

Brussels, 11 January 2022

Ms Ursula von der Leyen, President of the European Commission
Mr Frans Timmermans, Commission VP for the European Green Deal
Mr Valdis Dombrovskis, Commission VP for an Economy for People
Ms Mairead McGuinness, Commissioner for Financial Services and Markets
Ms Kadri Simson, Commissioner for Energy
Mr Thierry Breton, Commissioner for Internal Market

Dear Madam, Dear Sir,

On behalf of FORATOM, the European trade association representing the nuclear industry, we would like to take this opportunity to address some issues in relation to the EU Taxonomy Complementary Delegated Act which was sent for comments to the Member States and the Sustainable Finance Platform on 31 December 2021.

First of all, we would like to thank you for preparing this detailed proposal which includes nuclear. Indeed, we recognise that it has not been an easy task. As noted in the proposal, nuclear has been subjected to a very extensive and robust assessment under the taxonomy and it is good to see that some of the points raised by the experts have been taken into consideration.

Nevertheless, there are a few elements which are of concern to us. These can be summarised as follows:

- According to the proposal, nuclear is treated as a transitional activity in accordance with Article 10(2) of the Regulation. Furthermore, sunset clauses have been introduced for existing plants and new build projects based on current technologies. We do not believe this is the right approach. Nuclear has been clearly recognised as a technology which contributes to climate mitigation objectives. Furthermore, it does not cause more harm than other taxonomy compliant technologies (i.e renewables), therefore we believe it should be treated on an equal footing.
- The Technical Screening Criteria proposed include a requirement that each project must be accompanied by a plan for a final repository for High Level Waste (HLW) which is operational by 2050. In our opinion, this requirement is unjustified. First of all, because projects which receive a construction licence during the 2040's will not require such a solution in the short or medium term. Secondly, because it restricts the management of HLW and spent fuel to just one technology, although research continues into many other long-term solutions relating to the treatment and recycling of HLW which would be *de facto* excluded based on such a proposal.
- The Technical Screening Criteria include a requirement that existing and new plants must use Accident-Tolerant Fuel. Given that Accident-Tolerant Fuels are still at the research phase we believe this requirement should be removed and instead limited to existing legislation and best available technologies.
- The proposal broadens the current powers of the European Commission over the approval of projects and verification of compliance with the legislation, beyond what already exists today. This adds an extra layer of checks and complexity thus creating significant uncertainty and potential delays.
 - The existing Euratom Treaty framework provides all necessary secondary legislation for the EU that matches the highest global standards, therefore adding another layer of verification would provide no added value (and may even be counterproductive). In

addition, the Nuclear Safety Directive provides that the responsibility for nuclear safety rests mainly on national regulators, not on any supranational body. The same is true when it comes to best available technology requirements and specifications in general. Likewise, the Euratom Treaty itself requires notification of investments in the nuclear sector (Art. 41).

- All these requirements and verification processes contravene the technology neutrality principle enshrined in the regulation. Therefore, in our opinion, the goal should be to ensure full compliance with existing legislation and maintaining the current monitoring and verification process.
- The TSC proposed relate to projects located in an EU Member State only and do not include projects outside the EU, unlike for other technologies. We believe that it should be possible for EU investors to invest in sustainable nuclear projects also outside of the EU and have such investments covered as taxonomy compliant.
- The proposal does not include the nuclear fuel cycle. This activity is an integral part of the nuclear life cycle and must therefore be added to the CDA as an 'Enabling Activity'.

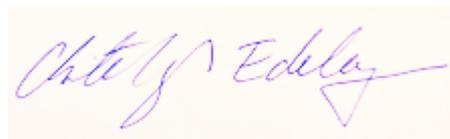
We would also like to recommend that more flexibility be given to research and innovation in the nuclear sector, including for non-power applications. Whilst we note that TSC may be considered for Generation IV reactors and that there are TSC for the pre-commercial development of advanced reactors, we do not believe this provides sufficient certainty for the future. Furthermore, there is a lack of clarity regarding the status of Small Modular Reactors as the technologies under development today are based on either Generation III or Generation IV.

We recognise that this issue remains a very complex one at political level. Nevertheless, in order to ensure that the principle of technology neutrality as enshrined in the Taxonomy Regulation is respected, we kindly ask that the points above be given serious consideration. In this respect, we remain at your disposal to provide support where useful.



Yves Desbazeille
FORATOM DG

Jean-Michel Quilichini
FORATOM President



Christopher Eckerberg
FORATOM Vice-President