

“ON THE WAY TO THE CZECH NUCLEAR PROGRAM SUCCESS”



**Dukovany New Nuclear Build
with Czech Industry**

November 27, 2024



NEORS 2024

BE GREAT TOGETHER

KHNP, The Preferred Bidder

Press Briefing on the Selection of the Preferred Bidder(17th July)



"The Decision was **unanimous.**"

"The Korean offer was **better practically in all assessed criteria.**"

- Prime Minister

Special Envoys to Czechia



- KOR Government's willingness to Support

CEOs of CEZ and KHNP



- Shared Vision for the Project's Success

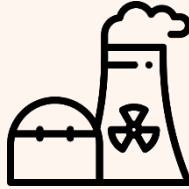
Negotiation Kick-off



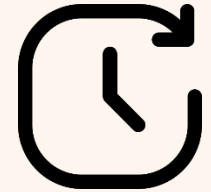
- Beginning the Preparation for the Final Contract in March 2025

Project Overall - Dukovany 5,6 & Temelin 3,4

- ✓ APR1000, 2 NPP Units
- Dukovany, Temelin each



- ✓ Project Period
- App. 14 Years each



- ▷ As per the Investor's decision, 2 units of the Nuclear Power Plant (NPP, 1 050MW each) are to be constructed in Dukovany, and Temelin (Optional)
- ▷ In addition to the NPP construction, Nuclear Fuel and NPP operation preparation support will be provided
- ▷ Approximately 5 000 (at the peak) workers are expected to be involved over the coming decade.



Project Plan – Dukovany 5 (early phase)

- Preparing for Full-scale Construction starting from 2029



Construction Infrastructure

- Office Buildings, Transportation, Energy, Communication, Logistics

Facilities for workers

- Accomodation Facilities, Dining Facilities, Medical Facilities, Commuting Facilities



MAR. 2025 ○ CONTRACT AWARD

2025 ENGINEERING

2027 LICENSING

○ 2029 CONSTRUCTION STARTS

LNTPI

- Concept/Basic Design
- Construction License Document & Application (~2026)

LNTPII

- Building Permit Document prepare
- Construction License Obtain (2028)

LNTPIII

- Site Handover (~2028)
- Building Permit Application/Obtain (~2029)



Top Priority of the Dukovany Project

Quality
(Performance)

Our Top Priority of the Dukovany Project is to successfully complete the new nuclear power plant in the Czech Republic with the best performance “on time and within budget”

**Successful
completion of the
project**

Cost
(Budget)

Time
(Schedule)

Localization Program

▪ Definition

- ✓ Process of adapting the project using local resources such as material, equipment, labor, etc.

▪ Rationales for Necessity

- ✓ **Economic Benefits** - growth in GDP, rise in employment rate, etc.
- ✓ **Plant O&M Benefits** - technical support, maintenance, spare parts, etc.
- ✓ **Project Risk Reduction** - cost, logistic & transport, local rules & regulations, etc.

▪ Key Factor for Successful Localization

- ✓ Selection of capable CZ companies in compliance with EPC Project's requirements, "On time, within Budget"

Localization Program - Target

- **Target Ratio : 60%**

- **Basis for the Target**

- ✓ Localization experiences in Korea
- ✓ Preliminary market survey of suppliers in the Czech Republic
- ✓ Strategies and plans as per design, components, construction, etc.

