier of nuclear fuel for this type of reactor which makes a mockery of the idea that nuclear power provides energy security. An estimated 22 tonnes of spent nuclear fuel is generated by each reactor every year.

The investment required to build Mochovce 3 and 4 is expected to reach 2.775 billion euros. This will devour a massive 77% of SE's investment for new electricity generation 2007 to 2013. Due to the high financial risks for investors, the Slovak government provides generous state aid that is very likely illegal under EU legislation.

## Brief history

In April 2006 Italian utility ENEL bought 66% of the shares in the Slovak energy utility Slovenské elektrárne (SE) during privatisation. In 2008 SE declared its intention to finally complete Mochovce 3 and 4 supported by the country's pro-nuclear government. Construction work on completion of the units was officially launched on November 3, 2008. The units are due to be finished by 2012 and 2013 respectively. The third unit should be connected to the power grid in autumn 2012 and the fourth unit eight months later, in 2013. The units will have an installed capacity of 880 megawatts.

## What must happen

A nuclear power plant that is scheduled to start operation in 2013-2014 and run for decades must be built in accordance with the best available safety standards. Using a design and technology that are already almost 40 years old by definition fails to deliver a comfortable level of nuclear security, particularly after the Fukushima nuclear disaster. The need for this additional energy producing capacity should be critically reviewed and assessed. Before turning to the nuclear energy option, which carries a high-risk long-term potential for causing serious health hazards and environmental disasters, the Slovak government should look for the opportunities in improving energy efficiency and increasing renewable energy generation capacity.

## Issues

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### Human rights and social issues

Serious concerns have been raised about the legitimacy of Mochovce 3 and 4's approval, safety issues and poor economics. The project is supposed to be finished on the basis of a permit issued by communist decision makers in 1986.

Since contamination ensuing from any accident would affect neighbouring countries, the people of Hungary and Austria are included in any public consultation. Questions asked at public forums held in Bratislava and Vienna remained unanswered. However, these meetings have revealed that the problem of final storage of high-level radioactive waste remains unsolved, while the commissioning of storage facilities for low and medium-level radioactive waste is being constantly postponed.

## Environmental issues

### Low Nuclear Safety

Units 3 & 4 of Mochovce, by virtue of their design which dates back to the 1970s, qualify among the most outdated NPP projects in Europe at present. The outdated Soviet technologies on which it relies are missing crucial safety systems according to modern standards. The advanced stage of construction allows only limited modifications and improvements ('retrofitting') to the nuclear safety of the plant.

While current reactor designs feature double containment structures (robust walls of concrete and steel against leakage of radioactivity in case of heavy accidents, and for protection of the reactor against external events such as an airplane crash), Mochovce 3&4 has none. In addition, vulnerability to seismic activity is a weakness in the safety design of VVER 440/213 units. It is not clear whether Mochovce 3 and 4 complies with the latest seismic design standards of the International Atomic Energy Agency (IAEA).

### Preventing climate protection

Slovakia is a classical example where nuclear power is preventing the development of clean renewable energy solutions and is a barrier to energy efficiency measures. The amount of nuclear generated base-load in the Slovak electricity grid is so high, that proposed investments in wind energy projects by the utility ENEL had to be canceled.

Because of the need to sell the overload of capacity from its nuclear power stations, Slovakia has only marginally invested in energy efficiency measures in the electricity sector.

## Gender aspects

### No attention for gender effects in EIA

The effects of radiation on vulnerable groups, especially pregnant women and small children, was not taken into account in the Environmental Impact Assessment. Radiation effects were only indicated in general terms.

## Other issues

### Nuclear risk export

In a plebiscite in 1987 Italy decided to close down all of its nuclear reactors due to safety concerns. This decision was confirmed after a referendum on nuclear in June 2011 when 90% of Italians said no to nuclear energy. As the Italian government has a 30% stake in ENEL, the utility company's engagement with the Mochovce 3&4 project is a clear example of nuclear risk export.

## Governance

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## Updates

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### Bank Austria withdraws from Mochovce 3&4

Mar 13 2012

In March 2012, Bank of Austria closed down a credit line to Slovenske Elektrarne that could have enabled the company to fund the building of Mochovce 3&4 by mutual agreement. This sends a clear signal to SE on the difficulty of funding such a dodgy deal.

### Construction started but funding not sure

Jan 1 2012

The constructions of Mochovce 3&4 started on the ground but it is still unclear if SE would need additional funding sources to be able to fund the completion of these new nuclear reactors.

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## Final statement of approval on EIA

May 1 2010

In May 2010, Slovenské Elektrárne, (SE) received the final statement of approval from the Environment Ministry for the Environmental Impact Assessment (EIA) for operation of the third and fourth units of the Mochovce nuclear power plant. This was the last step in the EIA process initiated at the end of 2008. The statement released by the Environment Ministry ends the EIA process and is one of the key documents necessary for the Nuclear Supervision Office (UJD) to issue a permit to launch the operation of the third and fourth units after their completion in 2012 and 2013.

### First EIA report

Jul 1 2009

After heavy pressure from Greenpeace, Slovak NGOs, the Government of Austria and the European Commission, Slovak authorities decided in Summer 2008 that the Mochovce 3&4 project would need a [full Environmental Impact Assessment](#). In early 2009, SE / ENEL started the EIA procedure. The first report was issued in July 2009, when a public participation period started. Public hearings were organised in Bratislava, Vienna (Austria) and Ezstergom (Hungary).

