FORATOM
THE VOICE OF THE EUROPEAN NUCLEAR INDUSTRY

FORATOM's feedback on the "Strategy for long-term EU greenhouse gas emissions reductions"

In order to make sure that the "Strategy for long-term EU greenhouse gas emissions reductions" fulfils the European Union's decarbonisation goals and is in line with the Paris Agreement, FORATOM wants to emphasise the important role nuclear energy plays as a low-carbon, both flexible and baseload source of power capable of addressing the EU's long-term climate and energy objectives. That is why, FORATOM recommends that:

1. **Actions on market design (i.e. long term arrangements) are needed to restore confidence among potential investors in power generation projects of all types, but in particular for large scale capital intensive low-carbon generation projects.**

2. **The EU ETS should be the main instrument of decarbonisation and any potential uncoordinated overlappings of national and EU policies that can have an adverse effect on reaching a robust carbon price should be avoided.**

3. **The importance of nuclear power and its role in achieving climate goals while providing security of supply at reasonable cost should be recognised and promoted. Indeed, a cost effective transition requires a share of dispatchable nuclear generation that remain significant while the share of variable generation increases.**

4. **All low-carbon energy sources (which irrefutably include nuclear energy) should be treated on equal footing and market rewarded for the benefits they bring to the system. In the framework on the current debate on sustainable finance, a clearly and specifically defined Level 1 regulation for sustainable investments has to focus on the climate impact and provide technologically neutral criteria.**

5. **Cutting CO_2 emissions while maintaining an economically sustainable system should be recognised as the ultimate goal of the strategy. Particular energy technology targets shouldn't be imposed as such policies retard all other technology development, resulting in least efficient use of capital and thereby creating unintended high cost and/or lack of carbon reductions at the expense of EU climate goals.**

Background

The role of nuclear in decarbonisation pathways for Europe:

- ✓ The formal ratification of the Paris Agreement by the European Union on 5 October 2016 reaffirmed the commitment to decarbonise its economy while going beyond what was

originally pledged – 80-95% GHG emission reduction by 2050 (European Council, October 2009).

- ✓ A series of energy roadmaps and scenario studies from the European Commission[1] and other international organisations[2] have shown that embarking on such ambitious decarbonisation pathways would require a growing role of electricity from 20% of the European final energy consumption in 2015 to more than 40% by 2050. The total electricity demand for the whole EU economy would grow from about 3000 TWh in 2020 to more than 5000 TWh in 2050 resulting from downward trends due to energy efficiency improvement of the economy on one side and some significant electrification in transport and heating on the other side.
- ✓ In this context, FORATOM sees an important role of nuclear power as a sustainable low-carbon, flexible and baseload source of power to address the expected electricity demand growth. FORATOM foresees the need to increase the total installed capacity from approximately 120 GW today (126 reactors in operation) to around 130-145 GW by 2050.
- ✓ Only in the efficient deployment of available and future technology will the EU be able to comply with the Paris agreement while ensuring reliability of the energy system. Nuclear power is an essential part of the solution being fully available today, providing security and predictability in sustainable and competitive manner.

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About FORATOM

The European Atomic Forum (FORATOM) is the Brussels-based trade association for the nuclear energy industry in Europe. The membership of FORATOM is made up of 15 national nuclear associations and through these associations, FORATOM represents nearly 3,000 European companies working in the industry and supporting around 800,000 jobs.

Nuclear energy in EU

Nuclear energy accounts for 25.6% of electricity in the European Union and almost half of its low-carbon electricity. It provides reliable low-carbon baseload electricity and can provide the flexibility of dispatch required to balance the increasing share of intermittent energy sources, hence continuing to contribute to security of supply.

[1] 2050 EU Energy roadmap (2011), EU Reference scenario 2013, 2016, PINC

[2] World Energy Outlook (IEA, 2017)