



# The Economic Impact of Westinghouse's AP300 Small Modular Reactor Fleet Project for Czech Republic

# Notice to Reader

This report has been prepared by PricewaterhouseCoopers LLP (PwC) for the use of **Westinghouse and its owners – Brookfield and Cameco**, with the desire to bring state of the art nuclear technology to Czechia.

This report provides an assessment of the economic and broader benefits of Westinghouse's potential investments in Czechia in association with the deployment of **AP300™ SMR** technology.

The analysis and observations presented in this document are based on information provided by Westinghouse, as well as primary and secondary research conducted by PwC.

All economic footprint values are in 2023 Czech koruna<sup>1</sup>, unless otherwise specified.

Limitations on use of this report are found in Appendix A.

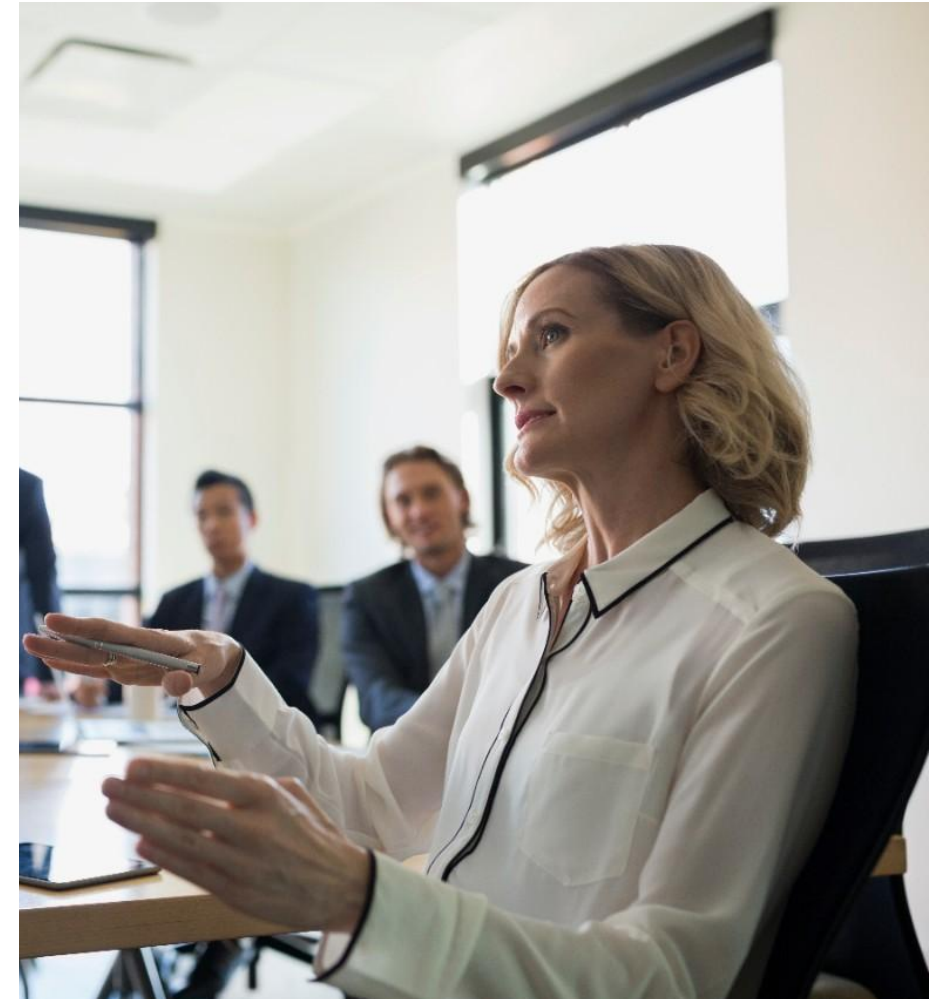
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<sup>1</sup> Exchange rate used was Czech National Bank's average annual USD/CZK rate for January-December 2023, equalling to 22.21.

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# 1

## Results of Assessment



# This study assesses the economic footprint and broader impacts of the AP300 SMR Project in Czechia

## Background

Decarbonising Czechia's energy system is crucial to reduce greenhouse gas emissions and meet its energy transition targets. In that context, Westinghouse is seeking to support Czechia's efforts to install at least 3GW of nuclear capacity through AP300 Small Modular Reactor units ("the AP300 SMR Project").

- The AP300 SMR Project could provide power for **at least 1.95 million homes**.
- The AP300 SMR Project would contribute to the economic footprint of Czechia's nuclear sector through **capital investments and the ongoing operation of new nuclear reactors**.
- It will also help to support the growth of the **broader nuclear industry supply chain** across Czechia.
- The AP300 SMR Project, being a carbon-free source of energy, **aligns with the European Green Deal commitments**, as well as the Czechia National Energy and Climate Plan and would support the replacement of coal power and heating plants.

