

## **Introduction**

### **Comments of the Czech side on the points at issue in connection with the reference documents on the assessment of shutdown and preservation of NPP Temelín**

1) *The amount of capacities which might be shut down is not necessarily linked to the electrical capacity of NPP Temelin.*

The issue of closedown of coal-burning power plant capacities is also related to the necessary compliance with the limits set forth in the Czech Air Protection Act. These data are provided in the chapter V. - "Closedown of thermal power plants in compensation for the output of NPP Temelín and in the context of Government Resolution No. 472/1999 on the completion of the said nuclear power plant".

2) *The effects of the liberalisation of electricity market plus new air emission standards (Clean Air Act, which is presently in Czech parliamentary discussion before approval) should be reflected in the scenarios with and without NPP Temelin.*

The launch of energy market liberalization in 2002 and the opening of energy market are currently the subject of negotiations with the EU, and the negotiator's terms of reference cover several options. The Czech Republic will provide information on the issue to the general public, and of course to the Austrian side, after the negotiations on the EU Accession Agreement are completed. Similarly, with regard to the ongoing parliamentary debate on the Emission Limits and Ozone Layer Protection Act, it is impossible to predict the decision of the Czech Parliament's Chamber of Deputies on the exact definition of emission limits. Moreover, the Act does not focus on the Czech Republic's energy policies. Against this background, it is clear that any scenarios of impact on coal-burning power plants presented at this stage would be pure guesswork and the Czech Republic would consider them frivolous. It is also worth note that energy market liberalization is at present a question of fulfillment of the New Energy Act and perceived as a strictly internal affair of the Czech Republic pending its final resolution.

3) *Cogeneration plants should be reflected in such scenarios - their emissions have to be calculated on the basis of electric and thermal output, where thermal output substitutes existing heating plants or other heating sources. Emission benefits by using cogeneration should be reflected in the calculations.*

Projects for cogeneration and related issues (including possible State subsidies systems) are currently in various stages of the drafting process. The projects are related to the implementation of the 2000 Energy Management Act, effective since 1 January 2001. Premature provision of information on plans and preferences would place certain companies in an advantaged position and thus constitute a breach of the Competition Act. However, the Czech Republic is prepared to inform the Austrian public as soon as the relevant decisions are taken.

With the debate on energy market liberalization (see above - terms of reference for negotiations with the EU) and namely with the work on the concept for electric energy sector privatization still in progress, it would be injudicious to prematurely release public information on any scenarios or impacts of proposed legislation relating to strategic economic concerns. However, the Czech side assures the Austrian side that it is aware of the sensitivity of the above issues and will promptly inform Austria about any changes.