

UK joins Romanian push for new EU nuclear aid package

UK and seven other EU countries call on commission for increased nuclear aid funding and support to help meet climate targets and energy security objectives

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Wednesday 4 March 2015 17.06 GMT

The UK and seven other countries last month called for a new package of nuclear aid funding and support, in a letter sent to the commission ahead of the EU's energy union policy launch.

The letter, seen by the Guardian, calls for new EU financing mechanisms for nuclear as a low carbon technology, and research and innovation initiatives to deal with the costly and unresolved issues of nuclear waste and decommissioning.

New state aid guidelines are also needed, it says, and these should be based on past EU decisions, including the approval of the UK's planned Hinkley Point C nuclear plant in Somerset.

"It is vital that the forthcoming communication on an Energy Union reaffirms the important role that nuclear power, together with renewables, other low carbon technologies, and energy efficiency improvements, can potentially play in Europe," the message says.

The letter to the commission's vice president Sefkovic and climate commissioner Miguel Cañete was signed by the Romanian energy minister, Andrei Gerea, on behalf of ministers in seven other countries including the UK, France, Poland, the Czech Republic, Lithuania, Slovenia and Slovakia.

The ministers' core argument is that many countries would not be able to cost-effectively meet EU climate targets and energy security objectives, without bloc support for new nuclear plant builds and the maintenance of existing reactors.

The cost-effectiveness argument is key, as minutes of a commissioner's discussion seen by the Guardian indicate that the UK's planned £17.6bn subsidy for Hinkley was cleared by Brussels partly on the basis that it would have been too expensive to organise a competitive tendering process.

The competition commissioner of the time, Joaquín Almunia, told other commissioners that “the specificities of nuclear technology made it impossible to achieve full competition between operators, at least at the time of the HPC project. For a project like the present one, the costs of preparing a project bid are so considerable that it would seem almost impossible to organise an open and transparent bidding process with several bidders.”

The minutes show that the EU decision largely rested on the imputed common interest in advancing nuclear power outlined in the Euratom treaty. But Hinkley’s approval was resisted by the commission’s environment and climate directorates who argued that it called into question the bloc’s ‘technology neutrality’ and would create market distortions.

“This is really about state aid which is supposed to be for new technologies that haven’t proved themselves viable yet. But nuclear energy has had 70 years and still has not been able to prove itself viable, even when the public pays for its waste disposal and decommissioning. It should not be eligible for subsidies,” said Molly Scott Cato, the Green MEP for South West England and Gibraltar.

New research to be published on Thursday by the Resilience Centre finds that the government’s plans for a new reactor at Hinkley Point C has had what Cato calls “a chilling effect” on investment in renewable energy in Somerset.

In 2010, Somerset set a relatively low target of 63MW for solar energy capacity by 2020, which it looks likely to exceed. By comparison, neighbouring Devon has a solar energy target of 440MW while Gloucestershire has a goal of 920MW.

But the centre, says that when the lower capacity factors of renewable energy are taken into account, renewables have the potential to generate more than three times the equivalent energy of Hinkley.

Two tidal lagoons off the Somerset coast would be likely to generate 640MW, or 10% of the equivalent energy generated by Hinkley.

The Resilience Centre, which comprises technical renewable energy experts and environmental engineers, pegs Somerset’s onshore and marine generating capacity from renewables at 5.4GW - around 60% of Hinkley’s output.

But the joint ministerial letter insists that nuclear power should be allowed to play a role alongside renewables and energy efficiency in a decarbonised, secure and competitive energy market. “As of December 2014, nuclear provided 53% of the EU’s carbon-free electricity,” it says.

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