



Les Entretiens Européens in Helsinki: a contribution for a revision of the European energy strategy

Open letter to the Presidency of the European Union

To Mr Prime Minister of Finland
Presidency of the European Union

Copy to the President of the European Commission
and the Heads of State and Government of the EU

Dear Prime Minister,

As we approach the European Council of 12 and 13 December 2019, I would like to inform you of the options and recommendations put forward at the *Les Entretiens européens* conference in Helsinki on 12 and 13 November, with regard to the following: "Does nuclear revival in Europe offer a potential response to changes in electricity consumption?"

The conference was attended by 150 prominent figures from the energy sector and from various energy-intensive industries, local authority representatives from a dozen or so European countries¹, and European Commission members. Thus, we hope to contribute to the reflection and the actions undertaken to develop an Energy Union that satisfies climate, industrial and solidarity imperatives, against a backdrop of radical changes in our lifestyles and production methods.

In fact, our societies are consuming – and will consume – more and more electricity². We support

the drive for a low-carbon economy, but firmly believe that we cannot afford to exclude any energy sources; the nuclear industry, which has strengthened our union and created greater prosperity, is an ally in this respect.

Europe's ambition is to lead the way in climate change action. Our new President of the Commission claims that Europe will become the world's first carbon-free continent by 2050 and has proposed that Member States sign up to a "green pact". We support all initiatives in this direction. However, we needed to understand why the results have not been commensurate with our efforts. Worse still, our energy market is malfunctioning and we are producing more and more greenhouse gases, not only in Europe but worldwide.

Proposing to slash our energy consumption by half, without explaining how to decouple GDP from energy demand, is just wishful thinking.

¹ The participants travelled from Belgium, Bulgaria, Estonia, Finland, France, Hungary, Poland, Romania, Slovakia, Russia, Sweden, the United Kingdom and even Kenya to talk to researchers from leading organisations like the OECD and the CNRS, and to members of the European Commission. The conference was opened by Liisa Heikinheimo, Deputy Director General of the Energy Department at the Finnish Ministry of Economic Affairs and Employment.

² Electricity production in the energy mix rose by 35% to 150% in 2018 and all the scenarios show an upward trend in electricity consumption, in new sectors such as transport and information and communication technologies (with the advent of the digital era), and in the heating and air-conditioning sector, etc.

We have reached a consensual conclusion, which we would like to explain to you in five points:

1. Our energy policies focus primarily on increasing usage of renewable energy in the Member States and are therefore having an adverse effect on our market and undermining the safety and competitiveness goals we have ratified.
2. The Community policy does not consider the diversity of our Member States and some, such as Poland and Estonia, have been doubly penalised: they must forego their strongest assets at great cost to themselves, and invest massively in other solutions. Yet there are no solidarity mechanisms to help countries diversify their energy mix or adjust it to reduce their carbon footprint.
3. The market framework deters anyone from investing in nuclear power. Moreover, the unilateral decisions taken by some Member States – such as Germany – to phase out nuclear power and invest in renewables, which enjoy subsidies and grid priority, have reduced nuclear and gas-fired generation in neighbouring countries. Energy policies are being renationalised, thus contributing to the de-integration of our market.
4. Civil society organisations are not involved in defining collective choices and the objectives of an energy union, which are therefore incompatible with our growth and competitiveness models, leading to social resistance in the Member States.
5. Our internal initiatives are contradictory to our external actions in terms of accessing rare materials sources worldwide³, which not only increases greenhouse gas (GHG) emissions but creates tensions that grow in line with demand. This is evident in the automotive industry, and above all in the digital sector, which currently accounts for 6 to 10% of global electricity consumption (i.e. almost 4% of our greenhouse gas emissions: a trend that is rising by 5 to 7% every year).

Consequently, we suggest shifting the focus of energy policy by underlining the importance of coordinating national and Community policies, as well as our internal and external policies.

