



Nuclear Free Local Authorities Steering Committee

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NFLA Media release - for immediate release, 7th October 2014

As European Commission prepares to meet to discuss UK Government Hinkley Point deal, NFLA writes to Irish Government and welcomes Austrian response

The Nuclear Free Local Authorities (NFLA) has written to the Irish Government urging it to join with the Austrian Government in challenging a decision by the European Commission to permit the financing of new nuclear reactors at Hinkley Point as a legitimate form of state aid.

According to media reports, the Competition Commissioner of the European Commission, Joaquin Almunia, is going to recommend as early as tomorrow to the full Commission that it approves the UK Government's proposed state aid deal with EDF for the construction of new nuclear reactors at Hinkley Point in Somerset. (1)

The NFLA has co-operated with the City of Vienna led 'Cities for a Nuclear Free Europe' (CNFE) in their letter to Mr Almunia seriously questioning this decision, if the media reports are correct. CNFE wrote to other Commissioners as well, and have received a reply from fellow Commissioner Johannes Hahn, who is responsible for EU Regional and Urban Policy. Commissioner Hahn expresses his full support for the CNFE position, opposing the UK Government – EDF deal, and promises that he will continue to express his clear position against nuclear energy in any discussions of the European Commission. (2)

The NFLA notes that the Austrian Government has indicated that, in the event the European Commission votes to support the UK deal as a legitimate form of state aid, it will make a legal challenge to this decision. (3) A legal challenge could take as long as a year to take place. (4) The NFLA has written to the Irish Energy Minister, Alex White, asking for the Government's view on the UK – EDF deal, and whether it would support Austria's legal challenge, should the Commission seek to approve the nuclear power deal as legitimate state aid.

As a Government that is by legal statute opposed to the development of civil or military nuclear power facilities, the NFLA encourages Ireland to fully support any Austria legal challenge.

If the UK – EDF deal were to go ahead, billions of pounds of public money will be provided in financial guarantees for the Hinkley Point project, at a 'strike price' over double the existing price for nuclear power. The NFLA believes the deal will severely hinder the rapid growth of renewable technologies at a time when they are beginning to deliver, due to the scale of proposed public finance for new nuclear.

NFLA Steering Committee Chair, Councillor Mark Hackett said:

"I call on Irish Energy Minister Alex White to publicly back Austria's policy to legally challenge any decision of the European Commission to approve construction of nuclear reactors at Hinkley Point as legitimate state aid. Such a fundamental precedent of European energy policy needs to be carefully considered and not rushed by the Commission at the very end of its term of office. A Commission decision to approve Hinkley Point would distort the internal energy market and is likely to slow down the dramatic expansion of sustainable energy across the EU. I hope the Irish Government, such a long-term sceptic of nuclear power, can support Austria in this important area of energy policy."

NFLA All Ireland Forum Co Chair, Councillor Mark Dearey, added:

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“The decision being made by the European Commission on the UK Government’s energy deal with EDF is of importance across the EU, and here in Ireland. As a country it is clear that we will not prosper in the longer term if we continue our dependency on fossil fuels. Ireland has formally opposed nuclear power for as long as Austria has, and I hope the Government will back Austria’s legal challenge to new nuclear power in the EU, should it be needed.”

Ends

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

Notes for editors:

- (1) See for example Financial Times 2nd October 2014
<http://www.ft.com/cms/s/43bb1be8-4a45-11e4-b8bc-00144feab7de.html>
- (2) Text of Commissioner Hahn’s reply to Deputy Mayor Ulli Sima of the CNFE in Vienna, received on the 3rd October 2014:
Dear Councillor Mag. Sima,

Commissioner Dr. Hahn would like to thank you for your letter of 25 September, in which you forwarded him the letter of the network CNFE respect Hinkley Point C. He has asked me to reply on his behalf.

Commissioner Dr. Hahn has repeatedly stressed that he opposes any form of subsidisation of nuclear power. This he has clearly expressed also in the internal debates of the European Commission, with the successful conclusion that the promotion of nuclear energy is not provided in the guidelines for State aid measures in the fields of energy and environmental protection (WEEE). Another successful example is to be found in the legal rules of the European regional policy, which clearly specify that EU funding cannot be used for the decommissioning of old nuclear plants, nor for the construction of new nuclear power plants.

I can assure you that Commissioner Dr. Hahn followed the dossier on Hinkley Point C very closely. Currently, the draft decision of the Directorate-General Competition for the above case is being analysed by other relevant Directorates-General and services of the Commission and if necessary adjusted accordingly. The final draft will be discussed shortly in the College of Commissioners. A final decision in this case is only after this discussion, adopted by the College – by a simple majority of the commissioners.

Commissioner Dr. Hahn will continue to express his clear position against nuclear energy in any discussions of the European Commission. In this sense, we will incorporate the points raised by CNFE.

With best regards,
Loredana von Buttlar, Cabinet of Johannes Hahn
Commissioner for Regional Policy - European Commission

- (3) Daily Telegraph, 24th September 2014
<http://www.telegraph.co.uk/finance/newsbysector/energy/11119631/Austria-to-launch-legal-challenge-if-EU-approves-British-nuclear-plan.html>
- (4) The Times, 7th Oct 2014
<http://www.thetimes.co.uk/tto/business/industries/utilities/article4229029.ece>

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