## Scope of analysis

### Core areas assessed by PwC

#### Economic footprint

The jobs, GDP, labour income, and tax revenue associated with the AP300 SMR Project arising from:

- Capital expenditures
- Ongoing operations

#### Broader impacts

Broader impacts of developing the AP300 SMR Project, focusing on its impact on skills, training and development, support for local industry clusters, contribution to Czechia's climate change efforts, and its adherence to high safety standards in power plant operations.

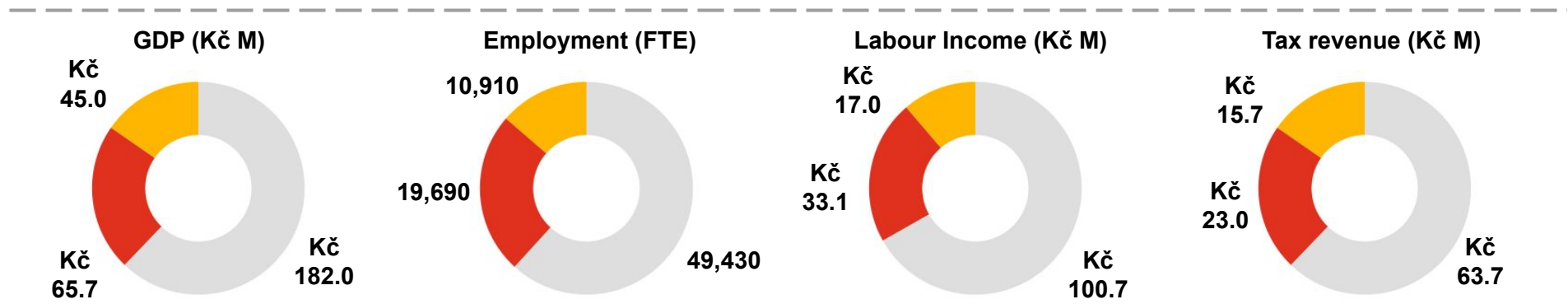
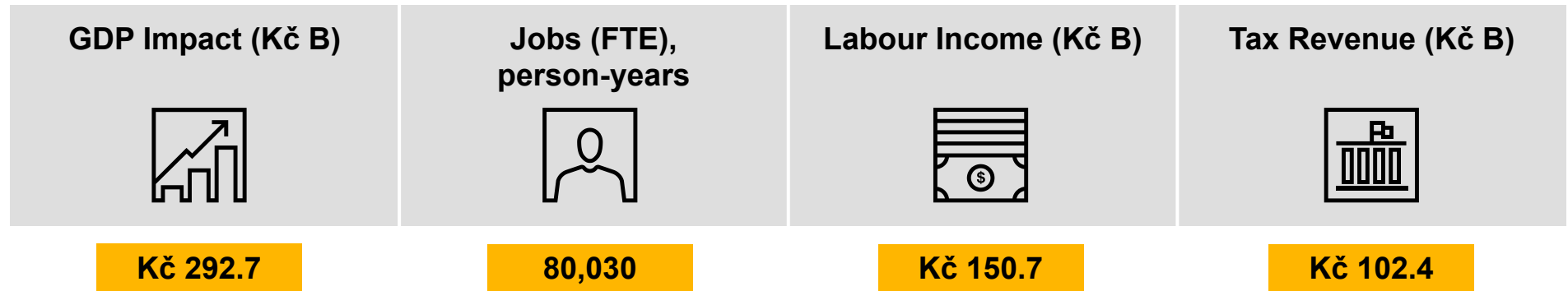
Sources: Westinghouse, European Green Deal, National Energy and Climate Plan of the Czech Republic

# The AP300 SMR Project could support Kč 292.7 billion in GDP and more than 80,000 person-years of employment over the 25-year installation period of over 3,000 MW of added nuclear capacity

## Total economic footprint of AP300 SMR Project manufacturing and installation in Czechia, cumulative impact 2025-2049 (undiscounted)

Manufacturing and installing the AP300 SMR Project is estimated to support an economic footprint of Kč 292.7 billion over the 25-year manufacturing and installation phase.

The 80,030 person-years of employment over this period, on average equates to an annual workforce of 3,200 Full Time Equivalent (FTE) roles.



