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How would you summarize the activities performed by UNESA in the nuclear field?

Traditionally, UNESA has undertaken the coordination of the nuclear activities of Spanish electricity utilities, including those relating to the operation of the nuclear power plants and those of research and development. In view of the increasing number of nuclear power plants in Spain and the intensification of research efforts by the country's electricity sector since the early 1980's, these activities have logically taken on a greater dimension and relevance. To my way of thinking, this coordination has contributed to the high levels of efficiency and competitiveness currently shown by Spain's nuclear power plants and by the professionals in charge of their operation and maintenance. The greater dimension and heterogeneity of these activities has led the Spanish electricity sector to separate the coordination of nuclear power plant operations from other important nuclear activities. Then, UNESA will concentrate itself in those activities

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— which provides operational support for these plants and has acquired some 30 years experience since construction of the country's first nuclear plant was initiated — is in a position to successfully compete on the international market for the supply of a wide range of equipment and services.

related to the operation of the Spanish nuclear power plants, including the research efforts required to meet the demands posed by such operation. On the other hand, in September last year, the six Spanish nuclear plant-owning utilities created the Nuclear Technology Development Utility Group (in short DTN), an institution legally formed as an economic interest group, to carry out R & D initiatives of strategic importance such as new nuclear technologies — advanced evolutionary reactors, passive reactors, fast reactors, etc.— as well as other commercially exploitable research projects applicable to nuclear power plants in Spain and abroad or nuclear technical support services.



What have been the effects of the nuclear moratorium and subsequent freeze on nuclear power plant construction in Spain?

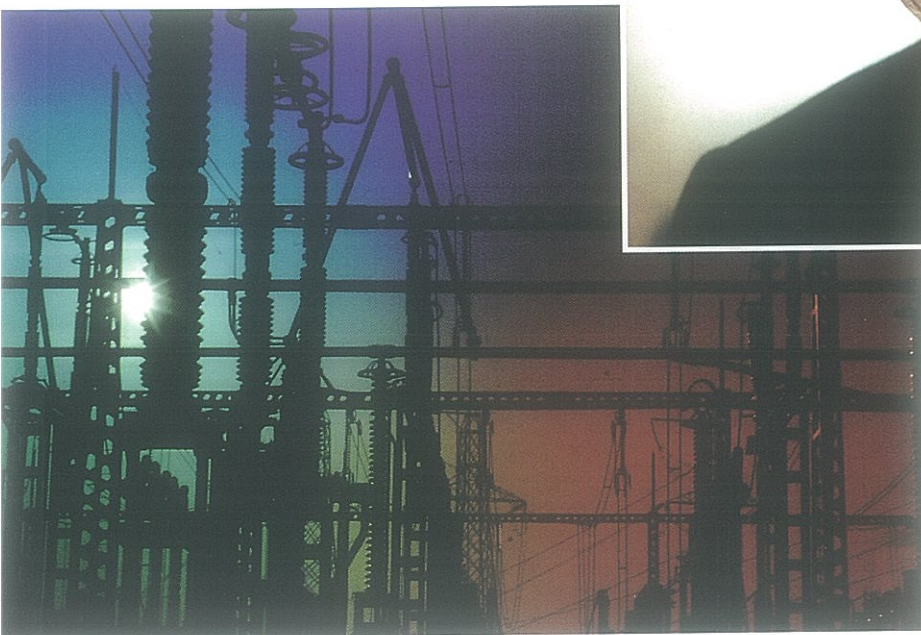
It would clearly be out of the question to deny the negative effects that the freeze on new nuclear plants has had on the electricity sector and the nuclear industry in Spain. Having said this, however, I believe that the units currently in service continue to require a high degree of support from the nuclear industry in relation to maintenance, replacements and training. And when I say a high degree of support I refer both to its quantitative and qualitative aspects, inasmuch as high levels of technological capacity are demanded from the country's nuclear industry. It should not be

What do you think of the role played by the nuclear power plants in Spain?

