



EUROPEAN COMMISSION

PRESS RELEASE

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State aid: Commission approves aid for new multipurpose nuclear reactor in the Netherlands

The European Commission has concluded that a loan of €80 million to be granted by the Dutch authorities to support the construction of a new multipurpose nuclear reactor in Petten (region of Noord-Holland) is in line with EU state aid rules. The Commission found, in particular, that the aid will contribute to the security of supply of medical radioisotopes for the benefit of European patients and to other objectives of common interest without unduly distorting competition in the internal market.

The Netherlands intends to grant a loan amounting to a maximum of €80 million in order to cover the expected expenditures in the first phase of the nuclear reactor project Pallas in Petten. The new reactor will replace the existing High Flux Reactor (HFR) in Petten that was put into operation in 1961 and is approaching the end of its life-time. HFR currently satisfies a large part of the European demand for medical radioisotopes used for the diagnosis and treatment of various diseases like cancers, cardiovascular and brain diseases. The construction of a new reactor is thus crucial for ensuring the long-term security of supply of medical radioisotopes for the benefit of European patients. In addition, the reactor pursues other objectives of common interest (see below).

The Commission found that the proposed aid is an appropriate instrument for attaining these objectives and that it has an incentive effect as it increases the likelihood of the entry of private investors as from Phase 2 of the Pallas project. At the same time, the aid is proportional, as it represents only a small part of the total financing necessary for the construction of the new reactor and will be repaid after the project will have been taken over by private investors.

This will keep any negative effect of the proposed aid on competition to the minimum and ensure an operation of the reactor based on commercial principles and undistorted by public subsidies.

The Commission therefore concluded that the positive effects of the aid clearly outweigh any distortions of competition that may arise from the public support.

Background

The Pallas project aims at the realisation of a new multipurpose nuclear reactor in Petten, the Netherlands. The new reactor should replace as of 2023 the existing HFR in Petten. Pallas has originally been an initiative of the Nuclear Research and Consultancy Group (NRG), the operator of the HFR reactor, without involvement of public financing. However, in view of the significant risks involved in particular in the early phase of the project, NRG did not succeed in attracting sufficient private financing.

The objective of the project is to define the design of the reactor, to execute the tendering and licensing processes and to attract private financing for Phase 2 (construction) and Phase 3 (operation). Pallas will be active in three areas: the production of medical radioisotopes, the production of industrial isotopes and research and irradiation services.

Aside from contributing to the security of supply of medical radioisotopes, the Pallas reactor will contribute to other objectives of common interest:

- It will continue and enhance the research and irradiation services that are currently performed by HFR which plays a key role, particularly in the EU research programs on innovative nuclear reactor concepts (Generation IV reactors).
- The construction of Pallas will contribute to limiting the transport of nuclear materials throughout the EU by concentrating the production and processing facilities for medical radioisotopes in the same place and to the non-proliferation of nuclear weapons as Pallas will use solely low-enriched uranium.

The non-confidential version of the decision will be made available under the case number [SA.36653](#) in the [State Aid Register](#) on the [DG Competition](#) website once any confidentiality issues have been resolved. New publications of state aid decisions on the internet and in the Official Journal are listed in the [State Aid Weekly e-News](#).

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