**Economic Footprint Legend**  Direct Impact  Indirect Impact  Induced Impact

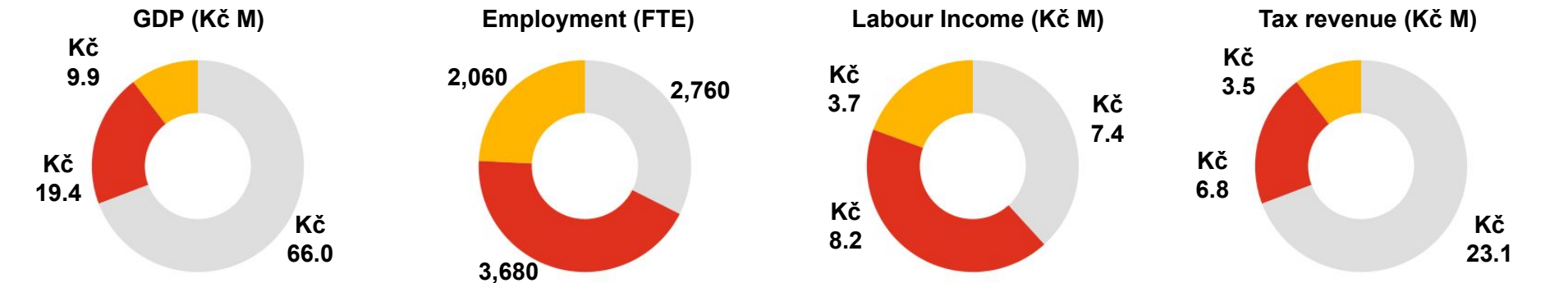
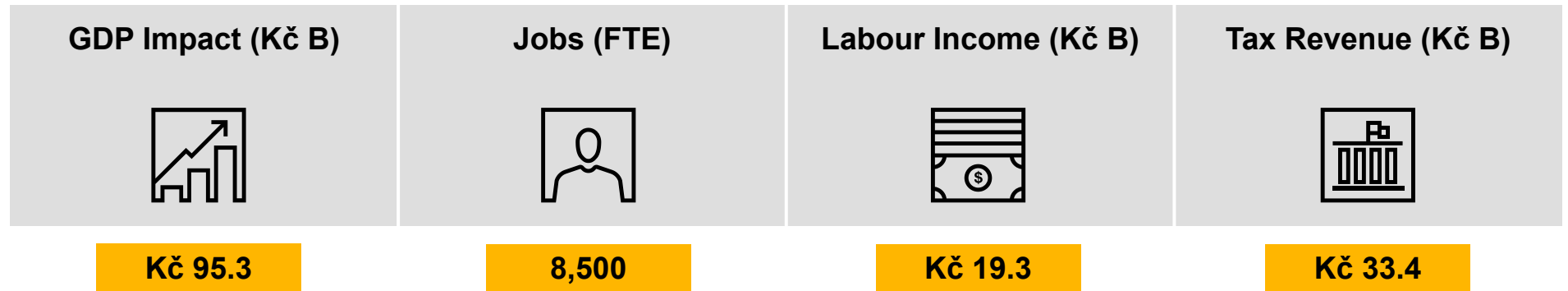
Source: PwC analysis  
Figures may not sum due to rounding

# Ongoing operations are estimated to provide Kč 95.3 billion in GDP per annum and 8,500 FTE jobs in Czechia

## Total economic footprint of the AP300 SMR Project operations in Czechia (average annual impact, undiscounted)

On an average annual basis, operating the AP300 SMR Project is estimated to contribute Kč 95.3 billion to GDP in Czechia and 8,500 jobs.


During the AP300 SMR Project's 75-year minimum operation, the cumulative undiscounted economic footprint is estimated to be Kč 7,150 billion in GDP, 640k person-years of employment, Kč 1,450 billion in labour income and Kč 2,500 billion in total taxes in Czechia, when taking into account direct, indirect, and induced effects. Extended operation would increase these impacts.



### Economic Footprint Legend

 Direct Impact

 Indirect Impact

 Induced Impact

Source: PwC analysis  
Figures may not sum due to rounding

# Leveraging the Czech supply chain to procure inputs for future AP300 SMR developments in the region (outside of Czechia) could support a further Kč 4.8 billion to Czechia's GDP for each unit installed

## Spending on Czech suppliers to build AP300 SMR units

- Investing in the AP300 SMR Project in Czechia will utilise the established nuclear supply chain, while developing additional capabilities and suppliers for this reactor technology. This will bring future value to Czechia as the established supply chain will be called upon to support AP300 SMR developments in the region and globally. The AP300 SMR supply chain components could also be used in the construction of AP1000 reactor units.
- The AP300 SMR technology is already under consideration at multiple sites in countries across Europe, the Americas and Asia. Using the Czech supply chain to support installations around the world will create more economic opportunities for Czechia. We estimate that each AP300 SMR unit installed can provide Kč 4.8 billion in Czech GDP due to the use of this supply chain.

