

Informal Ministerial meeting of EU countries interested in nuclear power generation

London – 12 March 2013

This was the second informal Ministerial meeting of EU countries interested in nuclear power generation following the inaugural meeting in Paris in February 2012. It was chaired by John Hayes, the UK Minister of State for Energy, and brought together representatives from Bulgaria, Czech Republic, Finland, France, Hungary, Lithuania, Netherlands, Poland, Romania, Slovakia, Spain and the UK.

The theme of the meeting was **'A Sustainable Future for Nuclear Energy in Europe'** and discussion covered the following key areas:

Nuclear safety

The session was chaired by Baroness Verma, UK Parliamentary Under Secretary of State responsible for nuclear safety. It began with a short presentation from France setting out the French position towards nuclear safety work within the EU and IAEA. In particular, they stressed that whilst open to a revision of the Nuclear Safety Directive, there were a number of elements which had to be taken into account. These included the need to provide clear evidence of areas where the 2009 Directive needed improving and the need to preserve the independence of national regulators.

All participating countries highlighted their strong commitment to nuclear safety and the process of continuous improvement of safety standards, and the importance of a transparent approach. The voluntary and unanimous agreement of countries to participate in the EU Stress Tests process following the Fukushima accident had been a clear demonstration of this commitment.

On potential European Commission proposals to revise the Nuclear Safety Directive, it was agreed that the independence of national safety regulators should be carefully safeguarded, and that any specific technical criteria at the EU level should be avoided. It was agreed that ENSREG should play a central role in any EU work on nuclear safety to ensure an evidence-based approach, and that improvements had to be safety-driven and not politically-driven. It was also stressed that any shift in the balance of competence between Member States and the Commission must be avoided.

Some countries – particularly Bulgaria, Czech Republic, Poland, Slovakia and UK – considered that it was currently too early for the Commission to make proposals for a revised Nuclear Safety Directive given that the existing legislation had not long been in force. Instead it was important to carry out a thorough review of existing arrangements to ensure a robust evidence base for any proposed changes. All stressed the need to work co-operatively with the Commission on any proposals to ensure that changes were evidence-based.

The participating countries agreed to continue to work together to coordinate positions once the European Commission had put forward proposals to revise the Nuclear Safety Directive.

Investment climate for nuclear

The session began with a short presentation from Tim Stone, Expert Chair of the Office for Nuclear Development in the UK, who presented an industry perspective. The Czech Republic then gave a

short presentation on the challenges for the EU energy market and potential financing approaches for new nuclear.

It was noted that the nature of investment in nuclear – the high up-front costs and long-term life of the investment – made it particularly challenging. It could be difficult to secure the initial capital required for such projects, as investors were naturally more sensitive to the potential risks facing such a long-term investment. It was highlighted that the role of governments was therefore to ensure a stable and attractive investment climate, and that cooperation between countries could help to support this by ensuring a more coherent approach. A number of countries set out the ways in which they were seeking to address these different challenges – for example, Lithuania, Latvia and Estonia were taking a regional approach.

On financing models, a number of potential approaches were noted including Capacity Mechanisms and Contracts for Difference, with many countries highlighting the importance of a technology-neutral approach. A number of countries noted that they would continue to closely follow developments in the UK's Electricity Market Reform process in order to assess the applicability of this approach to their own countries.

The UK highlighted the EU state aid regime as one area in which the Commission could help to ensure a level playing-field for investment in low carbon technology. It was noted that the Commission planned to reform the state aid guidelines in the coming year, and that there was therefore the opportunity for a reference to nuclear to be included in order to ensure a technology-neutral approach to support for low-carbon generation.

In conclusion, it was agreed that the Member States represented should continue to work together to share information on our respective approaches.

Secretary of State address

The UK's Secretary of State for Energy and Climate Change, Edward Davey, joined the meeting to address the group. He highlighted three key challenges facing the energy sector - energy security, costs, and decarbonisation – and explained that nuclear had an important role to play in addressing all of these issues.

He highlighted the importance of cooperation and information-sharing in a range of areas, including nuclear safety, the financing of new nuclear, and research and development. This increased cooperation also had the potential to play an important role in helping to strengthen public confidence in nuclear.

The Secretary of State also reiterated the particular challenges facing investment in nuclear, particularly the high up-front costs and long life of the investment. He highlighted state aid as an important potential area for cooperation where there will be opportunities for fresh thinking and joint work to discuss with the Commission a new approach to nuclear energy which should be considered alongside all low carbon technologies.

Post-2020 EU energy framework

The session began with a short presentation from Finland on their current nuclear programme and their plans to increase the proportion of nuclear power in their electricity generation mix through the construction of two additional units.

All participating countries agreed that the determination of national energy mixes should remain a Member State competence.

On the issue of potential future targets, the Secretary of State noted that, while the UK remains pro-renewables, the UK position was still being discussed. He said it was essential that Member States had flexibility and that one option would be for a technology-neutral decarbonisation target. A number of countries – including Czech Republic, Hungary, Poland, Romania and Slovakia - agreed that nuclear should be an acceptable low-carbon option and that this message should be brought to the EU.

Conclusion and next steps

The participating countries agreed a 'Joint Ministerial Communiqué on Nuclear Energy in Europe' setting out their commitment to continue to work closely together in a number of areas.

The Czech Republic will now take over the informal presidency of the network, and plan to host the next meeting in the autumn following the European Nuclear Energy Forum in Prague on 30-31 May.