

Way to a Net Zero European Society: Financing Nuclear

The role of nuclear energy has become increasingly pivotal for the EU to reach its climate targets. Nuclear power with its capacity for large-scale, consistent energy production plays a crucial role in enabling the decarbonization of the European economy through electrification, particularly important for industrial decarbonization which requires an electricity mix based on all decarbonized generation technologies.

The recognition of nuclear as a net-zero technology, on par with renewables in the Net Zero Industry Act has been a significant milestone. This acknowledgment not only recognizes the potential of nuclear power in contributing to a carbon-neutral future but also establishes a legislative framework that promotes the development and implementation of net-zero technologies. This paradigm shift in energy policy underscores the EU's commitment to harnessing diverse energy sources to drive its transition towards a sustainable, carbon-neutral future.

It is essential to preserve this framework to ensure a level playing field. The principles of technology diversity and neutrality should be embedded in all EU initiatives.

To further develop the nuclear industry, it is crucial to promote industrial capacities and value chains within Europe. This will strengthen the region's autonomy and resilience in the energy sector. In this respect, financing conditions play a key role in enabling nuclear projects and the competitiveness of the European nuclear industry.

We ask the European Commission to support the sector through the following actions:

- **Fair Access:** All net-zero technologies must have fair access to financing. This ensures that all viable solutions receive the necessary support to contribute to the energy transition.
- **Fair Value:** A robust EU ETS market providing long term signals for emission reduction and investments including leveraging public funding toward all net-zero technologies.
- **Broader Access to EU Funds:** Given the recognition of nuclear power as a crucial component of the transition to net-zero, it is important to address the fact that most EU funds do not treat nuclear as other net-zero technologies. Broader access to EU funds beyond Euratom funds could provide complementary support and create synergies with other sectors. EU funds should be accessible to all companies, from SMEs to large corporations. The success of the energy transition also hinges on scaling up, making it essential to finance the mass deployment of mature technologies. The revision of this broader and fair access must be confirmed in the next Multiannual Financial Framework (MFF).

- **Funding for Industrial Scale-up and Supply Chains:** More funding must be dedicated to the industrial scale-up and European supply chains, including the fuel lifecycle to develop innovation. The European supply chains must scale up to meet the industrial challenge and strengthen European sovereignty.
- **Funding for Skills Development:** Increased EU funding should be dedicated to developing the skills needed for the transition and the role nuclear will play in it. This will ensure a skilled workforce ready to drive the energy transition.
- **Financing from European Financial Institutions:** European financial institutions must start considering financing nuclear projects – both Long-Term Operation and new build. This will accelerate the deployment of nuclear energy solutions. While the European Investment Bank must consider financing nuclear projects, it is crucial that this financial support extends to the entire spectrum of nuclear technologies (both small modular and large scale reactors, both current and future generation reactors, as well as nuclear fuel related projects).
- **Introducing innovative financing methods:** Creation of an EU sovereignty fund dedicated to strategic net zero technologies and necessary reflection on the rules applying to state aid, will further boost developments and innovation supporting an independent energy transition.
- **Recognizing need for national risk-sharing instruments:** To ensure the long-term success of European supply chain investments, potentially needed risk-sharing instruments during the project and operational phase on national level should be recognized.