## Potential Czechia economic footprint, per unit, of potential AP300 SMR developments in the region

**Kč 4.8 billion total GDP**

**1,310 person-years of employment**

**Kč 2.5 billion total labour income**

**Kč 1.7 billion total taxes**

Source: PwC analysis



# Broader benefits of the AP300 SMR Project include skill and cluster development, as well as climate benefits



## Skills development

- Westinghouse's skills development activity supports **efficient and safe** operations and provides opportunities for employees in Czechia.
- The AP300 SMR Project will provide **cutting-edge nuclear skills** with significant investment planned to enable the training of a Czech workforce.
- Westinghouse is building **partnerships with local educational institutions**. For example, five students from Czechia took part in Westinghouse's Central and Eastern European summer internship program in 2023.
- **High-skilled roles created** with plans to train over 3,000 local employees to work at the AP300 SMR Project once operational. Many of the roles created will be highly skilled, including engineers, chemists and nuclear technicians.



## Nuclear cluster development

- Czechia's **nuclear cluster** and supply chain would be strengthened by new investment in the AP300 SMR Project.
- **The current cluster is estimated to support 2,800 direct jobs** at the two operating nuclear power plants in Czechia. Thousands more are employed through indirect and induced effects.
- The AP300 SMR Project would further bolster this cluster with Westinghouse planning to make local procurement a key component of its investment plans, with around **two-thirds of total capital expenditure** expected to be spent in Czechia.



## Climate and safety

- Westinghouse is committed to safety with **half of the world's nuclear power stations** already safely using its technology.
- Westinghouse has committed to **net-zero GHG emissions across its value chain by 2050** and has achieved a 16.7% reduction in Scope 1 and Scope 2 GHG emissions since 2019.
- The planned AP300 SMR Project in Czechia would provide carbon-free energy to power over **1.95 million homes**.
- The AP300 SMR Project could cut over **20 million metric tonnes of CO<sub>2</sub>** emissions relative to using fossil fuels, equivalent to **removing approximately 4.3 million cars** from the road.

# 2

## Introduction and Background



# This report assesses the potential economic and broader impacts of the AP300 SMR Project in Czechia

## Background

Westinghouse is seeking to support Czechia's efforts to install at least 3GW of nuclear capacity through AP300 Small Modular Reactor units and has commissioned PricewaterhouseCoopers LLP (PwC) to perform an economic footprint analysis and broader impact assessment of this project.

Westinghouse is one of the world's leading nuclear energy companies, for example:

- They have a longstanding legacy, having constructed the **first ever commercial Pressurised Water Reactor (PWR)** in Shippingport, Pennsylvania, in 1957.
- The AP300 SMR is based on AP1000 reactor technology, which is the **world's first proven Generation III+ reactor technology designed, built, and successfully deployed**. The AP300 SMR technology is already under consideration at multiple sites across Europe, the Americas and Asia.
- Westinghouse technology helps **power 430 nuclear reactors globally**. Additionally, over half of the operating nuclear plants across the EMEA region are based on Westinghouse technology.
- Westinghouse employs over **10,000 people across 21 countries**, with approximately 4,500 employees located in the EMEA region.
- Westinghouse has been connected with the Czechia nuclear industry **since 1993 through the supply of advanced Instrumentation and Control systems** to the Temelín plant.

Source: Westinghouse

## Impacts assessed by PwC

### Core areas assessed by PwC

#### Economic footprint

The jobs, GDP, labour income, and tax revenue associated with the AP300 SMR Project arising from:

- Capital expenditures
- Ongoing operations

#### Broader impacts

Broader impacts of developing the AP300 SMR Project, focusing on its impact on:

- Skills training and development
- Support for local industry clusters
- Contribution to climate change efforts
- Adherence to high safety standards in power plant operations

# The AP300 SMR technology is the only SMR based on deployed, operating and advanced reactor technology

The Westinghouse AP300 Small Modular Reactor is an advanced, proven and readily deployable SMR solution that leverages existing AP1000 Pressurized Water Reactor technology. The characteristics of the AP300 SMR include:



## Proven Technology

**Based on existing reactor technology:** Utilises licensed AP1000 reactor technology already used in PWR reactors around the world. The design leverages tens of millions of hours of AP1000 reactor development.

**Flexibility:** As well as power generation, the technology is capable of district heating, desalination, and hydrogen production uses.



