



Nuclear Free Local Authorities Steering Committee

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NFLA Media release - for immediate release, 24th September 2014

NFLA supports Cities for a Nuclear Free Europe letter to the European Commission clarifying Hinkley Point state aid decision

The Nuclear Free Local Authorities (NFLA) has fully co-operated with, and completely supports, a letter by the Vice Mayor of Vienna Ulli Sima, who is also Chair of the Cities for a Nuclear Free Europe (CNFE) Network, to European Commissioner Joaquin Almunia seeking urgent clarification as to the Commission's decision over UK state aid for constructing new nuclear reactors at Hinkley Point. (1)

The letter was sent after media outlets widely reported that Commissioner Almunia was minded to recommend approval of the UK strike price deal with EDF to build new nuclear reactors at Hinkley Point, which would unlock billions of pounds of UK public money to the project. (2)

CNFE and NFLA are united in their concern and alarm if such a decision is fully ratified by the Commission, as both see it as anti-competitive for the energy sector and a distortion of the European internal market arrangements.

NFLA are further concerned that this matter has been leaked to the media before a final decision by the full Commission has actually been made. Both the CNFE and NFLA networks would be very surprised if this was the final decision on the matter, given earlier European Commission public statements on the UK – EDF deal made on the 18th December; which strongly argued that the deal appeared to be incompatible with EU state aid rules.

As the CNFE letter goes on to note:

“It is therefore entirely incompatible with the original, rigorous approach adopted by the Commission that any approval decision should now be rushed through. In our view, the principles laid down in Article 13 TFEU require the outgoing Commission, when faced with a case of such importance, to allow the incoming Commission to evaluate the proposal and be responsible for the final decision, and not to take a last-minute decision, especially where a number of Member States have expressed negative views during the consultation.”

The CNFE letter chimes in with NFLA policy that the proposed large public subsidies being offered by the UK Government to EDF do not meet UK climate change or energy security objectives. New nuclear build is not a cost efficient way of reducing carbon emissions in comparison with the development of a wide range of renewable energy technologies, coupled with a dynamic energy efficiency programme. The letter concludes that awarding such generous subsidies to nuclear power provides unfair treatment to renewable technologies as they begin to rapidly develop.

The letter was sent yesterday to Commissioner Almunia. CNFE has offered to directly meet with him to clarify matters.

NFLA Chair, Councillor Mark Hackett said:

“NFLA strongly supports this excellent letter by the Cities for a Nuclear Free Europe seeking clarification as to the European Commission's position on Hinkley Point state aid. It is disgraceful that such an important decision is leaked to the media before a final decision has actually been made by all the members of the Commission. I hope Commissioner Almunia can meet with us to discuss why his view has apparently changed so radically in such a short space of time. I hope that the actual final decision made by the Commission is to reject the Hinkley Point deal as anti-competitive and a distortion of the internal electricity market.”

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Ends

For more information please contact Sean Morris, NFLA Secretary on 0161 234 3244.

Notes for editors:

- (1) For further information on CNFE go to <http://www.cnfe.eu>
- (2) CNFE letter to the European Commission:
European Commission, Commissioner Joaquín Almunia - Responsible for Competition
Vienna, 23 September 2014

Concerns about Hinkley Point C decision

Dear Commissioner Almunia,

Cities for a Nuclear Free Europe (CNFE) has noted with concern press reports this week that the Commission will shortly approve the State Aid application from the UK Government for the Hinkley Point C nuclear project.

CNFE has earlier submitted a detailed position paper on the planned UK subsidy for Hinkley Point C, in conjunction with the UK & Ireland Nuclear Free Local Authorities (NFLA) and Stop Hinkley. A copy of that paper is attached with this letter.

The first question you as Competition Commissioner must surely answer is whether the proposed subsidies to Hinkley Point C are required in order for the UK to meet its energy security and climate change objectives. As noted in our joint statement with Nuclear Free Local Authorities and Stop Hinkley, we are of the opinion that the answer is clearly no.

Secondly is spending money on subsidy for nuclear power the most cost efficient way of reducing carbon emissions?

Again the answer is no - it would be much better to spend the money on other carbon reduction policies, such as the promotion of renewable energy technology and energy efficiency measures.

Finally, does awarding subsidies to one form of low carbon technology constitute unfair treatment of other forms of low carbon technology which might be available from elsewhere in Europe? The answer is clearly yes.

The original response from the Commission to the UK Government in the letter dated 18 December 2013 was extremely thorough, and very lucidly laid out a long list of concerns and issues with the UK's application. The legal rationale outlined in the letter was clear and showed the large number of high hurdles that would need to be overcome if the proposal were ever to be accepted.

It is therefore entirely incompatible with the original, rigorous approach adopted by the Commission that any approval decision should now be rushed through. In our view, the principles laid down in Article 13 TFEU require the outgoing Commission, when faced with a case of such importance, to allow the incoming Commission to evaluate the proposal and be responsible for the final decision, and not to take a last-minute decision, especially where a number of Member States have expressed negative views during the consultation.

We have been very surprised by the recent press reports and we very much hope that they are incorrect. Ultimately, in our view it is far better for the Commission to take its time with this decision, as it sets such an important precedent for energy policy in the EU; rather than rushing its approval through and increasing the prospect for a legal challenge.

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This letter from CNFE is strongly supported by the UK and Ireland Nuclear Free Local Authorities, which indicates strong local opposition to any hasty and inadequately reasoned decision by the Commission on Hinkley Point C. CNFE are also extremely concerned of the precedent that this anti-competitive decision would set for future contentious State Aid cases, particularly in the area of energy policy. Renewable energy across Europe could be hindered if the Commission supports this overly expensive and ultimately flawed attempt to reignite nuclear energy in the UK and across Europe.

I would appreciate a quick response to this letter, and CNFE would be very happy to meet with you and colleagues to discuss our concerns further.

Yours sincerely,

Ulli Sima, Deputy Mayor for the Environment of the City of Vienna

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