

GDF Suez pulls out of key nuclear power station

By Peggy Hollinger in Paris

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The future for France's new-generation nuclear technology has been thrown into doubt after it emerged that [GDF Suez](#), the country's second-biggest utility, is to pull out of the latest European Pressurised Reactor project.

Gérard Mestrallet, GDF Suez chief executive, has written to prime minister François Fillon to inform the government the company would not take part in the 1600MW EPR project at Penly in north-west France.

The move, first reported in Les Echos newspaper on Thursday, comes after a [government-commissioned report](#) this summer made clear that GDF Suez would not be given the chance to prove its nuclear credentials in France as the operator of a new reactor. This role will be reserved for EDF, the state-owned electricity utility and GDF Suez's arch-rival.

GDF Suez had been granted a 25 per cent stake in the Penly project but EDF fought a fierce campaign to bar its rival from sharing operational responsibility. GDF would have been liable for 25 per cent of the financing of a project expected to cost up to €5bn but it would not have earned the operating experience on new generation reactors it badly needs to sell its expertise abroad.

Mr Mestrallet has made clear to the government that he does not intend to be a simple investor, in particular for a market rival. Though GDF Suez operates seven reactors in Belgium, its inability to win a nuclear contract in its home country has been a big obstacle abroad – as was clearly demonstrated when [France lost the \\$20bn bid to build reactors for Abu Dhabi](#).

GDF Suez – which is 35 per cent owned by the state – is now likely to consider selling new generation reactors from competing countries such as the Westinghouse AP 1000. The group has said it wants to operate a new generation reactor by 2020 and is still lobbying to build a smaller version of the EPR, the Atmea, in France. At just 1100MW however, the government is reluctant as it must develop other forms of renewable energy generation to meet European targets.