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No sustainable recovery without nuclear power

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After their vote at the Council on 15 April and the decision to exclude nuclear power from European funding and tax incentives, one can only wonder about the European Member States' lack of vision and long-term planning. While today's unprecedented health and economic crisis calls for extraordinary measures to support our European industries, the Member States are running the risk of obstructing a recovery that will be all the more difficult and drawn out because it will have to adjust to significant changes.

Indeed, the electrification of our lifestyles, production methods and uses is turning our economic system upside down. All sectors must make changes in response to both the climate imperative and the industrial imperative, and to get back on the road to growth and employment. Believing that we are going to be able to achieve an energy and ecological transition by reducing our energy consumption by half, as required by the Commission, is both irresponsible and unrealistic: not only should it be made clear exactly how to create such a huge disconnect between GDP and energy demand but, after the lockdown period, Europeans will be unwilling to accept any more pressure on their living standards. The "Green Deal" is not an industrial energy strategy. It imposes technological choices in disregard of its own principles of "neutrality", without considering the diversity of assets offered by European Union countries and without building solidarity to help countries diversify their mix or adjust it to reduce their carbon footprint. Today, the decline in productivity, the impoverishment of whole swathes of the population and the large-scale unemployment caused by the lockdown might well add to the adverse effects of the counterproductive choices made: to prioritise the ever-growing increase in costly and intermittent renewable energy generation, and to reduce the production of stable, competitive and sustainable nuclear power.

Only the European Union would discriminate against a safe and efficient industry that is "essential" during a public health crisis

Renowned and highly respected international institutions such as the IPCC and the IEC say that there can be no sustainable energy transition without nuclear power! Europe has a safe and efficient nuclear industry envied by countries all over the world. It accounts for 50% of low-carbon power in the European Union, and 75% in France. Its workers, technicians and engineers are on the front line today, providing cutting-edge technology so that hospitals can deliver extensive care to their patients, and so that others can live "in lockdown" without power cuts and internet outages. Without them, this crisis would be impossible to manage! Its researchers are also on the front line inventing new applications to combat coronavirus, and the sector has been classified "critical and essential" by the National Security Council[1].

All over the world, in countries like China, Russia and even the USA that have opted to go down the nuclear route, government policy supports their industry. Even in Europe, in the United Kingdom or Finland, Member States have (notwithstanding the Union's competition policy) encouraged financing arrangements favourable to investment in nuclear power, which is recognised as a sustainable energy source.

Reforming the market context and promoting cooperation between industry players

But in the European Union, pressure from the anti-nuclear lobby, activist environmental NGOs, and countries like Germany and Austria has led the majority of Member States to adopt market regulations that discourage long-term investment and discriminate against nuclear power. We subsidise renewable energy sources but their excessive share in energy consumption is causing terrible price instability, which is a fundamental obstacle to investment when the Commission itself has estimated that €400 billion should be invested in the nuclear industry to replace existing plants, develop training and skills and finance research to secure the future of nuclear power[2]. How can Member States be encouraged to invest without government guarantees or any specific financing arrangements? The nuclear sector needs a less volatile market context to encourage investment and financing arrangements, and to promote cooperation between industry players through solutions like the Mankala model in Finland. Otherwise, cheap gas and even coal are used to offset renewable intermittency. In terms of climate[3] and public health[4], this is probably not a winning formula for Europe!

Many in the nuclear industry and society in general[5] have called upon the European Commission to resist the siren calls of the anti-nuclear lobby and to include nuclear power in "sustainable financing" or "green tax incentive" schemes.

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[1] *See the newsletter from the Belgian Nuclear Forum: Nuclear technology is (more than ever) essential. March 2020 : https://mailchi.mp/nuclearforum/gcp9khpvcr?e=85f61d252e*

[2] *In France, the government has decided to end research under the Astrid project, much to the annoyance of engineers at the CEA.*

[3] *See the balance of CO2 emissions per source in appendix III of the report published by IPCC working group 3.*

[4] *See the excellent report published by SLC (Sauvons le Climat): https://www.sauvonsleclimat.org/fr/base-documentaire/cout-sanitaire-de-lenergie.*

[5] *See the petition sent by CEZ to the European Commission: Assuring the Backbone of a Carbon-free Power System by 2050 - Call for a Timely and Just Assessment of Nuclear Energy*

These are not "pro-nuclear activists" flexing their muscles against "anti-nuclear activists". They are just a group of people from various European countries, with different sensibilities and different backgrounds, who are trying to defend the industry and its eight hundred thousand workers.

Of course, there are fourteen Member States that disagree with nuclear power within their own borders. But what gives them the right to prevent others from going down that route and benefiting from financial incentives, as they would for any other low-carbon energy source? Renewable energy incentives have created terrible adverse effects, which the current health crisis is bringing into yet sharper relief[6]. Yet the Commission has set targets that will not only blow the system apart and send costs skyrocketing; they also go against all the principles of technological diversity that ensure greater safety (the goal is 80% renewables by 2050 and 100% by 2100)[7].