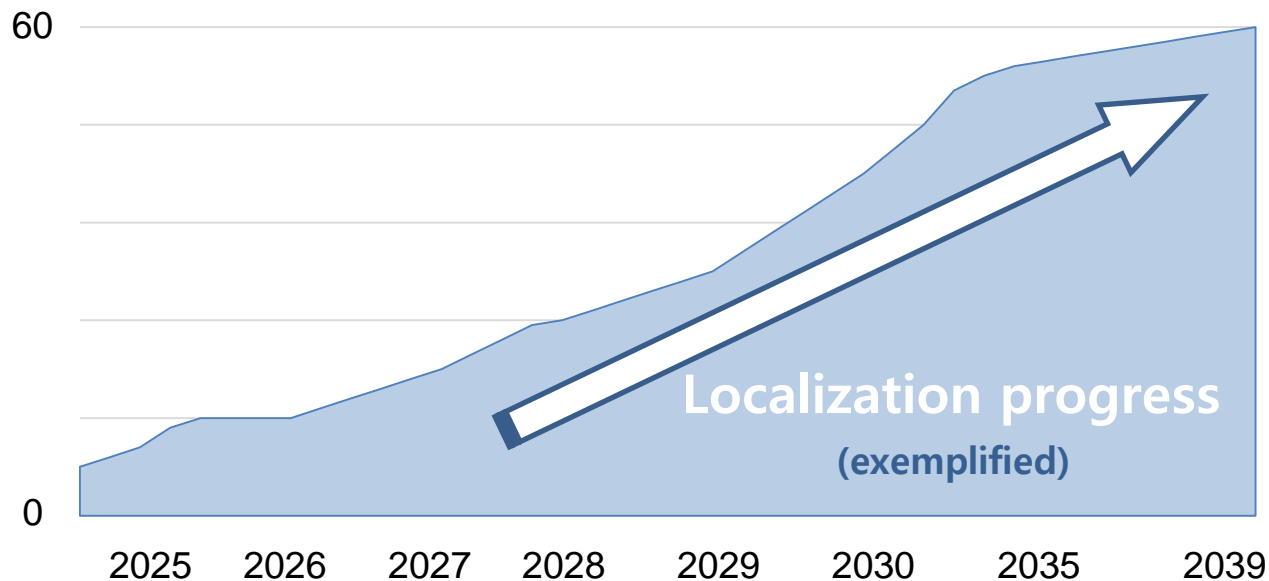
- **Challenges**

- ✓ Successful completion of the project (On time, Within budget)
- ✓ Establishment of a fair and transparent environment in compliance with requirements & relevant laws
- ✓ Selection of capable subcontractors capable to meet project requirements

Localization Program - Execution

■ Principle

- ✓ Localization target rate is set before the EPC contract is signed.
- ✓ Localization will be executed and monitored throughout the project's progress to ensure the intended outcomes are achieved by the end of the project.



Achievement of 60% Localization Target by 2039

Localization Program – Plan for achieving Target

▪ Before the EPC contract

- ✓ Pre-confirmed scope of supply for Czech industry
- ✓ Preliminary plan and roadmap to achieve the target

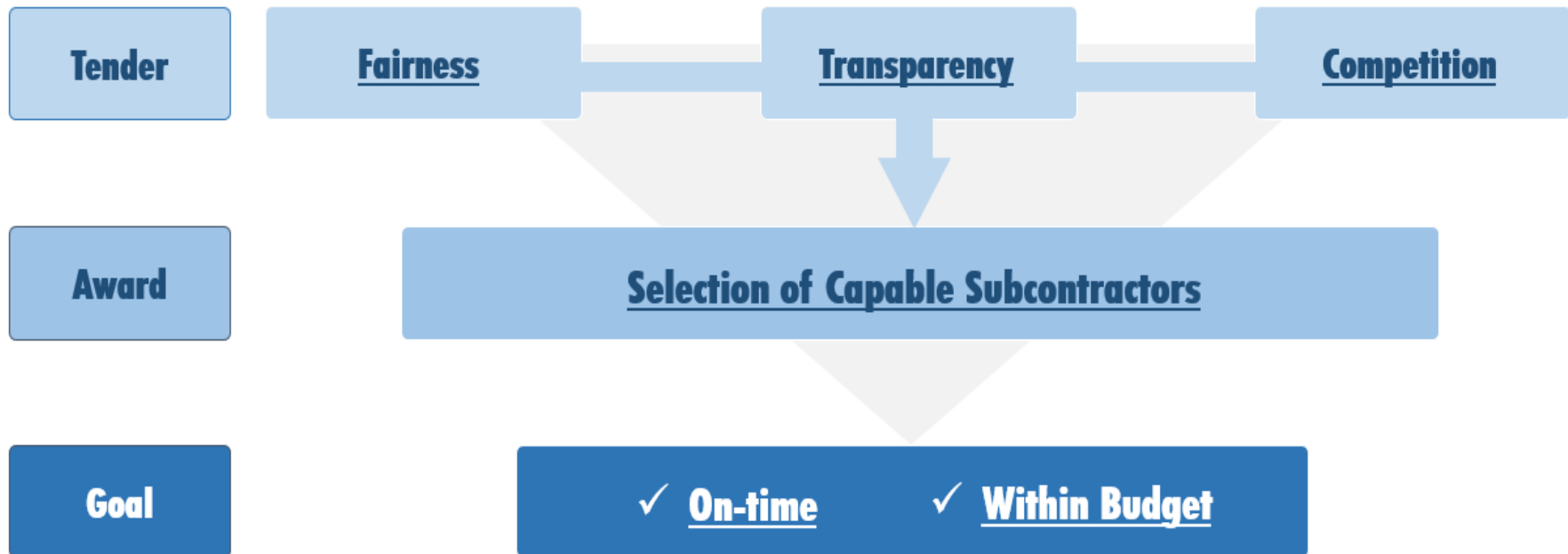
▪ After the EPC contract

- ✓ Negotiation and contract with pre-confirmed companies according to design progress
- ✓ Subcontract tender process under a fair and transparent competition
- ✓ Supporting programs for Czech industry
- ✓ Monitoring localization's progress throughout the project

