



Nuclear Free Local Authorities Steering Committee

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NFLA Media release - for immediate release, 8th October 2014

NFLA is extremely disappointed with European Commission decision to approve modified UK Government Hinkley Point state aid deal and it welcomes proposed Austrian legal challenge of the decision

The Nuclear Free Local Authorities (NFLA) is extremely disappointed that the European Commission has decided today to approve a significantly modified deal between the UK Government and EDF as being in line with EU state aid rules.

In his statement today, European Competition Commissioner Joaquin Almunia concluded:

"After the Commission's intervention, the UK measures in favour of Hinkley Point nuclear power station have been significantly modified, limiting any distortions of competition in the Single Market. These modifications will also achieve significant savings for UK taxpayers. On this basis and after a thorough investigation, the Commission can now conclude that the support is compatible with EU state aid rules." (1)

NFLA find it very hard to believe that the Commission's earlier detailed concerns, outlined in December 2013, that the UK – EDF deal could distort the electricity market and should not require such extensive levels of public finance – as much as £17.6 billion – as a 'mature' technology; have been fully addressed in this rushed and hasty decision. Whilst the modifications asked by the Commission of the deal are welcome in protecting consumers and providing the public with some limited value for money, they by no means go far enough. NFLA are highly concerned as to what this deal will do for the future development of renewable energy in the UK and across the EU, given the vast public sums earmarked for the Hinkley Point project. (2)

NFLA wish to see the full detail of the Commission's decision, when it is fully published.

NFLA note media reports which suggest a significant number of European Commissioners were very concerned with the Competition Commissioners final report, with the Austrian Commissioner particularly recording his opposition to the decision. (3) The NFLA has been in touch with its European partners in the Vienna-based Cities for a Nuclear Free Europe (CNFE), who are similarly deeply disappointed with this decision. CNFE and NFLA welcome the announcement of the Chancellor and Vice Chancellor of the Austrian Government that it will make a legal challenge to the Commission's decision at the European Court of Justice. A legal challenge is likely to take around a year to be heard. (4)

NFLA has written to the Irish Government to urge it to support an Austrian legal challenge. It will be writing to the Irish European Commissioner Maire Geoghegan-Quinn, querying her position on the Commission's decision, given the Irish Government's long-standing opposition to nuclear power. (5)

NFLA believe the Commission has made the wrong decision and that new nuclear build is inherent with financial, environmental and waste management risks. A balanced energy policy of rapidly expanding renewable energy technologies, coupled with local authority supported energy efficiency programmes and community energy schemes can provide the future energy security of the UK and the wider EU. It will continue to campaign for such a policy.

NFLA Steering Committee Chair, Councillor Mark Hackett said:

"I am deeply disappointed with the European Commission's decision to approve the Hinkley Point financing deal this morning. Given the Commission's deep misgivings with this project just a few

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months ago, I am staggered it has changed its mind so quickly and easily. NFLA will work with the Cities for a Nuclear Free Europe and others to continue to challenge the need for new nuclear build and we applaud the decision of the Austrian Government, hopefully in liaison with other Governments like the Republic of Ireland, to make a legal challenge of the Commission's flawed decision."

Ends

For more information please contact Sean Morris, NFLA Secretary on 00 44 (0)161 234 3244.

Notes for editors:

- (1) European Commission, 8th October 2014
http://europa.eu/rapid/press-release_IP-14-1093_en.htm
- (2) NFLA, CNFE and Stop Hinkley submission to the European Commission on UK-EDF deal, March 2014
http://www.nuclearpolicy.info/docs/nuclearmonitor/NFLA_New_Nuclear_Monitor_No34.pdf
- (3) Financial Times, 8th October 2014.
- (4) City of Vienna / CNFE media release, 8th October (in German)
http://www.ots.at/presseaussendung/OTS_201410008_OTS0152/sima-begruesst-eugh-klage-der-bundesregierung-gegen-atom-subvention-fuer-britisches-akw-hinkley-point

Key opening lines of the press release are:

Deputy Mayor for the Environment and Chair of the CNFE Ulli Sima said: "It is inconceivable that an outgoing European Commission provides such an energy course in the completely wrong direction." Deputy Mayor Sima welcomes the announcement by Austrian Chancellor Werner Faymann and Vice Chancellor Reinhold Mitterlehner that they will take a legal action on the Commission decision with the European Court of Justice.

Deputy Mayor Sima added: "The State Aid granted for a new nuclear power plant would open the floodgates in Europe for other plants. Nuclear power is not only dangerous but also extremely uneconomic, but both do not seem to interest the outgoing EU Commission."

- (5) NFLA Media Release, 7th October
http://www.nuclearpolicy.info/docs/news/NFLA_Commission_Hinkley_Austria.pdf

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