## Advanced Safety Features

**Passive safety systems:** Utilises identical passive safety systems used in the AP1000 reactor to achieve safe shutdown without operator action, backup power, or pumps.

**Robust containment systems:** Designed to withstand extreme hazards with multiple layers of defence.



## Readily Deployable

**Modular construction:** Simplified, compact design reduces construction costs and schedule.

**Established supply chain:** Can utilise established AP1000 reactor supplier chain for components, supporting rapid deployment.

**Compared to generating electricity from the combustion of fossil fuels, over 3GW of capacity from the AP300 SMR Project would result in an annual reduction of at least 20 million metric tons of CO<sub>2</sub> emissions, comparable to the environmental impact of removing 4.3 million passenger cars from the road.**

Source: Westinghouse

# Our approach to assessing the impact of the AP300 SMR Project involved a five-step process

## Understanding and assessment of the current situation in Czechia

Conducted background research on the nuclear landscape in Czechia and globally.

## Collecting data from Westinghouse

Collected quantitative and qualitative data on expenditures related to the proposed investment and broader impacts of the AP300 SMR Project.

## Collecting data from secondary sources

Collected industry benchmarks and other relevant secondary data.

## Economic footprint analysis

Used PwC's Input-Output model to estimate the impact of spending associated with the AP300 SMR Project on jobs, GDP, labour income, and tax revenue.<sup>1</sup>

## Assessment of broader economic impacts

Assessed and contextualized the broader impacts of the AP300 SMR Project in Czechia.

<sup>1</sup> The model employs the Input-Output Tables from Eurostat for its calculations.

# 3

## Economic Footprint of Westinghouse Activity

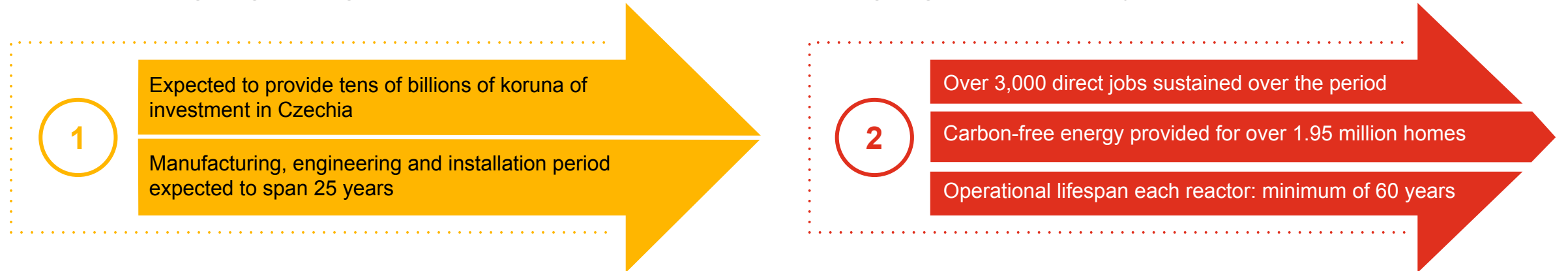


# Our approach assesses the direct, indirect and induced economic footprint of manufacturing, engineering, installation and ongoing operations of the AP300 SMR Project

The economic footprint of the AP300 SMR Project is assessed in two stages:

## 1. Manufacturing, engineering and installation

## 2. Ongoing AP300 SMR Project operations



Westinghouse's planned spending on the AP300 SMR Project would generate economic impact through the following channels:

- **Direct impacts** result from companies' spending on suppliers and employees.
- **Indirect impacts** arise from the activities of the firms providing inputs to a company's suppliers (in other words, the suppliers of its suppliers).
- **Induced impacts** are the result of consumer spending by employees of the businesses stimulated by direct and indirect expenditures.
- The **total economic impact** is equal to the sum of the direct, indirect, and induced economic impacts.

These calculations were developed through PwC's economic modelling. These values represent gross calculations of the economic footprint of the AP300 SMR Project.

# The AP300 SMR Project could create a GDP impact of over Kč 292.7 billion in Czechia through manufacturing and installation

Economic footprint of **manufacturing and installation phase** in Czechia, cumulative impact 2025-2049, Kč billions, undiscounted

	Direct	Indirect	Induced	Total
<b>GDP</b>	Kč 182.0	Kč 65.7	Kč 45.0	<b>Kč 292.7</b>
<b>Employment (FTE), person-years</b>	49,430	19,690	10,910	<b>80,030</b>
<b>Labour income</b>	Kč 100.7	Kč 33.1	Kč 17.0	<b>Kč 150.7</b>
<b>Total taxes</b>	Kč 63.7	Kč 23.0	Kč 15.7	<b>Kč 102.4</b>

The table presents cumulative economic footprint calculations over the 25-year manufacturing and installation period.

