

# International Financing Said Key to U.S. Nuclear Revival

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With U.S. utilities remaining fragmented and small by world standards, financing the nation's nuclear revival may depend on large Asian and Western European vendors and utilities investing in nuclear projects.

That conclusion came from a panel of power industry financing experts gathered

February 18 at the Platts Nuclear Conference in Rockville, MD.

They said the project financing structures that have evolved over the last two decades, since the first generation of nuclear power plants was completed, are inadequate to marshal the several billions needed over 5-10 years for the next nuclear plants. John Clapp, managing director of Citi Investment Banking, said the average project financing deal runs only about \$250 million...

John Reed, chairman/CEO of Concentric Energy Advisors, said deregulated areas, like Texas and the northeast, are particularly ill-positioned for any kind of new capital project because the markets provide pricing signals for no more than five years out. As a consequence, distribution utilities will not sign power purchase agreements for longer than five years, and "you can't finance a 40-year project on a five-year PPA."...

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