Localization Program – Selection Principle

▪ Subcontract Tender

✓ Principle

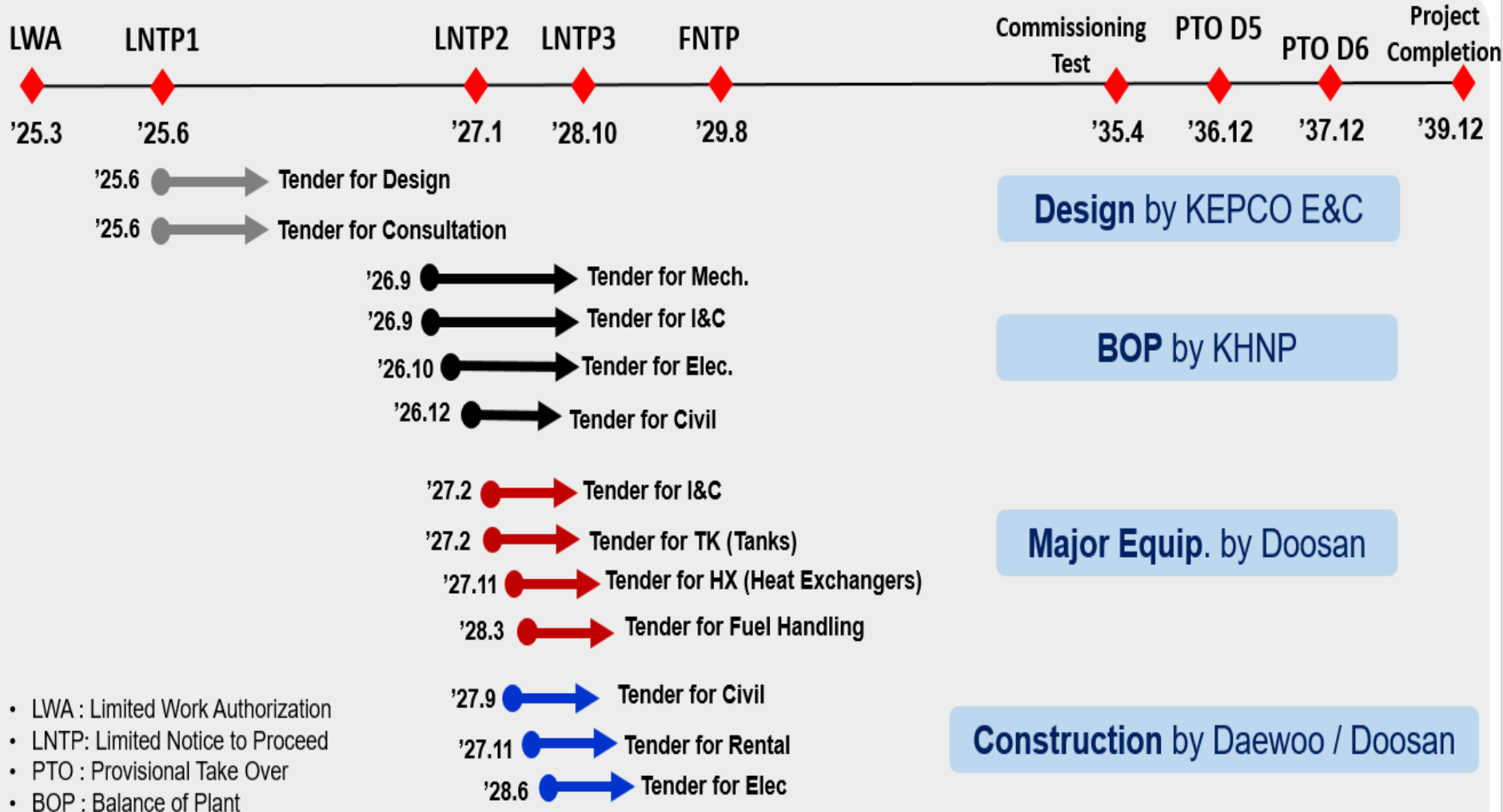


✓ **Participants** - CZ industries (CPIA, SP, SPS, CCC), International Companies

✓ **Exceptions** - Sole Vender, Urgent Condition, IP Right, etc.

Localization Program – Tender Roadmap

▪ Roadmap for Subcontract Tender



Localization Program – Supporting program

■ Supporting Programs for CZ Companies by KAIF* and KHNP

* KAIF : Korea Atomic Industrial Forum

- ✓ Support for Qualification Registration Process (QVL)
 - Implementation of the registration process on behalf of CZ applicant for convenience

- ✓ Encouragement for Consortium to Facilitate Cooperation – CZ / KOR
 - Additional point to encourage cooperation between CZ and KOR industries
 - Participation together in other country's new nuclear build project

- ✓ Procurement Participation Session for Czech Companies
 - Conference for sharing information on the procurement tender

- ✓ Regional Restricted Bidding, etc.
 - Tender of general industry materials under below certain amount, for region

Localization Program – conclusion

- **20% Pre-confirmed Czech Scope of Supply**

- ✓ Pre-confirmed scope will be contracted in accordance with progress of design
- ✓ Design for procurement will be completed between '25 and '27

- **40% will be made up through Competitive Tender**

- ✓ Subcontract tender to be launched as planned in accordance with roadmap
- ✓ Enhancement of winning bid rate through supporting programs for CZ companies

- **Localization Target Rate will be achieved finally in 2039**

Best Partner for Each Other



Korea and Czechia
Century-long partnership for the
nuclear industry