**Cumulatively**, over the 25 years, we estimate that the AP300 SMR Project would contribute Kč 292.7 billion to GDP, over 80k person-years of employment, Kč 150.7 billion in labour income and Kč 102.4 billion in total taxes in Czechia when taking into account direct, indirect and induced effects.

**Annually**, on average, this equates to Kč 11.7 billion in GDP, 3,200 jobs, Kč 6.0 billion in labour income and Kč 4.1 billion in total taxes.

Source: PwC analysis

Due to rounding, total impact value may not equal the sum of direct, indirect and induced footprints



# ... and a Kč 95.3 billion annual GDP impact in Czechia once operational

Average annual economic footprint of **AP300 SMR Project operations** in Czechia, undiscounted, Kč billions

	Direct	Indirect	Induced	Total
<b>GDP</b>	Kč 66.0	Kč 19.4	Kč 9.9	<b>Kč 95.3</b>
<b>Employment (FTE)</b>	2,760	3,680	2,060	<b>8,500</b>
<b>Labour income</b>	Kč 7.4	Kč 8.2	Kč 3.7	<b>Kč 19.3</b>
<b>Total taxes</b>	Kč 23.1	Kč 6.8	Kč 3.5	<b>Kč 33.4</b>

The table depicts the average annual impact of the AP300 SMR Project during its operational phase.

**Annually**, on average, the economic footprint is estimated to be Kč 95.3 billion of GDP, 8,500 jobs, Kč 19.3 billion in labour income and Kč 33.4 billion in total taxes in Czechia, when taking into account direct, indirect and induced effects.

**Cumulatively**, during 75 years of ongoing operations, the economic footprint is estimated to be Kč 7,150 billion of GDP, 640k person-years of employment, Kč 1,450 billion in labour income and Kč 2,500 billion in total taxes in Czechia.

Source: PwC analysis

Due to rounding, total impact value may not equal the sum of direct, indirect and induced footprints

# 4

## Broader Impacts of Westinghouse Activity



# The AP300 SMR Project will have broader impacts across Czechia

The impacts of the AP300 SMR Project go beyond the economic footprint presented earlier in this report. The following slides highlight how deployment of this program could contribute to a broader range of impacts including:

1. **Skill development:** the nuclear industry and its supply chain create high-skilled, well-paid jobs in Czechia. A critical part of Westinghouse's planned investment is in training and human capital to make sure Czechia has skilled employees who can safely and efficiently operate the reactors.
2. **Safe development of the nuclear cluster:** Czechia's nuclear cluster and supply chain would be strengthened by new investment in the AP300 SMR Project. The current nuclear cluster in Czechia is estimated to support 2,800 direct jobs at two existing nuclear power plants, with thousands of further jobs supported through indirect and induced effects. The AP300 SMR Project would further bolster this cluster with around two-thirds of total capital expenditure expected to be spent in Czechia. Such investment would also help to diversify the cluster away from Russian nuclear technology. Westinghouse also brings a strong track record of safety and adheres to high technical and regulatory standards.
3. **Climate change:** nuclear investments can make a major contribution to the communities where they are located and to Czechia's net-zero commitments by providing additional capacity of carbon-free electricity. Coal power still accounts for approximately 45% of domestic energy production in Czechia and the AP300 SMR Project can facilitate the replacement of these high emission facilities. Coal-to-nuclear transitions also support local communities by retraining the coal workforce and creating high-paying jobs during construction and operation.

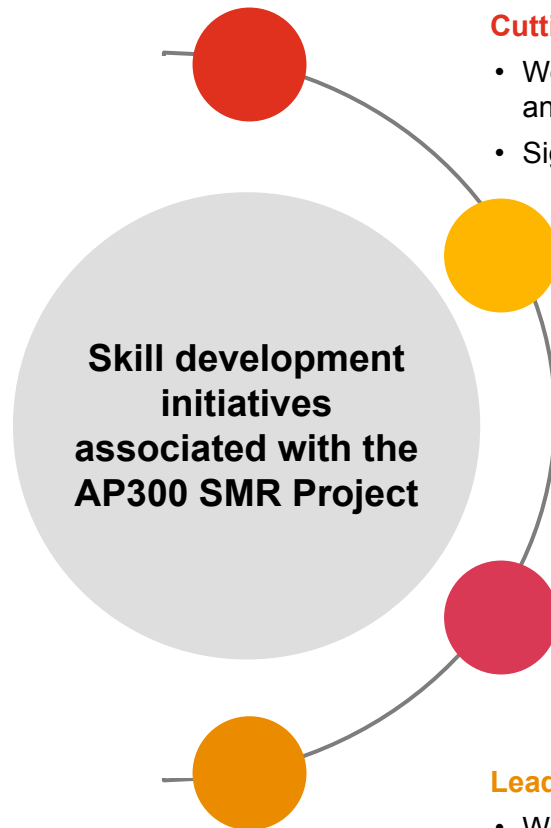


# Westinghouse's skills development activity supports efficient and safe operations and provides opportunities for local employment

A core part of the strategy when developing the AP300 SMR Project is investing in local human capital to ensure the plants have the skilled personnel needed to operate them.