To this end, we invite you to consider three options, along with a few recommendations:

- Reopen the public debate to redefine the objectives of an energy union
- Develop an energy solidarity pact
- Set up a network of agencies at European level

Reopen the public debate to redefine the objectives of an energy union, with two proposals:

1. Stay the course on climate but stop dictating technology choices.

Steadily increasing the share of renewable sources in electricity production to 80% by 2050 is a more than questionable strategy, which merits further scrutiny. Above 40%, both intermittency and system costs soar. We need to reopen the debate, clarify the negative effects of having too many renewables in our energy mixes, consider the expert studies conducted by the OECD's Nuclear Energy Agency for example⁴, and listen to the Member States and stakeholders who are asking us to take their choices and strengths into account.

2. Create a strong incentive and a unified and intelligent market/grid/system.

A carbon tax is a strong and necessary incentive, but it creates inequality that must be offset by greater solidarity to enable diversification. Furthermore, the new European market/grid/system must incorporate all carbon-free sources without discrimination and enable – through the widespread development of “smart grids” – a better balance between production and consumption, more effective management of intermittency, production capacity savings and greater energy efficiency, especially in the transport sector and the housing sector, where substantial investment is needed in thermal renovation. Incentive or even dissuasive measures should be taken to scale back uses – particularly digital uses – and increase their compatibility with non-carbon electricity production, thus resulting in a less wasteful lifestyle.

³ Gold, copper, nickel, zinc, tin, in addition to arsenic, gallium, germanium, thallium, tantalum, indium, etc. are extracted from the subsoil using particularly destructive techniques and environmentally harmful products such as sulphuric acid, mercury, cyanide, etc. And they are still poorly collected and poorly recycled. In Europe, for example, only 18% of the metals in our laptops are recovered. A significant proportion of end-of-life equipment continues to end up in landfills in China, India and even Ghana, where it is burned to recover the gold and pollutes groundwater.

⁴ See “System Costs with High Shares of Nuclear and Renewables”, NEA, OECD, 2019.

⁵ This solidarity pact could be supplemented by cooperation of varying types and degrees: thus, nuclear States could adopt common nuclear licenses and share safety costs, as in the TEKPO project in the Nordic Countries; States that wish to continue using coal and gas could share CCS research costs, etc.

Develop an energy solidarity pact :

1. Aiming for a diverse and low-carbon energy mix

Forcing Member States to generate all of their energy from renewable sources could widen the competitiveness gaps between them. On the contrary, we should be making the most of diversity and using it to increase competitiveness, safety and solidarity: renewables, nuclear, clean gas and coal with CCS, etc. The “technological neutrality” option must be reinforced to respect individual States’ freedom of choice, but where those States are interdependent or the rules favour renewables to the detriment of other low-carbon technologies, a European energy solidarity pact is also needed so that no technology is excluded and we can all work together in the same market/grid/system⁵.

2. Returning nuclear power to its rightful place in the energy mix

A non-binding target could be set for renewables, and the Commission’s indicative target of 15% nuclear power by 2050 must be revised upwards to 25 to 30% if we are to achieve our climate goals. Nuclear power cannot be forced on those who don’t want it, but the co-existence of energy sources within the market must be properly organised – and that is the Commission’s and the Council’s responsibility. The nuclear sector requires a new, less volatile market framework to facilitate the financial arrangements it needs to invest long term; Finland’s cooperative model (MANKALA) should be promoted, and nuclear power should be recognised as a sustainable energy source eligible for an “eco-label” and therefore for European investment funds and tax incentives. Investment in nuclear-related initial and continuing training is needed urgently to safeguard and develop skills, organise mobility, and manage Europe’s power plants and waste centers safely – and to strengthen our position in the export market. The sector also requires cooperation with neighbouring countries like Russia, which is very active in our market and is developing innovative nuclear technologies, as well as with African countries like Kenya, which are considering their approach to nuclear power going forward.

Create a network of agencies at the European and territorial levels:

1. Introduce reforms to enable civil society participation in governance processes

Implementing serious objectives will require profound changes in living and employment conditions, so it is vital that we involve all the stakeholders in the decision-making process and that we stop making technological choices without a priori considering important issues such as the energy mix and solidarity. With this in mind, we propose the creation of a network of agencies in which users, producers, teachers, youngsters, experts and researchers from nuclear States will work with institutions on developing public policies.

