



Written by [Rebecca Terrell](#) on May 31, 2023

# Nuclear Scale-back in Finland as Electricity Market Prices Nosedive

Market prices for electricity plunged recently in Finland, prompting the country's newest nuclear power facility to significantly cut back production.

Olkiluoto 3 is the first nuclear reactor built in Finland in 40 years. It reached criticality in April, inundating with electricity an area until then crippled by the lack of Russian exports since that country's invasion of Ukraine.

Finnish news outlet [YLE](#) reported that the increased amount of nuclear generation, combined with extra hydroelectric generation (thanks to flood conditions in the country), briefly forced the market price for electricity below zero cents per kilowatt-hour (kWh) and kept it hovering up to only 0.3 cents per kWh for some time afterward.



rawpixel/Wikimedia Commons  
Finland's Olkiluoto 3 nuclear power plant

In response, the reactor's owner and operator, power company Teollisuuden Voima (TVO), scaled back production so it would not have to pay for unused electricity that it produced.

The situation prompted two observations from [ZeroHedge](#).

First: "The Finnish example is a testament to how nuclear can play a part in solving the current energy crisis, with consumers still paying sky-high fees for energy in many European countries." [Germany](#) set itself up as a negative proof by shuttering its last three remaining reactors in April. Analysts expect the country's "unprecedented" electricity [prices](#) to continue their skyrocketing trajectory.

But ZeroHedge made a second observation worth noting, calling it hypocritical "that when power prices were extremely high in 2022, hurting consumers – it was all Russia's fault; but now that prices are plummeting, operators can't have that and withdraw supply to hurt consumers."

That makes the Finnish situation seem to be just a simple "Economics 101" case of supply exceeding demand, and an example of greedy capitalists exploiting consumers.

Is that a fair assessment in a country that heavily subsidizes so-called "renewable" energy sources?

According to think tank [Finnish Energy](#), "Over 70 percent of investments in electricity generation in the EU region are made in subsidized renewable energy sources," and "investments are made according to subsidies, not according to production conditions or demand."

In other words, the playing field is stacked against nuclear and fossil fuels, and in favor of so-called renewable sources.

TVO complained about this situation back in 2015. [NucNet](#) reported that TVO financial statements



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revealed that “Subsidised investments in renewable energy have led to an increase in electricity supply which, combined with increased costs, has undermined the profitability of nuclear power-produced electricity in Finland.” The company attributed rising costs to increased government regulations imposed on the nuclear industry.

Those [regulations](#) have only worsened during intervening years. Yet, according to the country’s [Ministry](#) of Economic Affairs and Employment, the Finnish government still absents nuclear from its energy subsidies.

The United States witnessed the disastrous effects of this set-up during the devastating winter storm of 2021, which hit 25 states between the Mexican and Canadian borders. Dozens of victims died in Texas, where wind turbines make up 23 percent of the energy portfolio. Consulting engineer Ed Hiserodt [explained](#) that Texas wind is so overly subsidized that nuclear and fossil fuels have to routinely back out of their efficiency range in order to avoid paying for the unused power they produce. When the turbines froze during the winter storm, it took time and a lot of energy to bring the reliable producers back online, and many people perished as a result.

The situation in Finland is analogous, and the real hypocrisy lies in calls there for increased government regulation of nuclear. [YLE](#) quoted an energy-markets advisor praising strict regulations in France and complained that in places such as Finland, “basically anyone who can adjust their production will do it.”



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