

Currently, Hungary's sole nuclear power plant Paks provides about a half of Hungary's total electricity generation and this new capacity will be even more significant following the closure of coal-fired TPP Matra.

Hungarian Minister of Foreign Affairs and Trade Peter Szijjarto has agreed with the representatives of Russian nuclear energy company Rosatom to accelerate works on the project for the construction of two new reactors at NPP Paks this autumn.

Minister Szijjarto said that the National Atomic Energy Office (OAH) is expected to issue the implementation license in the autumn, after which Rosatom could start the construction of the new units. In late 2020, Hungary's energy regulatory authority (MEKH) has given its permit for the construction of the expansion (two new units) of NPP Paks.

In January 2014, Hungarian Government has signed deal with Russia's Rosatom, with a goal to increase output of the power plant, from current 2,000 MW to 4,400 MW by adding two more reactors. Under the agreement, Russia will provide 10 billion euros loan for the construction of new unit in existing NPP, which is around 80 % of estimated construction cost. According to initial plan, first unit should become operational in 2023. However, the European Commission released a report in which it states that Hungary has failed to provide sufficient information to support its argument that the agreement for the expansion of NPP Paks will not provide the company unfair economic advantage. In March 2017, EC has granted its approval to the Hungarian state providing a subsidy for the project. According to the statement, EC concluded that Hungary's financial support for the construction of two new reactors at NPP Paks involves state aid, but it has approved this support under EU state aid rules on the basis of commitments made by Hungary to limit distortions of competition.