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### **NUCLEAR ENERGY – PART OF A LOW-CARBON ENERGY FUTURE**

**DINNER DEBATE ORGANISED BY FORATOM – STRASBOURG,  
14 NOVEMBER 2007**

**ADDRESS BY MR ERNEST-ANTOINE SEILLIÈRE,  
PRESIDENT OF BUSINESSEUROPE**

Members of the European Parliament, Ladies and Gentlemen:

I would like to thank FORATOM warmly for inviting BUSINESSEUROPE to take part in this evening's dinner debate.

I was very pleased to accept that invitation because our debate here relates to two absolutely essential issues for the future of Europe and of the world: securing access to sufficient energy supplies and ensuring the necessary transition towards a low-carbon economy.

These challenges are so important that they form part of BUSINESSEUROPE's main priorities.

I want to stress that our members, after in-depth discussion and assessment, recognise that these challenges will require a major revisiting of current economic, industrial and technological policies. We are open to discuss strategic proposals in this context.

BUSINESSEUROPE is currently putting the finishing touches to a position paper entitled "Keeping all energy options open, including nuclear". I therefore greatly appreciate FORATOM's invitation, which gives me a valuable opportunity to say a word on the conclusions of this work.

Our central conclusion is that use of nuclear energy constitutes one of the four key solutions – alongside energy efficiency, renewables and carbon capture and sequestration technology – for addressing the enormous energy-related challenges that Europe faces.

A delay in development of efficient policy measures to promote nuclear energy or any of the other three technological solutions I have mentioned would, in our view, have very harmful effects. It would impair the possibility of ensuring security of supply and climate protection under affordable conditions.

I would like to say that, even if there are political problems in certain European countries, I have been mandated by my colleagues in BUSINESSEUROPE's Council of Presidents to highlight the importance of nuclear energy as one of the main available



options for moving towards a sustainable energy future. Obviously, this should not be understood as a “one-size-fits-all” solution.

Our vision therefore converges strikingly with the nuclear energy section of the European Parliament’s recent resolution on conventional energy sources and energy technology. In this regard, I would like to thank the MEPs who contributed to adoption of that resolution, which underlines in a clear-sighted manner the importance of nuclear energy as part of the solution for sustainable energy development.

Following on from Mr Gordelier (OECD Nuclear Agency), I would like to briefly enumerate the key arguments which militate in favour of giving back to nuclear energy the high degree of attention it received in the 1960s and 1970s.

There are five key arguments:

- energy security
- competitiveness
- protection of the climate
- market opportunities at global level
- and positive developments regarding nuclear waste management.

The first key argument is energy security. Uranium is available from a wide range of sources in the world which are politically stable: most important issue for companies is the security of supply of energy and therefore creates energy independence.

The second key argument is the economic competitiveness of nuclear energy.

The figures for electricity generation costs are clear. At the beginning of this year, estimates for the cost of electricity generated from coal or gas were between € 50 and € 60 per megawatt-hour, assuming a price for oil of \$ 40-60 a barrel and a price for carbon emission permits at € 10-20 a tonne. Electricité de France assessed the cost of generation from a first-of-a-kind European Pressurised-water Reactor (EPR) at € 46 per megawatt-hour, but the economies of scale from a series of ten such reactors would bring down that cost by around 10%, i.e. € 41. This shows that nuclear is competitive when oil costs \$ 60 a barrel. In the context of the price of a barrel rising to more than \$ 90 a barrel, this competitiveness increases substantially.

The third key argument is the major contribution that nuclear energy offers for controlling CO<sub>2</sub> emissions. For BUSINESSEUROPE, energy efficiency and renewables are crucial but will not suffice to ensure a transition to the new energy model imposed by the climate challenge.

It is therefore vital to develop nuclear energy and carbon capture and storage technologies actively, in order to bring down emissions in the proportions under consideration at European level. Nuclear energy is all the more important as an option because carbon capture and storage technologies are in their early days, and their deployment on an industrial scale will require time and significant efforts to solve a number of technological, legal and economic challenges.

The fourth key argument is the strong development of nuclear programmes outside Europe, and the considerable markets they will represent in the future. Around thirty reactors, with a capacity equivalent to 6% of total current power output, are already



being built in twelve countries, notably in China, South Korea, Japan and Russia. Moreover construction of 35 further reactors, i.e. 10% of global electricity production capacity, is planned. The United States has decided to build 30 reactors by 2030. The Middle East, Egypt, Saudi Arabia and the Gulf monarchies have launched a civil nuclear programme.

In the global competition to meet this growing demand for nuclear installations, Europe is well positioned with leading companies such as AREVA, Siemens, their partners and their subcontractors, but three other non-European groups involving the US, Japan and Russia also have major ambitions. When you consider that the price of one new EPR power plant is € 3 billion, you immediately understand the very wide flow of economic activities that nuclear projects can generate in the nuclear sector and in related sectors.

The fifth key argument is the solidity of solutions available for management of nuclear waste. Environmentally satisfactory processes for treating waste exist, as do satisfactory options for definitive elimination of high-activity waste. Waste can be eliminated either via deep geological storage (as has been decided in Finland), or via reuse of waste as a fuel in the fourth-generation nuclear power stations currently being developed. Academics and policy-makers increasingly underline that climate change represents a much greater challenge than the issue of nuclear waste.

So, for BUSINESSEUROPE, there are no insurmountable technological obstacles to management of nuclear waste, but only challenges at the political level. In future, implementation of existing or emerging technological solutions will depend largely on the capacity of our governance systems to manage decision-making on complex issues in a way that opens up an effective dialogue with civil society. The care that the Finnish authorities have expended on this dialogue goes a long way towards explaining why public opinion is now positive about nuclear energy in that country. This in turn has made it possible to take timely decisions on construction of the Olkiluoto power plant and the choice of site for waste storage.

For all these reasons, BUSINESSEUROPE signed the FORATOM declaration “Nuclear Energy – Part of a Low-Carbon Future”, which is a very welcome initiative. The fact that this declaration will be signed by European parliamentarians from a large number of countries and political parties sends a very strong signal that nuclear energy needs to receive the same level of attention as the other main energy options.

I would now like to touch on the main avenues that BUSINESSEUROPE sees for Community actions in the nuclear field. We believe that the main task consists in eliminating all obstacles which unnecessarily hold back the development of nuclear energy. The position that we will soon publish will call for measures in the following areas such as safety requirements, permitting procedures, political debate on nuclear energy, etc.

Eliminating obstacles which unnecessarily block the development of nuclear energy is basically a political problem. Therefore it is key that this issue is debated in the European Parliament. BUSINESSEUROPE is available to discuss this topic with Members of the European Parliament.

Thank you.

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