

EU Energy Policy Diary 2013

February 2014

Table of Contents

Nuclear safety	3
Decommissioning financing	5
Energy Roadmap 2050.....	5
2030 Energy and Climate Policy Green Paper	6
Third Party Nuclear Liability.....	6
Environmental and Energy State Aid Guidelines	7
The EU's internal energy market	7
Waste.....	7
Research.....	8
Integrated Roadmap on energy technologies	8
Investing in nuclear	8
Registration of Carriers.....	9
European Nuclear Energy Forum	9

Nuclear safety

Although safety was by no means the only issue that drove the EU's nuclear agenda in 2013 it was the revision of the Nuclear Safety Directive that attracted most attention throughout the year. Enhancing safety, its importance amplified since Fukushima, mobilised the energy and resources of the main political actors.

In March 2013, the European Parliament (EP) adopted a *Resolution on the nuclear risk and safety assessments* (the so-called “stress tests” following the Fukushima accident), which was put forward by **Amalia Sartori** MEP (EPP, Italy). This non-binding Resolution called for the urgent implementation of the improvements recommended following the stress tests. In the Resolution MEPs also welcomed the proposed revision of the *Nuclear Safety Directive* (NSD) and the European Commission's (EC) plans for "legislative and non-legislative instruments" for nuclear insurance and liability – a subject that received further attention.

Revised Nuclear Safety Directive

In April, the European Nuclear Safety Regulators' Group (ENSREG) published a report summarising its comments on a 28 December 2012 draft version of an EC Proposal for a revised NSD to replace the existing Directive of 2009. The report, which was the work of a dedicated ENSREG Ad hoc Group, outlined the views of European nuclear regulators and compared the provisions enshrined in the Draft Proposal to the existing European safety framework.

In June 2013, the EC published a new draft NSD Proposal. The Proposal included several new provisions, such as the carrying out of EU-wide peer reviews every six years, national periodic safety reviews every ten years and the establishment of emergency response centres at every nuclear plant. It also required that the national regulatory authorities and operators develop a strategy for informing the public of what is happening – both during an accident and under normal operational conditions.

In the draft Proposal the national regulatory authorities remain the competent authorities when it comes to nuclear safety. However, there is a risk that regular EU-wide assessments, as outlined in the NSD, might cause confusion about ‘allocation of competences’ and undermine national regulators’ authority. Another concern is that some provisions of the Proposal could overlap with existing international legislation, such as the IAEA's *Convention on Nuclear Safety*, thereby causing confusion and further complicating the work of national regulators.

In July 2013, ENSREG published its third report on the state of nuclear safety at Europe's nuclear installations, which covered the period mid-2011 to mid-2013. The report emphasised that “the nuclear safety of European nuclear plants and activities remained at a high level.” It added that operators have already implemented safety improvements as a result of the lessons learned from the Fukushima accident and that the stress tests, which were carried out voluntarily by the Member States, were so successful that they had become the best practice benchmark for countries outside Europe.

The European Economic and Social Committee (EESC) adopted its Opinion on the EC's Proposal in September. FORATOM worked with closely the EESC and the rapporteur to ensure that the views of industry were taken into account in the Opinion.

The EC, having consulted the EESC, adopted a final Proposal on 17 October 2013, which was transmitted to both the EP and the Council. Within the EP the Industry Research and Energy (ITRE) Committee took the lead, under the direction of the rapporteur **Romana Jordan MEP** (EPP, Slovenia).

Meanwhile, the Atomic Questions Group (AQG) of the Council, which is made up of representatives of the Member States, began analysing the Proposal in depth, Article-by-Article - a process that continued throughout the year and well into 2014.

Industry response to NSD

In September 2013, FORATOM released a *Position Paper on the NSD* thanks to the considerable preparatory work carried out by the European Nuclear Installations Safety Standards (ENISS) group. It was forwarded to the EC and a number of national government representations. The Position Paper outlined the position of the industry with regards to the peer reviews and to legal interpretation and definitions related to the NSD. A technical annex suggested specific amendments that Member States might like to consider when assessing the Proposal.