I think the data clearly reflect the important contribution made by nuclear power plants to energy supply in Spain and the high levels of efficiency that these plants have achieved. About 35% of the electricity generated in Spain comes from our nuclear plants. Over the last five years, the Spanish plants have collectively and systematically been among the three or four world leaders as regards load factor. In addition, the Spanish nuclear industry



forgotten that the operation of nuclear plants constitutes an important and permanent technological challenge, since progress is continuously required. For example, questions such as the extension of plant lifetime, new instrumentation and control systems and the replacement of components in the older plants are continuously demanding greater efforts by the Spanish nuclear industry.



reasonable period - a maximum of 25 years - and offer the public a series of financial assets which will be both profitable and attractive, due to their being guaranteed by the State.

To what extent will the Law on Planning of the National Electricity System affect the Spanish electricity sector?

On the one hand, the LOSEN is a confirmation of certain features of the situation of the

What do you think of the solution provided by the Law on Electricity System Planning recently passed by Parliament, as regards the five nuclear plants which were under moratorium?

The Law on Planning of the National Electricity System

(LOSEN) implies the definitive abandonment of the five nuclear groups which had been under moratorium since approval of the National Energy Plan in 1983. This was an exceptional situation and I believe that the solution encountered has positive aspects, at least from the financial point of view. I refer to the possibility of "securitizing" the debt materialized in the installations, the sum of which has been formally recognized by the Spanish Administration. This "securitization" will allow the owner companies to segregate this important debt from their balance sheets, recover the investments made in these facilities over a

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sector as it has existed to date, such as the existence of an integrated system, unified operation of this system, centralized planning of its development and the application within it of the pricing system contained in the Stable Legal Framework. In addition it constitutes a green light for implementation of a series of novelties, such as the introduction of open competition in the area of production, via the so-called "independent system", the separation in accounting terms of the utilities' activities in the fields of production and distribution and the creation of the National Electricity System Commission as the regulatory authority. In my opinion, application of these novelties will require major regulatory development and it will take some time to accurately judge their real contribution to the efficiency of the Spanish electricity system. What I would like to underline – because the importance this issue warrants is not always sufficiently recognized – is the positive role that the new regulatory body might play if its independence and professional standing are adequately ensured.

What is your standpoint as regards the future of nuclear energy?

I believe that the nuclear industry is currently faced by a triple challenge. Firstly, there is what I would call, if you will allow me to say so, the challenge of the past. I refer to the need to guarantee that the outdated design and operating criteria and safety standards applied to the nuclear units currently in the

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operating or construction phases in the countries of Central and Eastern Europe be finally updated and brought into line with those in place in the West. In order to achieve this task it is essential that there be intensive collaboration by the Western nations, collaboration that, as far as Western Europe is concerned, is being channelled specifically through the European Union's PHARE and TACIS programmes and in which Spain's electricity sector and nuclear industry are logically participating. I should also like to point out that concern for the situation of the nuclear power plants in Central and Eastern Europe must be accompanied – and is in fact being accompanied – by constant surveillance of the levels of safety and reliability of the plants in operation in the West, thus allowing these plants to be continuously updated and technological breakthroughs of all types to be incorporated, among them those relating to plant

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operation. A nuclear power plant is, after all, a "living" installation allowing new equipment and technological advances to be incorporated throughout its operating lifetime.

The second challenge is that of the present, and consists of maintaining the levels of safety and reliability of all the world's nuclear plants while at the same time increasing their competitiveness; reducing operating and maintenance costs is an essential factor as regards this issue. Special mention might be made of the efforts made in these areas by the World Association of Nuclear Operators (WANO), an organization which includes all the world's nuclear plant-owning electricity utilities and in which UNESA plays an outstanding role.

The third challenge refers to the medium-term future and relates specifically to the need to refine and implement the progress currently being made at international level in the nuclear field, with a view to providing even safer and more reliable, environmentally friendly and socially acceptable nuclear technologies and thus make it possible to increase the feasibility of the nuclear option as a way of meeting the world's growing electrical energy needs.

The Spanish electricity Sector and nuclear industry are actively present in this progress through their participation in the projects being carried out in Europe and in the United States. The challenge is undoubtedly an important one, but in view of the steps already taken, the professionalism and capability of the nuclear industry's technical personnel and the levels of safety, reliability and efficiency already demonstrated, I feel we would be well advised to adopt an attitude of encouragement.