

Last month, Hungary's energy regulatory authority (MEKH) has given its permit for the construction of the expansion (two new units) of NPP Paks.

Hungarian Prime Minister Viktor Orbán met with Rosatom CEO Alexey Likhachev in Budapest, where they discussed the progress of the project for the construction of two new reactors at Hungary's sole nuclear power plant Paks. They were also joined by Russian Ambassador to Hungary Vladimir Sergeev, Hungarian Minister of Foreign Affairs and Trade Peter Szijjarto and Janos Suli, Minister without Portfolio, in charge of the expansion project. The two sides evaluated progress on NPP Paks upgrade project and agreed that the investment is moving forward as planned.

The sides reviewed the main tasks to be completed in the near future, such as groundwork which could start in the first half of 2021. It was also noted that the National Atomic Energy Office (OAH) is expected to issue the implementation license in the autumn of 2021, allowing construction of the new blocks to begin.

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, In mid-January 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.