As shown in the preceding analysis, the AP300 SMR Project in Czechia is expected to create over 3,000 direct jobs to operate the reactors.

Westinghouse plans to take a proactive stance in helping to develop the local workforce needed to operate the plants through training support and partnerships with local higher education facilities.



## Cutting-edge nuclear training

- Westinghouse relies on a specialized and highly trained workforce for safe operations and continued innovation.
- Significant investment in workforce training is planned for the AP300 SMR Project.

## Partnerships with educational institutions

- Westinghouse supports initiatives aimed to assist post-secondary students in their desired career path and is developing partnerships with Prague and Pilsen Universities.
- This includes Westinghouse's Central and Eastern European summer internship program. In 2023, five students from Czechia took part in Westinghouse's internship program in the United States.

## Technical training

- Westinghouse supports the owner in the training of their staff to be able to properly operate and maintain the plant across all levels of the organization, resulting in upskilled talent, enhanced development capabilities, and improved safety.
- Around 3,000 local employees will be trained to work on the AP300 SMR Project once operational.

## Leadership training

- Westinghouse offers leadership training that includes a self-assessment tool, team-building exercises, skill enhancement for managers, and coaching for personal and team development.
- All employees complete required Nuclear Safety Culture training, with additional training modules for leaders.

Source: Westinghouse

# Westinghouse's technology is safely deployed in half of the world's nuclear power stations, and the AP300 SMR Project can enhance Czechia's existing nuclear cluster

- Westinghouse brings extensive experience to delivering nuclear energy safely. It is a leading global supplier and pioneer of the commercial nuclear power industry, and as such, is the original equipment manufacturer and service provider for approximately **half the world's nuclear plants**.
- Czechia already has two operating grid scale nuclear plants, at Dukovany and Temelín, which employ 2,800 workers directly. The jobs created by the AP300 SMR Project and its supply chain would materially **enhance the nuclear sector's footprint in Czechia**.
- **In terms of safety and security**, Westinghouse **voluntarily implements industry best practices and standards** established by the Institute for Nuclear Power Operations (INPO) and the World Association of Nuclear Operators (WANO).
- Westinghouse's global site activities are licensed and supervised by nuclear safety regulators, ensuring **adherence to strict regulations, advanced training, and comprehensive programs**.
- Regulation, nuclear safety and waste management in Czechia are administered by **the State Office for Nuclear Safety (SÚJB)**. Nuclear safety is regularly assessed in line with internationally comparable indicators and quality assurance standards are implemented. Westinghouse has already started licensing discussions with SÚJB on AP300 SMR technology.



Sources: Westinghouse, International Energy Agency, World Nuclear Association, Czech Republic National Report under the Convention on Nuclear Safety

# The use of the Czech supply chain to procure inputs for future AP300 SMR developments outside of Czechia could support a Kč 4.8 billion GDP impact in Czechia for each additional non-Czech AP300 SMR unit

Cumulative economic footprint in Czechia of regional AP300 SMR developments, undiscounted, Kč billion

	Direct	Indirect	Induced	Total
<b>GDP</b>	Kč 3.0	Kč 1.1	Kč 0.7	<b>Kč 4.8</b>
<b>Employment (FTE), person-years</b>	810	320	180	<b>1,310</b>
<b>Labour income</b>	Kč 1.6	Kč 0.5	Kč 0.3	<b>Kč 2.5</b>
<b>Total taxes</b>	Kč 1.0	Kč 0.4	Kč 0.3	<b>Kč 1.7</b>

An AP300 SMR Project in Czechia will leverage and grow the existing supply chain and develop new suppliers.

The AP300 SMR technology is already under consideration at multiple sites in countries across Europe, the Americas and Asia.

Czechia can become a key player in supporting the wider deployment of AP300 SMR technology in EMEA and beyond. We have estimated that, through the use of these Czech suppliers, each AP300 SMR unit developed in the region in the future could lead to Kč 4.8 billion of GDP impacts in Czechia.

The AP300 SMR supply chain components can also be used in the construction of AP1000 reactor units.