Basic Safety Standards

After the formal adoption, in May 2012, of the EC's Proposal for a Directive laying down basic safety standards (BSS) for protection against the dangers arising from exposure to ionising radiation, the Proposal followed the usual policy-making process. The members of the Council's AQG reached a consensus, but before their report could be officially adopted the EP first had to give its opinion. In October 2013, the EP adopted a legislative Resolution. Among the amendments adopted, the EP proposed that the legal base be changed from the Euratom Treaty to the Treaty on the Functioning of the EU, under which the EP would have co-decision rights.

The EP's main preoccupation with regards to BSS is the increased allocation of resources to examine exactly what the impact of ionising radiation is on mankind and on the environment.

On 5 December 2013, the Council adopted the BSS Directive.

Radioactive substances in drinking water

On 22 October 2013, the Council adopted the Directive laying down requirements for the protection of the health of the general public with regard to radioactive substances in water intended for human consumption.

Instrument for Nuclear Safety Cooperation (INSC)

The Instrument for Nuclear Safety Cooperation (INSC) Regulation provides for an EC-funded programme that supports measures aimed at promoting higher standards of nuclear safety and radiation protection, as well as the application of effective safeguards for nuclear materials in third countries. Throughout 2013, discussions focused on a new INSC Regulation covering the next funding period, namely 2014-2020, and on the relevant financial perspectives.

The Proposal for a new Regulation was finally adopted by the Council of Ministers in December, following clearance of the overall Multiannual Financial Framework for the EU until 2014, which the EP had approved in November. The EP also adopted a

Resolution report in November. In the end, the amount to be allocated to the INSC 2014-2020 was reduced from the more than €630 million proposed to €225 million.

Decommissioning financing

The EC's Recommendation on the management of financial resources for the decommissioning of nuclear installations, spent fuel and radioactive waste was published in 2006. In 2007, the EC published its Second Report on Decommissioning Financing (the first was published in 2001) It assessed how Member States' were implementing the Recommendation and evaluated whether the accumulated funding had been adequate. In 2010, the EC produced guidelines to help Member States interpret the Recommendation correctly. The EC then sent to Member States, as a follow-up to the 2nd report, a questionnaire to find out how they had earmarked funds for decommissioning nuclear installations.

On 8 March 2013, Communication to the European Parliament and the Council on the use of financial resources earmarked for the decommissioning of nuclear installations, spent fuel and radioactive waste. The Communication is a comparison of Member States' practices with the measures proposed in the Recommendation published in 2006 (2006/851/Euratom) and aims to present a comprehensive overview of the situation in the Member States. In particular, it looks at the advances in the alignment of the national decommissioning and waste management financing regimes with the EC's 2006 Recommendation.

An EC Regulation providing for an extension in financial support for Bulgaria, Slovakia and Lithuania was adopted in November 2013. This support was provided to enable the three Member States to safely complete decommissioning at the Kozloduy (€293 million), Bohunice (€225 million) and Ignalina (€450 million) nuclear power plants respectively. The plants have to be decommissioned in order to fulfil a pre-accession commitment.

Energy Roadmap 2050

In March 2013, the EP passed a *Resolution on the Energy Roadmap 2050*, which was put forward by **Niki Tzavela** MEP (Europe of Freedom and Democracy Group, Greece). The Resolution put nuclear energy on an equal footing with other low-carbon energy sources, stating that "all means of low-carbon electricity production (involving conversion efficiency, renewables, carbon capture and storage (CCS) and nuclear energy) will need to be harnessed if climate goals are to be achieved without jeopardising competitiveness and security of supply". It also "acknowledges that nuclear energy is currently an important low-emission energy source" and recognizes that "nuclear energy will remain an important contributor since some Member States continue to see nuclear energy as a secure, reliable and affordable source of low-carbon electricity generation".

2030 Energy and Climate Policy Green Paper

In March 2013, the EC published a Green Paper entitled *A 2030 Framework for Climate and Energy Policies* that focused on 2030 energy and climate change targets and on their associated instruments. The Green Paper's publication was accompanied by the launching of a public consultation on the content of the package, with stakeholders invited to answer a number of questions that it asked by July 2013.