2. Agencies to help ensure consistent objectives and actions

- A Community-level agency would perform an oversight function and would offer guidance and incentives to ensure consistency and synergy across the Union. It would propose a desirable evolution of the mix for 2030, then 2050.
- Local or regional agencies could promote projects to build new, low-carbon production facilities more closely aligned with demand and with the needs generated by electrification, developed by public-private partnerships using new financing models. These agencies could work together as needed, without pitting one technology against another. Furthermore, they could lead the discussions on reducing new electricity uses, and thus take action to lessen the environmental impact of our consumption-driven economy.

We are sure you will agree with the rationale behind these recommendations. Yours faithfully,

On behalf of **Les Entretiens Européens,**

Mrs Claude Fischer Herzog

Director of ASCPE
Les Entretiens Européens
& Euraficains



⁵ Like Finland for example, they could set up projects to supply urban heating networks with small nuclear power plants such as SMRs (or through the recovery of waste heat from existing nuclear power plants).

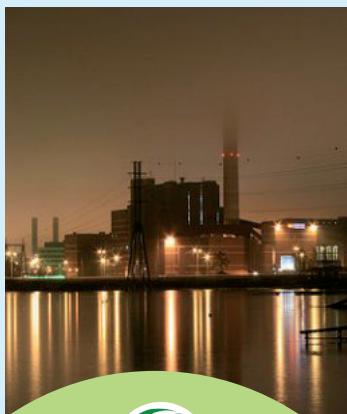
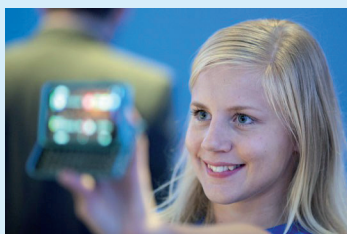


Created in 2002 by Claude Fischer-Herzog, “Les Entretiens Européens” has furthered the public debate on nuclear power in Europe in a non-partisan and non-ideological manner. It is made up of business leaders, trade unionists, regional and political stakeholders, members of associations, intellectuals and students from several European countries, with representatives of the European Commission.

The 17th edition took place in Helsinki in November 2019, in cooperation with **FinNuclear** and the **GMF** (Group of European Municipalities with Nuclear Facilities), with the support of the **European Commission** and the participation of numerous partners.

Find the documents of Les Entretiens Européens in Helsinki on our website:
www.entretiens-europeens.org

- the programme
- the list of participants
- *La Lettre des Entretiens Européens* “A new energy era with new nuclear”. October 2019
- *Les Cahiers des Entretiens Européens* with the transcription of the debates



La Lettre
des Entretiens Européens

October 2019

Special New Nuclear

Rapprocher - Débattre - Fraterniser

Édito

A new electric era with nuclear

Claude Fischer-Herzog, Director of ASCPE, Les Entretiens Européens

Les Entretiens Européens form part of a long-term strategy. We want to clarify the contradictions posed by growth in electricity demand and reducing greenhouse gases, and anticipate, even plan, policies and strategies capable of resolving this challenge. Indeed, Europe and the world are being “electrified”: the electrification of cars, housing, agriculture, health, space, digital... is growing at a very fast pace. Companies and local authorities will have to invest and innovate. How can we articulate the climate emergency and the European economic challenges, where efficiency will become a new type of industrial policy and where the energy sector will have to produce and at the same time provide adequate services, and this in a more affordable way?

What will be the right energy mix which is both affordable and low-carbon? Short-term strategies that seek better cost-benefit ratios often run counter to CO2 zero targets in 2050: how do they fit in a long-term strategy?

Decarbonised sources raise competitiveness concerns, and new nuclear energy - which is an ally for climate goals - will have to be able to spread its costs and pool them to mobilize resources in order to innovate. More diverse and flexible, it will be able to adapt to the diverse needs and demands of industry and territories. Beyond proposals for more responsible governance between Member States and the European Commission for the implementation of public policies, we will discuss the option of creating a European planning agency in consultation with users and energy producers, responsible for contributing to the creation of a coherent network system at European level, with enhanced skills and intelligent services. These issues and options will be discussed during Les Entretiens Européens in Helsinki, organised by ASCPE with FinNuclear and GMF, the Group of European Municipalities with Nuclear Facilities, the support of the European Commission, and the partnership and participation of many industrial and territorial actors from Europe.

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