### Official start of the construction

Nov 3 2008

On 3 November 2008, Slovak Prime Minister Robert Fico officially started construction of the Mochovce 3&4 power station. Because of the fact that there is no final construction permit as of today, this action rather served as [PR exercise](#).

### Tender for builders

Aug 25 2008

On 25 August 2008 Slovak power firm Slovenske Elektrarne (SE) launched a tender to find a builder to finish blocks 3 and 4 of Mochovce NPP. The deadline for final bids is 8 December 2008; construction works on units 3&4 was expected to start on 1 April 2009 and finish by the end of June 2011 ([Reuters](#), 25 August 2008), while it is still going on in 2012. The tender was won by a consortium with Czech / Russian nuclear engineer Skoda JS and Slovak VUJE.

### Conditioned opinion from European Commission

Jul 1 2008

In July 2008, the European Commission issued a [conditioned opinion](#) on Slovakia's application to build new reactors at Mochovce, provoking indignant reactions from [European Parliament MPs](#) and [Greenpeace](#). The opinion recommends, but does not oblige, the project proponent to ensure "an equivalent level of protection as a full containment" and to perform a thorough analysis of the measures needed in an aircraft crash scenario.

## Financiers

### Banks

<a href="#">BayernLB</a> Germany <a href="#">profile</a>			<a href="#">Details</a> ▼
Debt – corporate loan	EUR 350 million	April 2004	
<a href="#">Citigroup</a> United States <a href="#">profile</a>			<a href="#">Details</a> ▼
Debt – corporate loan	EUR 350 million	April 2004	
<a href="#">Crédit Agricole</a> France <a href="#">profile</a>			<a href="#">Details</a> ▼
Debt – corporate loan	EUR 800 million	September 2007	
Debt – corporate loan	EUR 350 million	April 2004	
<a href="#">Dexia Group</a> France <a href="#">profile</a>			<a href="#">Details</a> ▼
Debt – corporate loan	EUR 800 million	September 2007	
<a href="#">Erste Bank</a> Austria <a href="#">profile</a>			<a href="#">Details</a> ▼
Debt – corporate loan	EUR 800 million	September 2007	

Debt – corporate loan	EUR 350 million	April 2004
<a href="#">HypoVereinsbank</a>		<a href="#">Details</a> ▼
Debt – corporate loan	EUR 350 million	April 2004
<a href="#">ING Group</a> Netherlands <a href="#">profile</a>		<a href="#">Details</a> ▼
Debt – corporate loan	EUR 800 million	September 2007
Debt – corporate loan	EUR 350 million	April 2004
<a href="#">Intesa Sanpaolo</a> Italy <a href="#">profile</a>		<a href="#">Details</a> ▼
Debt – corporate loan	EUR 800 million	September 2007
Debt – corporate loan	EUR 350 million	April 2004
<a href="#">KBC</a> Belgium <a href="#">profile</a>		<a href="#">Details</a> ▼
Debt – corporate loan	EUR 800 million	September 2007
<a href="#">Mizuho</a> Japan <a href="#">profile</a>		<a href="#">Details</a> ▼
Debt – corporate loan	EUR 800 million	September 2007
Debt – corporate loan	EUR 350 million	April 2004
<a href="#">Raiffeisen Zentralbank Austria AG</a> Austria <a href="#">profile</a>		<a href="#">Details</a> ▼
Debt – corporate loan	EUR 350 million	April 2004
<a href="#">Société Générale</a> France <a href="#">profile</a>		<a href="#">Details</a> ▼
Debt – corporate loan	EUR 800 million	September 2007
<a href="#">WestLB AG</a> Germany <a href="#">profile</a>		<a href="#">Details</a> ▼
Debt – corporate loan	EUR 350 million	April 2004

In 1993 the EBRD was approached by the Slovak government to help with the financing of units 1 and 2. EBRD commenced a comprehensive environmental assessment and least-cost study process. However, in 1995 the Slovak government decided to discontinue negotiations with the EBRD, citing as reasons the high cost of the loan and the condition imposed by EBRD to close down Slovakia's other NPP, Bohunice.

In October 2007 ENEL/Slovenské elektrárne (SE) announced the conclusion of a record corporate 7-year credit facility, totalling Euro 800 million from a consortium of international private banks, including ING, Calyon, Mizuho, Intesa San Paolo and KBC/CSOB (Mandated Lead Arrangers), Slovenská sporiteľna (Lead Arranger), Komerční banka Praha, Komerčná banka Bratislava and Dexia (Junior Arrangers).

85% of SE's investment portfolio exists of the Mochovce 3,4 nuclear power plant. The remaining 15% is smaller than 800 Million Euro. It is therefore clear that this corporate loan was at least partly meant for financing this project.

In January 2008, NGO campaigning scored an important success: the Dutch bank ING decided to withdraw from financing the commissioning of Mochovce NPP units 3 & 4, and to invest only in SE's other activities, such as energy efficiency improvement measures.

In April 2008 Erste bank followed suit by officially distancing itself from Mochovce NPP. The new agreement reached with SE is that the loan provided by the consortium of banks would not be used in any way for financing nuclear activities.

In november 2010, SE boasted in a [public presentation](#) that actually a "multi-purpose loan facility, secured by corporate cash flow, supplemented required funds" for the completion of Mochovce 3&4.

In March 2012, Bank Austria confirmed that it has closed down a financial facility to SE that could have been used for Mochovce 3&4.

## Related companies

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ENEL Italy

OMZ (Uralmash-Izhora Group) Russian Federation

Slovenské elektrárne Slovakia

VUJE Slovakia

Škoda JS Czech Republic