

ARMENIA, RUSSIA, CAUCASUS



Russia to revamp Armenia's nuclear power plant

Amidst strained relations between Armenia and Russia, Russia's state atomic energy company will modernize Armenia's nuclear power plant and presumably build a new unit.

Lilit Shahverdyan Dec 21, 2023



The Metsamor NPP (Armenpress)

On December 15, Armenia and Russia [signed a contract](#) on modernizing and extending the lifespan of Armenia's Metsamor Nuclear Power Plant (NPP) until 2036.

The renovations will be carried out by Rustatom Service JSC, a subsidiary of Russia's state nuclear energy company Rosatom, and will cost the Armenian government \$65 million.

The deal is another reminder of the vast extent of Russia's influence over Armenia's infrastructure and economy amid Yerevan's efforts to politically distance itself from Moscow.

Metsamor plays a significant role in Armenia's energy landscape, contributing an average of 31 percent of the country's yearly electricity output.

It is the only nuclear power plant in the South Caucasus, located about 30 kilometers west of Yerevan. It consists of two units, Metsamor-1 and Metsamor-2, activated in 1976 and 1980, respectively. In 1989, the plant was shut down due to safety concerns after the devastating earthquake in Spitak in December 1988. In 1995, Unit 2 was reactivated due to energy shortages in Armenia, and since then has been the only nuclear unit in operation.

In 2021, Rosatom [repaired and upgraded](#) the NPP to operate until 2026. The modernization was implemented under a loan agreement signed between Armenia and Russia in 2015.

Under the new agreement, Rosatom will help to extend the lifespan of Unit-2 until 2036, after which it will be decommissioned.

The upgrading operations will be [financed](#) in the form of a "budgetary loan" provided by the Armenian government to the state-owned plant's management, which will subsequently enter into a contract with Rosatom. In 2023-2026, Rosatom will modernize Metsamor NPP in close cooperation with Armenian specialists.

As the reactor will be decommissioned in 2036, the Armenian government intends to build a new nuclear unit at Metsamor. Different [estimates](#) assert

that the construction of a new nuclear power plant or unit will take 6-10 years, which means that construction works must be started in the next couple years.

It appears those construction works will be implemented by Rosatom, judging by Russian Deputy Prime Minister Alexey Overchuk's [remark on December 15](#) that negotiations were underway regarding new nuclear power units.

Overwhelming energy dependence on Russia

The new Metsamor deal comes at a complicated time in Armenian-Russian relations. Resentment against Russia is high in Armenia Azerbaijan's military takeover - apparently with Moscow's blessing - of Nagorno-Karabakh in September.

Despite persistent efforts to diversify its political alliances and build closer ties with the West, Armenia's economy remains [overwhelmingly dependent on Russia](#). Russia is Armenia's largest trade partner, and Armenia is a member of the Russian-led Eurasian Economic Union (EAEU) and [Collective Security Treaty Organization \(CSTO\)](#).

And then there's energy dependence.

Russia supplies 87.5 percent of Armenia's gas (the rest comes from Iran), and Gazprom Armenia, the local subsidiary of the Russian state gas company, owns all of the country's gas distribution infrastructure.

Armenia says it [generates 98 percent](#) of the electricity it needs but that claim hides even more dependence.

That electricity is generated by hydropower and thermal plants and by the Metsamor NPP. Metsamor is entirely fueled by uranium imported from Russia while thermal power plants depend on (largely Russian) natural gas.

"Our self-sufficiency depends on the countries from which we import the gas and the uranium that operate our thermal and nuclear power plants. And when our government officials speak about our self-sufficiency, why do they forget to say how we maintain it?" energy expert Armen Manvelyan [told](#) the

Institute of War and Peace Reporting (IWPR), stressing that over 70 percent of Armenia's electricity depends on Russia.

And Armenia's energy demands keep growing. In 2022, Armenia's imports of Russian natural gas [increased](#) by 6.1 percent from the previous year, reaching 2.6 billion cubic meters.

Iran's ambassador to Armenia, Mehdi Sobhani, recently mused about the possibility of [tripling or quadrupling](#) Tehran's gas exports to Armenia. But such a move would require Russia's consent and facilitation, as Gazprom controls the gas pipeline to Iran.

Armenia is [exploring](#) the possibility of obtaining small modular nuclear reactors from the United States, France, and South Korea as part of its efforts to diversify its energy sector. But so far concrete progress on this front remains elusive.

Lilit Shahverdyan is a freelance journalist.

[Sign up](#) for Eurasianet's free weekly newsletter. [Support Eurasianet](#): Help keep our journalism open to all, and influenced by none.

Related

UN climate conference opens in Azerbaijan with call for substantive climate-finance action

Perspectives: Time running out for EU to fight for Georgian democratization

Armenia: Government efforts to enhance surveillance infrastructure fuels privacy concerns

Popular

1 UN climate conference opens in Azerbaijan with call for substantive climate-finance action

2 Perspectives: Time running out for EU to fight for Georgian democratization
Lika Kobeshavidze

3 Armenia: Government efforts to enhance surveillance infrastructure fuels privacy concerns
Ani Avetisyan

eurasianet

[ABOUT](#)

[TEAM](#)

[CONTRIBUTE](#)

[REUBLISHING](#)

[PRIVACY POLICY](#)

[CORRECTIONS](#)

[CONTACT](#)

Eurasianet © 2024