A great opportunity missed

Tax incentives were a great opportunity for the Member States to make the right political choice and to help reform the regulatory framework. Combined with an energy solidarity pact to ensure that no low-carbon source is excluded, they could have managed the sources on the market without discrimination. But they have chosen not to award the "green label" to the nuclear industry, which would have given it access to European funds, because they see nuclear as a "transition energy" source like natural gas, which we all know emits CO_2… unlike nuclear power[8]! Moreover, using the nuclear waste argument to justify this decision makes no sense[9], since solutions do exist. While countries like Finland and Sweden have chosen to open deep geological repositories, France has once again postponed the decision following the public debate held in 2019 as part of the PNGMDR (French National Plan for Radioactive Materials and Waste Management)[10].

It is surprising that France voted in favour of the text without expressing any reservations, despite its industry and its own intervention in October, when Bruno Le Maire demanded that nuclear power be included in tax incentive schemes. Today, Paris is asking Brussels to "launch a European reflection to provide the Member States with a more cohesive framework for financing low-carbon energy production tools […] through a European industrial policy". Furthermore, Paris has suggested introducing a price floor for carbon, primarily by strengthening the EU's carbon market stability reserve[11]. But not a word has been said about nuclear power! After the closure of Fessenheim (when even ASN had considered the plant safe), manufacturers are concerned about a reduction in nuclear production in the short and medium terms. They are also wondering how they will remain competitive when prices – which account for 30 to 60% of their production costs – are diverging with those in Germany, which produces and sells its carbon-fuelled electricity at prices that defy all competition[12].

Reopening the debate to include all members of society

In Helsinki, Les Entretiens Européens proposed to reopen the public debate with a view to revising the European energy strategy. Users, producers, teachers, young people, experts and researchers must be mobilised as a matter of urgency to promote new low-carbon electricity production projects, in which nuclear power will play its full and rightful role. The coronavirus pandemic has propelled every country in the world into an economic crisis and it will take all our efforts to prevent a long-lasting depression in Europe and support the most vulnerable countries, which, like those in Africa, could face dramatic situations and will need investment in electrification projects for production and healthcare purposes. The "Green Deal" will not satisfy the need for human and productive solidarity, which is more glaring now than ever. Nuclear technology would be a tremendous ally in getting our industries back on their feet and developing innovative new production and consumption methods that will help protect our planet going forward. The Union is promising to provide liquidity and loans to support our economy, and the Member States are offering credit and budget guarantees to "save" their flagship industries and their jobs: without abandoning the fight for a green label for the nuclear industry and funding for its various technologies , let's resume our efforts to reform the market and turn it into a haven of solidarity while building momentum towards greater investment and building a public goods economy in which energy, particularly nuclear energy, is valued.

Paris, 30 April 2020

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[6] As observed by France Stratégie in its 21 April memorandum on the impact of the COVID-19 crisis on the electricity system: "the decline in economic activity is pushing up the relative share of intermittent renewables, which is increasing production and price volatility. As a result, more flexible sources are needed on the grid, but they are being shut down".

[7] See the NEA study on the cost of decarbonisation – System costs with High Shares of Nuclear and Renewables, NEA, OECD, 2019.

[8] See the press release by Sauvons le Climat: "Nuclear energy excluded from long-term financing in Europe? A disgrace!" www.sauvonsleclimat.org

[9] See the unequivocal study published by the CEPN in April 2020, which compares radioactive waste management against the "Do No Significant Harm (DNSH) criteria".

[10] See the Les Entretiens Européens debates in Paris on "The management of spent fuel and nuclear waste in Europe. Solutions exist, they just need to be implemented", October 2018. www.entretiens-europeens.org

[11] See the memorandum issued to its European neighbours prior to the Energy Council on 28 April. https://www.entretiens-europeens.org/wp-content/uploads/2020/05/Document_de_Position_-_Marches_de_lEnergie__vd_SGAE_clean_vEN.pdf

[12] See Les Echos of 30 April, "Manufacturers concerned about nuclear decline".

[13] "A new energy era underpinned by nuclear revival", Helsinki, 12, 13 & 14 November 2019. Conference proceedings available at www.entretiens-europeens.org.

[14] See the article by Philippe Herzog entitled "Programming Hope": https://www.entretiens-europeens.org/wp-content/uploads/2020/04/LIBRE-PROPOS-English-APRIL-2020.pdf

[15] The text adopted on 15 April is part of a "sustainable finance" package that will ensure that financial products meet strict criteria and can therefore be classified as "sustainable". The European Commission is currently preparing "delegated acts" that will be presented by the end of the year and will set out the classification criteria in detail.