As far as nuclear is concerned, the Green Paper stated that it must be taken into account as a component of the energy and climate change debate and underlined that the 'next generation' of nuclear is one of the innovative technologies that the European Strategic Energy Technology Plan (SET-Plan) should develop. FORATOM's Policy Framework and New Projects Task Forces drafted a response to the EC's public consultation and produced a Position Paper that encapsulated the views of the European nuclear industry.

EP Draft Report on Green Paper

The EP's subsequent *Draft Report on the Green Paper*, prepared jointly by the ITRE and Environment, Public Health and Food Safety (ENVI) Committee, was published in October 2013. MEPs submitted amendments to the Draft Report and FORATOM worked with MEPs to ensure that the views of industry were taken into account in the final document. Further meetings between the ITRE and ENVI Committees took place at the end of the year and the final Report of the EP should eventually be adopted in February 2014.

The EC published a White Paper (policy paper) on the 2030 policy framework on 22 January 2014.

Third Party Nuclear Liability

The EC had originally planned to publish a *Proposal for a Directive on nuclear liability and insurance in the event of a nuclear accident* by the end of 2012, but in spite of two years of work carried out by the EC's Expert Group on Nuclear Liability, no proposal was forthcoming and its progress was further delayed in order to accommodate the revised Nuclear Safety Directive that the EC saw as its top priority. The complex subject of nuclear liability did, however, continue to receive consideration and the EC launched a public consultation on 'insurance and compensation of damages caused by nuclear power plants' in July 2013.

The EC expressed its concern that since EU Member States are signatories to different Conventions on nuclear liability - the Paris Convention, the Vienna Convention or, in the case of five Member States, no convention at all - victims of a potential accident would not be treated equally. This situation could lead to market distortions for nuclear operators.

The public consultation was accompanied by an online questionnaire inviting stakeholders to contribute their views. FORATOM's Legal Expert Group opted instead to submit a Position Paper outlining the views of the industry rather than provide answers to the questionnaire. This Position Paper was sent to the EC in October 2013.

Meanwhile, DG Energy appointed a consultant (Triple E) to carry out a limited 'impact assessment on the commercial implications of imposing much higher (€100 billion) limits of

financial responsibility on nuclear operators in the event of an accident. A report on the impact assessment is likely to be published together with the Proposal for a Directive, probably towards the end of 2014.

In January 2014, the EC organised a conference on nuclear liability to canvass the latest expert opinion on the subject. The EC is due to publish a non-binding Communication on nuclear liability in spring 2014.

Environmental and Energy State Aid Guidelines

The sometimes controversial subject of environment and energy state aid guidelines and, more specifically, whether such state aid should include nuclear energy was rarely out of the EU policy headlines during 2013. Views on the subject were often polarised and media coverage sustained. In March, the EC published a consultation paper on environmental and energy state aid guidelines. DG Competition took the lead with the intention of reviewing the potential for broadening the scope of the existing environmental guidelines to encompass energy issues.

In April 2014, FORATOM responded positively to the public consultation by welcoming the potential inclusion of nuclear energy within the scope of the guidelines. The EC announced its intention to publish a set of draft environmental and energy guidelines (EEAG) in the summer, with a view to new guidelines being adopted in early 2014.

In October 2013, however, Competition Commissioner **Joaquin Almunia** excluded nuclear from the EEAG and stated that nuclear state aid applications would continue to be assessed, in accordance with the Treaties, on a one-by-one basis. The EC then launched a second public consultation on a revised EC Draft EEAG document in December 2013. The final text is expected to be published in July 2014.

The EU's internal energy market

In November 2012, the EC published [a Communication](#) assessing the state of play of the EU's internal energy market, which should be completed **by 2014**. The Communication encouraged Member States to step up their efforts to promote the internal energy market by highlighting the benefits that a truly integrated European market could bring to citizens and businesses. Within this context the EC carried out - from 5 December 2012 to 7 February 2013 - a [public consultation](#) on generation adequacy, capacity mechanisms and the internal electricity market.

