India's Nuclear Liability Law Amendments: A Step Towards Global Partnerships

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What's in Today's Article?

India's Nuclear Liability Law Latest News

- The Central government has announced that it would amend its Civil Liability for Nuclear Damages Act and the Atomic Energy Act.

Introduction

- Ahead of **Prime Minister Narendra Modi's visit to the U.S. and France (February 10-13, 2025)**, the Indian government has announced plans to **amend its Civil Liability for Nuclear Damage Act (CLNDA) and the Atomic Energy Act**.
- These changes aim to resolve long-standing concerns of **American and French nuclear power companies**, whose projects in India have remained stalled due to liability issues.
- This announcement marks a **significant policy shift** from the government's 2015 stance, where it had categorically stated there was **"no proposal to amend the Act or Rules"**. Now, the amendments could facilitate the implementation of major nuclear projects, such as:
    - Electricité de France (EDF)'s MoU to build six EPR1650 reactors in Maharashtra (Jaitapur)
    - Westinghouse Electric Company's MoU to build six AP1000 reactors in Andhra Pradesh (Kovvada)
- Additionally, India plans to leverage **Small Modular Reactor (SMR) technology**, which is gaining traction in developed economies.

Reasons for India to Amend Its Nuclear Liability Law

- **Addressing Foreign Companies' Concerns**
    - Western nuclear power firms have **hesitated to invest in India** due to strict liability clauses in the **CLNDA, 2010**, which place **a high degree of responsibility on suppliers** for nuclear accidents.
    - This contrasts with the **international Convention for Supplementary Compensation for Nuclear Damage (CSC)**, which primarily holds **operators** liable.
    - The current law was introduced after intense **parliamentary debates in 2012**, where opposition parties—then led by the NDA—insisted on supplier liability, citing disasters like the **Bhopal Gas Tragedy (1984)** and **Fukushima Nuclear Leak (2011)**.
    - However, this has **discouraged investment from U.S. and French firms**, who see India's liability norms as **a major financial risk**.
- **Expanding India's Nuclear Energy Capacity**
    - India's **current nuclear power capacity** stands at **6,780 MW**, comprising **22 reactors**, with **Russia's Rosatom** being the **only foreign operator** in the country.
    - The **2025 Budget** has proposed a **₹20,000 crore allocation** for nuclear energy development, with an ambitious target of **100 GW nuclear power capacity by 2047**.
    - India is keen on **developing Small Modular Reactors (SMRs)**, with five units planned for operationalization by 2033.
- **Strengthening Strategic Partnerships with the U.S. and France**
    - The **U.S.-India Civil Nuclear Agreement (2008)** aimed to promote nuclear energy collaboration but has remained **largely unfulfilled** due to liability issues.
    - France's EDF has also faced **years of delays** in executing its Jaitapur project.
    - With Modi's visit to **Washington and Paris**, India seeks to **finalize deals and remove roadblocks for nuclear investments**.

The Challenges of Amending CLNDA

- **Domestic Political Opposition**
  - The original **2010 CLNDA** was passed after **strong public and parliamentary debates**, emphasizing that foreign companies should not be **exempt from liability in case of nuclear accidents**.
  - Any amendments that **weaken supplier liability** may face **resistance from opposition parties** and civil society groups.
- **Legal and Regulatory Uncertainty**
  - While experts support aligning CLNDA with **global nuclear liability standards**, there is concern over **how the amendments will be structured**.
  - The **Ministry of External Affairs has declined to provide details** on what the proposed changes will entail.
- **Investor Confidence and Insurance Issues**
  - To ease concerns, India created a **₹1,500 crore insurance pool (2019)** to help cover nuclear damages, but this **failed to attract major investors**.
  - The amendments must ensure that both **international companies and Indian operators** feel confident in **legal protections and compensation frameworks**.

Potential Global and Economic Impact

- **Unlocking Stalled Nuclear Projects**
  - If CLNDA is amended, projects like **Westinghouse's AP1000 reactors in Andhra Pradesh** and **EDF's Jaitapur plant** could finally proceed, significantly boosting India's **clean energy capacity**.
- **Strengthening India's Role in Global Nuclear Energy**
  - India's push for **SMRs** aligns with international trends, where countries are investing in **modular, cost-effective nuclear technologies**. Partnering with the **U.S. and France** on nuclear energy will:
    - **Enhance India's technological expertise**
    - **Diversify its energy mix**
    - **Reduce dependency on fossil fuels**
  - **U.S. and France's Strategic Interest in India**
  - The **U.S. wants to increase energy exports**, including nuclear technology, as part of its **trade and strategic policies**.
  - **France, a global leader in nuclear power**, sees India as a **key market** for its advanced reactor technology.
  - As a result, both countries are **keen on resolving nuclear liability concerns** to deepen **economic and diplomatic ties with India**.

Conclusion

- The proposed **amendments to India's nuclear liability law** represent a crucial shift in policy, aimed at attracting **foreign investment** and **unlocking long-pending nuclear energy projects**.
- While this move could significantly **expand India's nuclear capacity**, it must balance **international obligations with domestic political considerations**.

- As Prime Minister Modi **heads to the U.S. and France**, all eyes will be on whether these amendments can **finally break the 15-year deadlock** and position India as a **major player in global nuclear energy**.

Nuclear Liability Law FAQs

Q1. Why is India amending its Civil Liability for Nuclear Damage Act (CLNDA)?

Ans. India is amending the CLNDA to address foreign companies' concerns about supplier liability, which has stalled nuclear investments from the U.S. and France.

Q2. What major nuclear projects could benefit from the amendments?

Ans. The amendments could unlock stalled projects, including EDF's six reactors in Maharashtra (Jaitapur) and Westinghouse's six reactors in Andhra Pradesh (Kovvada).

Q3. How do India's nuclear liability rules differ from international standards?

Ans. Unlike global norms, India holds suppliers liable for nuclear accidents, whereas most countries place responsibility only on operators under the Convention for Supplementary Compensation (CSC).

Q4. What challenges does the amendment face in India?

Ans. The key challenges include domestic political opposition, legal uncertainties, and ensuring investor confidence while balancing economic and safety concerns.

Q5. How will the amendments impact India's nuclear energy sector?

Ans. By facilitating foreign investments and technology transfer, the amendments aim to boost India's nuclear power capacity, support Small Modular Reactor (SMR) development, and reduce fossil fuel dependency.

Source: TH
