

Greenpeace Energy Takes Action against State Aid for Nuclear Power

Proposed British Hinkley Point C nuclear power plant threatens to distort competition in the European Union against genuine clean energy

Hinkley plant could act as precedent and further undermine EU energy market

Hamburg, 4 March 2015. German green power supply company Greenpeace Energy is taking legal action against the European Commission because it has approved State aid worth billions for the building of new nuclear plant Hinkley Point C in the UK. "Highly subsidised nuclear power from this plant will noticeably distort European competitiveness. It will have an effect on prices at the power exchange in Germany as well", says Sönke Tangermann, managing director of Greenpeace Energy. "This effect will have economic disadvantages for committed green power providers like us, and that's why we are going to court." As soon as the Commission's State aid approval is published in the EU's Official Journal and the period prescribed for bringing an action begins, Greenpeace Energy will file a plea for annulment at the European Court of Justice in Luxembourg.

Last October the EU Commission approved State aid for the new build of two EPR-type pressurized water reactors [EPR = European Pressurized Reactor] on England's southwest coast; the State aid amounts to approximately 22 billion euros. This aid comprises a guaranteed remuneration (feed-in tariff) of approximately 11 euro-cents per kilowatt-hour of nuclear power generated at the Hinkley Point C plant. Added to that are state credit guarantees and adjustment for inflation. The resulting subsidy is far higher than that for wind or solar power in Germany.

An expert opinion commissioned by Greenpeace Energy from analysts Energy Brainpool shows that Hinkley Point C will lead to a shift in price levels in the European electricity market. The opinion explains that lower prices for electricity at the power exchange in Germany will discriminate against those suppliers that procure green power at fixed prices directly from plant operators in the framework of the German Renewable Energies Act. "Unlike the claims of Prime Minister Cameron, a new reactor built at Hinkley Point, supported by billions of taxpayers money, is not a purely British affair", says Sönke Tangermann, "but directly disadvantages us as a German enterprise active in the European electricity market."

Energy Brainpool's analysis also points out that the construction of a nuclear power plant in the UK will lead to higher electricity costs for consumers. Due to the price effects of Hinkley Point C, the costs of the system laid out in Germany's Renewable Energies Act (EEG) to foster renewables are likely to rise because the operators of renewable energy plants – with fixed feed-in tariffs – would in future have to be paid a larger difference in the electricity price at the power exchange. The result is then a light increase in the renewable energy surcharge. Even if this did

not necessarily lead to higher prices for power, the strain it would put on the EEG system is an outrage, says Tangermann.

From Greenpeace Energy's perspective, harmful effects on the internal market and on competitiveness can multiply if and when the European Investment Fund presented by Jean-Claude Juncker, president of the EU Commission, enters into force. The projected fund of 315 billion euros has already whetted the appetite of the UK and many other EU states for receiving State aid for other nuclear power plants still in planning. Moreover, the EU intends to massively extend cross-border power lines, meaning the negative effect of this development, as calculated by Energy Brainpool, would be reinforced on a massive scale.

Greenpeace Energy sees in the approval of State aid for Hinkley Point C a precedent for other reactor projects that are likely to lead to even greater distortions on the European energy market. "If the Commission's approval goes unchallenged, then Hinkley Point C is just the tip of the iceberg", says Sönke Tangermann, "which is why we are calling on the German government to take legal action against the unfair State aid approval for Hinkley Point C. It must not open the door to other hazardous and absurdly expensive nuclear power projects in Europe."

For legal counsel, green power supplier Greenpeace Energy has commissioned attorney Dr. Dörte Fouquet at the Becker Büttner Held law office, specialists in this area, to prepare the application for the plea for annulment and assist in subsequent proceedings. In coming weeks, Greenpeace Energy will also review the possibility of joining forces with other stakeholders in Germany's energy market for bringing legal action as a collective.

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Greenpeace Energy is Germany's largest national, independent energy cooperative. We supply more than 111,000 customers, of which about 9,000 are business customers, with clean electricity. In 2011, the product range was supplemented with proWindgas, an ecologically superior alternative to natural gas, making Greenpeace Energy an all-round energy supplier. The business is organised as a cooperative with 23,000 members whose contributions provide a solid equity capital base and, thus, stability. The fact that the members are not only the cooperative's owners but also its customers serves to prevent conflicts of interest: towards an ecologically oriented business policy, rather than profit maximisation. Through our subsidiary Planet energy we build our own power plants. Eleven wind farms and three photovoltaic plants totalling 65 MW are already in operation. Furthermore, we take a very active role in energy policy discussions and help to set the stage for the energy turnaround: We test new concepts, for example concerning electromobility, and we sponsor research projects to foster innovation and to smooth the way into a future of clean energy.