Waste

The *Directive establishing a Community framework for the responsible and safe management of spent fuel and radioactive waste* (Waste Directive) was adopted in July 2011 and had to be transposed into Member States' law by August 2013. The Member States were required to begin working on producing national waste management programmes 'NAPROs', which have to be submitted to the EC by 2015. The NAPRO Core Group, which

had been set up by ENEF to develop guidelines to help Member States put together their national programmes, duly delivered and these guidelines were endorsed in January 2013. They were presented during the ENEF Prague Plenary meeting in May 2013.

Research

The main focus for EU research and development policy in 2013 was the *Horizon 2020* programme, a €77 billion programme for investing in research and innovation that was adopted in December 2013. It included a EURATOM section that will only cover the period 2014 – 2018. EURATOM research projects, including fission, will be allocated around €1.6 billion. The budget available will be divided between fission safety & radioprotection (€315 million), fusion - excluding ITER – (€728 million) and the Joint Research Centre (€560 million). Money has also been earmarked for the activities of the Sustainable Nuclear Energy Technology Platform (SNETP).

Later in December 2013, the EC launched a Call for Projects. These projects will be allocated €15 billion over the first two years of Horizon 2020, including €102 million for EURATOM projects. Interested parties were given until September 2014 for responding to the call for projects.

Integrated Roadmap on energy technologies

On 20 December 2012, the EC launched a [public consultation](#) process to receive stakeholder feedback on possible options for a European energy technologies policy. The consultation finished on 15 March 2013. In May 2013, the EC published a [Communication](#) setting out a strategy to enable the EU to develop ‘a world-class technology and innovation sector’ that could cope with the challenges up to and beyond 2020. One of the measures highlighted in the Communication is an Integrated Roadmap under the guidance of the SET-Plan (Strategic Energy Technology Plan). The Roadmap will draw upon expert advice to incorporate the key measures outlined in the Communication. The Integrated Roadmap will consolidate the existing (updated) technology roadmaps created under the SET Plan.

Similarly, the EC and industry are working on an Integrated Roadmap on Energy Technologies, which should be published in spring 2014. Member States will then submit their action plans by summer 2014. The Sustainable Nuclear Energy Technology Platform (SNETP), in which FORATOM participates, is contributing to the Integrated Roadmap.

Investing in nuclear

In July 2013 the European Investment Bank (EIB) adopted a revised set of EIB criteria for investing in energy projects, entitled: *EIB and energy: Delivering growth, security and sustainability – EIB’s screening and assessment criteria for energy projects and methodology emission performance standard*.

Registration of Carriers

In August 2011, the EC published a *Proposal for a Council Regulation establishing a Community system for the registration of carriers (RoC) of radioactive materials*. The objective of this regulation was to replace the “different and often complex” reporting and authorization systems that exist in the Member States with a single registration system.

In December 2013, the EP adopted a report on the EC’s Proposal. The ITRE Committee, whose rapporteur was Bela Kovacs MEP (Non-attached Members, Hungary), emphasized that in order to have “equal treatment for all carriers” Member States needed to ensure that the criteria for delivering a registration certificate are the same across the EU and that the registration process is harmonised. Under the new system applications for registration certificates would be screened by national authorities and a certificate would be issued only if all the common EU criteria are met.

The Proposal should be adopted by the European Council in 2014.

European Nuclear Energy Forum

As usual, there was a busy workload for the European Nuclear Energy Forum (ENEF) in 2013. In addition to the on-going work of the WGs and the SWGs and the organisation of the annual Plenary Meeting, which was held in Prague, there was also a ‘mini-Plenary meeting in Luxemburg in December 2013.

Prague Plenary

The Plenary Meeting in Prague took place on 30 and 31 May 2013. Under the spotlight was a review of the progress achieved by ENEF since the Bratislava Plenary of May 2012. The Prime Ministers of the Czech Republic and Slovakia opened the Plenary. Energy Commissioner **Günther Oettinger**, senior officials from the EC and the European Economic & Social Committee (EESC), MEPs, industry representatives and stakeholders were also in attendance. The agenda revolved around discussions on the role that nuclear energy plays in the EU’s energy mix and how this might evolve in the 2030-2050 perspective of a low-carbon economy. Mitigation of risks was also discussed, in particular developments related to nuclear safety and waste management. The need for more transparent communication was also highlighted.

