

24 September 2023

weCARE response to the European Commission consultation: European Regional Development Fund, Cohesion Fund and Just Transition Fund for 2021-2027 – mid-term evaluation

At multiple occasions (see letters on the website) weCARE already asked the EU to revisit the rules of a number of financing mechanisms and instruments to include nuclear as a sustainable very low carbon technology. This has not been done till now. The EU is presently looking, in relation with the Net Zero Industry Act (NZIA) still too much driven by the green agenda, to set up a Strategic Technologies for Europe Platform (STEP) through which it will use existing funds to help support certain technologies. The three funds covered by the consultation are expected to fall under the umbrella of STEP, in addition to several others which we hope the European Commission will also consult stakeholders on.

To fully recognize the role nuclear energy will have to play for a future very low carbon energy mix which will also have to be affordable and reliable to ensure the sustainability of the European society, the three funds should first of all be amended as follows:

- European Regional Development Fund: Deletion of Article 7 (a) which excludes *'the decommissioning or the construction of nuclear power stations'*.
- Cohesion Fund: Deletion of Article 7 (a) which excludes 'the decommissioning or the construction of nuclear power stations'.
- Just Transition Fund: Deletion of Article 9 (a) which excludes 'the decommissioning or the construction of nuclear power stations'.

In addition, the three funds should be amended by adding, on equal footing with renewables,, the positive inclusion of nuclear energy in the text, covering all installations

and activities related to the production of power and heat by nuclear energy: LTO of existing plants, new build large and small reactors, front and back end of the fuel cycle.

Justification for this request based on EU texts and activities – so for the sake of consistency:

<u>EU Sustainable Finance Taxonomy</u>: These three funds were adopted prior to the EU Sustainable Finance Taxonomy. Since then, the European Commission invited its experts to assess whether nuclear can be considered as sustainable and thus eligible under the taxonomy. The result of this extensive work led to the conclusion that nuclear is as sustainable as other taxonomy eligible actives (such as renewables). In 2022, further to a proposal from the European Commission, the Council and the Parliament adopted the Complimentary Delegated Act and thus included nuclear as an eligible technology under the taxonomy.

weCARE strongly believes that these funds should be updated to reflect this decision. In the case of the JTF in particular, the regulation notes that by 30 June 2025, the European Commission shall review implementation of the JTF, taking into account possible changes to the taxonomy regulation (Article 14).

<u>Net Zero Industry Act</u>: As demonstrated by the discussions surrounding this file, many Member States believe that nuclear is a strategic technology for Europe for various reasons including the fact that it is a decarbonised source of energy and a key European industry in its own right. Given that funding is expected to made available to recognised strategic technologies via STEP, and that these three funds are expected to fall under its scope, here again, including nuclear energy in their scope would be fully justified.

<u>Small Modular Reactors (SMRs)</u>: In its "declaration on EU SMRs 2030", the European Commission emphasized the benefits of SMRs, from providing a "baseload electricity production and meeting demand from the grid to better make up for the intermittency of renewables" to "decarbonizing hard-to-abate sectors". To harvest the many benefits Small Modular Reactors offer, the EU should allocate the means needed to enable it to become a leading actor in the future SMR market and to create industrial, technological and economic value at a European scale. These three funds therefore constitute a perfect vehicle to invest in a fossil-free technology that boosts the European industry and economy and reduces Europe's energy dependence on third countries.

We remain at your disposal for any further information/interaction you would like to get from/with weCARE.

Yours faithfully,

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weCARE is a Brussels-based alliance of NGOs campaigning in Europe for Clean, Affordable and Reliable Energy. The weCARE website (<u>https://www.wecareeu.org/</u>) describes the aims and specific activities of the alliance and lists the current member organisations: Sauvons le Climat FR, Patrimoine Nucléaire et Climat FR, Terrapraxis UK, 100TWh BE, Ekomodernist FI, Jihocesti TatKove CZ, Institute for Sustainable Energy PL, 18for0 IE, European Association for Energy Security SK, Stichting Energietransitie en Kernenergie NL.

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