



November 2019

***The EU's Sustainable Finance Taxonomy
INCLUDE ALL LOW CARBON TECHNOLOGIES !***

Dear Honorable Member of the European Parliament,

The discussions on the Taxonomy for Sustainable Financing have now reached the stage of the “Trilogue”, with the expectation of reaching an interinstitutional agreement before the end of the year. After that, the document will go back to the European Parliament.

Therefore, at this crucial point in time, weCARE, as representative of civil society, would like to take the opportunity to stress the importance of keeping the taxonomy technologically neutral, whenever a technology fully complies with the decarbonisation objective of the European Union.

This applies particularly to nuclear energy, which, without surprise knowing the position of some Member States, seems to be the most controversial topic of the discussions. The TEG (Technical Expert Group) report, mandated by the European Commission, accurately recognizes that nuclear energy is a low-carbon energy source, at the same level as wind and better than solar power. It considers,

however, that one cannot conclude for now that nuclear energy qualifies as a sustainable energy source because, according to the TEG, a safe solution has not yet been demonstrated for the disposal of high-level radioactive waste.

weCARE does not support this conclusion of the TEG report. Today three countries, all three member states of the EU (Finland, Sweden, France), are progressing towards the final stages of design and construction of deep geological repositories for their high-level nuclear waste produced over four decades of nuclear plant operation. Finland is the most advanced, with a target of commencing the disposal of spent fuel in 2025. This means that radioactive waste disposal is not a dream nor a “possibility” anymore; it is a real, large, ongoing industrial project. It follows decades of research, development and demonstration, and wide consultations of stakeholders, including the public. This demonstration has benefitted from substantial support from the Euratom Research Framework Programme, involving an extensive number of European research labs and large underground test facilities. As a result, there is today enough demonstrated scientific evidence that deep geological disposal of high-level nuclear waste is a safe long-term solution under implementation in EU Member States. It is somewhat insulting for these Member States to read a report which considers that they have gone so far without the appropriate demonstration...

Complying with the nowadays well recognized urgency for climate change mitigation, weCARE is promoting the use of an efficient mix of existing very low carbon primary energy sources, notably renewables and nuclear, noting that there is no silver bullet or perfect solution. There are pros and cons in all forms of energy; and relying on an efficient mix to balance the three pillars (environment protection, economy and affordability, security and reliability of supply) of societal sustainability is the best way to go. One might claim that better solutions will be coming, eg large deployment of CC(U)S, electricity storage capacities through batteries, or sector coupling with green gas/hydrogen production, but it is time to make the distinction between hopes and realities. Climate change is there, with no time for complacency. Research must continue into every aspect but this cannot postpone decisions to invest now in existing industrial solutions matching the three pillars of a sustainable energy

policy.

The energy transition will require copious amounts of financing and investment. Most of it will have to come from private actors. While the transition is expected to benefit the overall economy in the longer term, for these private actors to engage now, conditions need to be conducive, making the level of financial risk acceptable. Very clearly, what is excluded at EU level from sustainable financing will hardly be a contributor to the energy transition because the private sector will not engage into it.

Nuclear energy is today the largest source of very low carbon, reliable and cheap electricity in the EU. The levelized cost of electricity is the lowest in member states relying massively on nuclear energy, including with the fee for waste management and decommissioning, as confirmed by the IEA (International Energy Agency) report of May 2019. Long term operation and lifetime extension of existing plants, once approved by the independent national safety authority, is without doubt, presently and for years to come, the cheapest option to fulfil the three pillars of energy sustainability mentioned above – clean, affordable, reliable energy.

Beyond this, for the longer term, nuclear expertise should be retained in Europe so that the option to keep nuclear in the energy mix remains available. The cost of newly built nuclear plants needs to be reduced to compete with the falling costs of wind and solar plants. But all costs, and particularly system costs and externalities, need to be properly taken into account in the calculation.

To keep the competence and expertise (including the supply chain) to build new nuclear plants in Europe, a limited number of new reactors will have to be built in the decade to come, to be ready for a wider deployment in the following decade when the present plants will go out of service after long term operation. At that time, alternative solutions might have been demonstrated and be industrially available, which will then allow the fine tuning of the best balance of the energy mix at that time.

If the ability to build nuclear plants is not kept open in the European Union, nuclear technology leadership will shift to other parts of the world, notably China, Russia and the USA, meaning ultimately that

the EU's security of energy supply will be diminished.

In conclusion, weCARE considers that nuclear energy projects relying on the technologies of today (lifetime extension/long term operation of generation II plants, new build generation III plants, associated fuel cycle and geological disposal facilities) should be fully eligible under the EU's Sustainable Finance Taxonomy.

We remain at your disposal for any further information/interaction you would like to get from/with weCARE, as a representative of civil society.

Yours faithfully,

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weCARE

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weCARE is a Brussels-based alliance of NGOs campaigning in Europe for Clean, Affordable and Reliable Energy. The weCARE website (<http://www.wecareeu.org/>) describes the aims and specific activities of the alliance and lists the current member organisations: Sauvons le Climat FR, Energy for Humanity UK, 100TWh BE, Ekomodernist FI

weCARE is listed in the EU Transparency Register under number 473723535459-78.