



NUCLEARELECTRICA

To the attention of:
United Nations Economic Commission for Europe

Mr. King Lee
Chain, EGRM Nuclear Fuel Resources Working Group

Mr. Scott Foster
Director, Sustainable Energy Division United Economic Commission for Europe

Ref: “The Role of Nuclear Energy in Sustainable Development” Report

SN Nuclearelectrica SA, the sole nuclear operator of Romania, welcomes the UNECE Report on the “The Role of Nuclear Energy in Sustainable Development Report” and would like to take this opportunity to congratulate the ECE Expert Group on Resource Management on their extensive and in depth analysis of nuclear power and its merits in the current and future energy mixes. We believe that the report put forward does justice to the numerous advantages of nuclear technology, in terms of electricity production as well as other applications such as clean hydrogen, medical isotopes, desalination etc, and presents a clear outlook from a global perspective of the current challenges of the global economy and how nuclear power is able to contribute.

We also appreciate the analysis of nuclear power against the **17 UN Sustainable Development Goals** and the conclusion that nuclear power is able to meet all the goals, especially access to economic growth through affordable and clean energy, climate action, sustainable cities and communities, high level jobs and reduction of poverty. We also welcome the attention given to **innovation in nuclear** and new reactor types which widen the opportunities for countries that already have a nuclear program as well as for countries who seek to initiate a nuclear program.

With regards to **securing financing**, the report mentions the challenge of securing private sector financing for projects (*3.5 Economics and project financing*) and the necessity of policies which support the development of nuclear programs such as sustainable development, low carbon energy transition strategies, long term strategic investments etc (*6.1 Making a decision – existing policies that support nuclear energy*). We fully agree to the importance of these factors and under this context we would like to bring forward to detrimental **UE Taxonomy for Sustainable Finance** which at the moment excludes nuclear power from accessing development funds from the private sector.

EU Taxonomy for Sustainable Finance

As you may know, The Taxonomy Regulation (EU) 2020/852 of the European Parliament and of the Council adopted by the European Parliament on June 18, 2020, will significantly contribute to transpose into practice of the European Green Deal by stimulating investments in sustainable eco-friendly projects and will serve as the benchmark for screening criteria across both private and public sectors. While the Technical Expert Group (TEG) tasked with drafting the Taxonomy and the first two Delegated Acts on climate adaptation and climate mitigation recognized the important contribution of nuclear power to

decarbonizing EU economy, it requested an in depth life cycle assessment of nuclear power to be carried out by the JRC and reviewed by two experts groups: Group of Experts under Article 31 of EURATOM Treaty and by an equivalent Group within the European Commission composed of experts on environmental issues.

The unprecedented additional analysis for nuclear power was not requested for other energy sources, not even for natural gas, oil and oil products which represent fossil fuels and which are acceptable if emissions are under 100gCO₂e/kWh. Since the JRC technical analysis is not yet completed, the Commission intends to pass the first two Delegated Acts comprising the screening criteria for the energy sector by the end of 2020, which means that nuclear power will be the subject of a separate Delegated Act, significantly increasing the chances of rejection based on political reasons.

Concerns

Our main concerns with the Taxonomy and Delegated Acts are related to the lack of level playing field for all low carbon energy sources, lack of technical evidence for the current exclusion of nuclear, lack of rigor in applying the same technical screening criteria for similar economic activities. The effects of the Taxonomy regulation expand beyond the EU borders and will lead to a decrease in the competitiveness of nuclear energy, coupled with a reduction in funding for new technology innovation and R&D, job losses, energy poverty or uncertainty of supply in countries which rely heavily on nuclear power (including Romania) and an increase in the cost of transition to zero carbon emissions estimated at 1.6 trillion USD (generated from the potential closure of two thirds of existing nuclear fleet in developed countries by 2040). Europe Investment Bank which currently accepts investments in nuclear power stated that it will apply the EU Taxonomy as a screening criteria for investments and state aid regulations will also come under scrutiny to reflect the so called sustainable investments included in the Taxonomy. Moreover, another screening tool released by the JRC - Ecolabel criteria for Retail Financial Products, revision 3, clearly states that all activities related to the nuclear fuel cycle are excluded. Within the European Commission the debate on the Taxonomy has become a political one, with anti-nuclear countries trying to block nuclear projects in pro-nuclear countries, in contradiction with the principle of technology neutrality.

Proposals

We bring forth these concerns because we believe that the UNECE Report on the Role of Nuclear Energy in Sustainable Development can bring a significant contribution to tilting the feeble balance of power within the EU and generate a rethinking of the important contribution of nuclear power to achieving decarbonization targets without doing harm to the environment and biodiversity.

We take this opportunity to urge the UNECE **to take an active stand in the ongoing Delegated Acts public consultation** open until December 18th and the in following debates regarding the EU Taxonomy in order to emphasize the scientific aspects of nuclear power benefits and call for a level playing field approach.

We believe that the future security of supply of EU states is at stake as the UNECE report mentions: *“Betting the development of future energy systems on weather-dependent sources and immature technologies, without full consideration of proven technologies for an optimum mix, creates huge risk. It could lead to significant losses in time and money, as well as create barriers to economic growth and emissions reduction”*. As a nuclear power producer with development projects of national importance (the refurbishment of Cernavoda NPP Unit 1, the construction of additional nuclear capacity in Romania), Nuclearelectrica firmly supports the technology neutrality principle and believes that the UNECE report should become a reference point in future decision making in the energy sector.

The Romanian nuclear industry will actively promote the conclusions of the UNECE report, however we believe that the critical mass of pro-nuclear countries could significantly benefit from the support of experts and scientific evidence provided by the UN in favor of nuclear power.


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