

The economics of new nuclear power plants in liberalized electricity markets

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Abstract

Even after Fukushima, the nuclear debate is strong in many countries, with the discussion of its economics being a significant part of it. However, most of the estimates are based on a levelized-cost methodology, which presents several shortcomings, particularly when applied to liberalized electricity markets. Our paper provides results based on a different methodology, by which we determine the break-even investment cost for nuclear power plants to be competitive with other electricity generation technologies. Our results show that the cost competitiveness of nuclear power plants is questionable, and that public support of some sort would be needed if new nuclear power plants are to be built in liberalized markets.