Source: PwC analysis

Due to rounding, total impact value may not equal the sum of direct, indirect and induced footprints.

# Nuclear energy can help to meet net-zero targets

- Nuclear energy is likely to play an important role in the global road to net-zero. For example, the International Energy Agency estimates **that nuclear power capacity will need to double** between 2020 and 2050 to achieve global net-zero GHG emissions by 2050.
- According to the Czechia State Energy Policy, nuclear energy is projected to **become the main source of electricity production** with its share rising from 35% to between 46% and 58% in 2040. New investment in nuclear can replace aging and high emission coal power generation.
- According to the Climate Law objectives, the European Union plans to **reach climate neutrality by 2050**, as well as a **2030 climate target of at least 55% reduction of net emissions of greenhouse gases** as compared to 1990.
- In 2022, Westinghouse committed to achieving **net-zero GHG emissions across its value chain by 2050**, in alignment with the Paris Agreement.
- Westinghouse is committed to enhancing its environmental stewardship through a multifaceted approach. This includes the implementation of comprehensive **energy reduction strategies**, the improvement of **waste management** practices, the advancement of **water conservation** policies, and the establishment of measures to **protect ecosystems**.



Sources: Westinghouse, International Energy Agency, World Nuclear Association, State Energy Policy Safety



# Appendices



# Appendix A: Limitations

**Receipt of new data or facts:** PwC reserves the right at its discretion to withdraw or revise this report should we receive additional data or be made aware of facts existing at the date of the report that were not known to us when we prepared this report. The findings are as of July 2024 and PwC is under no obligation to advise any person of any change or matter brought to its attention after such a date that would affect the findings.

**Reliance on data from Westinghouse Electric Company:** PwC's analysis relies on information provided by Westinghouse Electric Company such as that relating to the construction and operation of the AP300<sup>®</sup> SMR Project. PwC has not audited or otherwise verified the information supplied to us.

**Input-output analysis:** Input-output analysis (a model used to estimate GDP and employment impact) does not address whether the inputs have been used in the most productive manner or whether the use of these inputs in this industry promotes economic growth by more than their use in another industry or economic activity. Nor does input-output analysis evaluate whether these inputs might be employed elsewhere in the economy if they were not employed in this industry at the time of the analysis. Input-output analysis estimates the direct, indirect and induced economic impacts that can reasonably be expected to affect the economy based on historical relationships within the economy. This analysis does not take into account fundamental shifts in the relationships within the economy that may have taken place since the last estimation of the I/O tables by Eurostat, nor shifts that may take place in the future.

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**This report and related analysis must be considered as a whole:** Selecting only portions of the analysis or the factors considered by us, without considering all factors and analysis together, could create a misleading view of the findings. The preparation of this analysis is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis. We note that significant deviations from the above listed major assumptions may result in a significant change to this analysis.

# Appendix B: Input-output methodology

## Input-output modelling: Overview

The fundamental philosophy behind economic impact analysis is that spending on goods and services has attendant impacts throughout the economy. For instance, construction expenditures will generate demand for the inputs to this process (such as tools and labour) that in turn generates additional demand that extends beyond the initial spending. This analysis permits the estimation of this cascading effect by using an input-output model of the Czech economy.

Inputs used for the economic footprint assessment are provided by the Westinghouse Electric Company's estimates of capital expenditures, operating expenditures and revenues associated with the development, engineering and manufacturing of the AP300<sup>®</sup> SMR Project in Czechia.

The input-output model used for the purpose of this report estimates the relationship between economic activity for a given good or service and the resulting impacts throughout the economy (including demand for other goods and services and tax revenues). For the purpose of this report, economic impacts were estimated for the following measures of economic activity:

- **GDP:** The value added to the economy, or the output valued at basic prices less intermediate consumption valued at purchasers' prices.
- **Employment:** The number of FTE jobs created or supported over the entire period of investment and operational phases.
- **Labour income:** The amount earned by the employment expected to be generated from investment or operations.
- **Government revenue:** The amount of revenue collected by the central government. It includes personal and corporate income taxes and social contributions, as well as other direct and indirect taxes.

Economic footprint was estimated at the direct, indirect and induced levels:

- **Direct impacts** are those that result directly from the company's expenditures on labour and capital as well as gross operating profits.
- **Indirect impacts** arise from the activities of the firms providing inputs to the company's suppliers (in other words, the suppliers of its suppliers).
- **Induced impacts** are the result of consumer spending by employees of the businesses stimulated by direct and indirect expenditures.

The input-output model used for the purpose of this assessment was based on Eurostat balanced input-output tables.

# Thank you

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