The Opportunities WG focused on the challenges facing global investments in nuclear energy. Representatives of the CEA, OECD/NEA, the UK government’s Department of Energy and Climate Change (DECC) and the European Investment Bank gave presentations. The European Investment Bank (EIB) stated that while it considers investing in nuclear new build projects to be an appropriate option, there have been too few good project submissions so far. The EIB added that the scale of investment required inevitably requires closer scrutiny of the risks involved.

The Risks Working Group (WG) focused on the topics of safety (Fukushima implications and Member States’ views on safety regulation) and waste, which included the issues of geological disposal and partitioning and transmutation. The

aforementioned national programme guidelines, which were put together by ENEF's NAPRO Core Group to help Member States establish national waste management programmes (NAPRO), were endorsed during the Plenary.

The Transparency WG provided an update of progress with its activities, including the work of the Task Group Crisis Communications (TG-CC). A panel debate *Confidence and Trust – Foundation of EU Energy Policy* then focused on the issue of *Ethics of the Energy Mix*.

The outcomes of the ENEF mini-Plenary meeting of 19 December 2012, in Luxembourg, were then discussed in Plenary. The EC concluded proceedings by announcing that there would be a second ENEF mini-Plenary at the end of 2013, during which the issue of the integration of ENEF with other low-carbon energy fora would be discussed.

Luxembourg mini-Plenary

The mini-Plenary in December 2013 reviewed the current state of play of the EU's energy policy. It also set the scene for the Berlin Forum meeting (the first time that all energy sources will get together) of February 2014, during which a broader dialogue on energy generation and system issues will take place.

The EESC orchestrated an open discussion on ENEF's main messages and how to improve the Forum's effectiveness and visibility. The conclusions were that building long-term confidence would require a mix of scientific justification and socio-economic arguments, using a common methodology applicable to all energy forms; it was also agreed that it was time to rebalance the energy policy triangle more in favour of competitiveness and security of supply rather than climate change. The three WGs then met separately.

The Opportunities WG discussed the planning of the Berlin Forum meeting in February 2014, reviewed the work it had carried out during 2013 and analysed the study by **Professor William D'haeseleer**, of the University of Leuven (Belgium) into the costs of nuclear electricity. The study illustrates how nuclear energy is competitive for long-term operation (LTO) and can be competitive for new build too provided that construction is on schedule and on budget. This is especially true when full system costs are properly integrated into the costing of the energy mix. The Opportunities WG agreed that more should be done to explain to other technology forums the methodology used in the D'haeseleer study. It was agreed that this would be the main task of the Opportunities WG in the coming months.

The Risks WG, prompted by a report by the Paul Scherrer Institute in Switzerland, analysed the comparative risks of all types of energy production.

The Transparency WG was especially active through the TG-CC, which continued its work on identifying possible gaps in crisis communications provision and providing recommendations for Member States where appropriate. This work focuses mainly on communicating with the general public both during the emergency preparedness phase and during and after a real crisis. The next step in the process will be the [Public Hearing](#) entitled *Crisis communication with the Public in Case of a Nuclear and Radiological Emergency*, which is scheduled for 12 February 2014.

Another Transparency WG Task Group, the Foundation Principles of Energy Production (FPEP), will draft a response to the opinion of the European Group on Ethics' (EGE), which proposed an integrated ethical framework together with specific recommendations that address the questions raised by the production, use, storage and distribution of energy.

The Chairmen of the three WGs reported their conclusions to the mini-plenary and the way forward was discussed with regards to the Berlin Forum and the next ENEF Plenary, scheduled for Bratislava, in June 2014

FORATOM

Avenue des Arts 56 -1000 Bruxelles - Belgique
Tel. +32 2 502 45 95 - Fax +32 2 502 39 02 - foratom@foratom.org - www.foratom.org

