



SPEECH

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SECOND MEETING OF THE EUROPEAN NUCLEAR ENERGY FORUM

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Prime Minister,
President, Ministers, Commissioner, Excellencies, Members of Parliament,
Ladies and Gentlemen,

I am pleased to address this high-level meeting of the European Nuclear Energy Forum bringing together representatives of all the political decision-makers and all the stakeholders concerned by nuclear energy.

What is BUSINESSEUROPE's strategic vision on nuclear energy? This vision is that of 39 national associations in 33 European countries representing energy producers and users.

Our key message is that use of nuclear energy constitutes a key element of the energy mix and of the policy agenda. Other key elements are energy efficiency, renewables' cost and carbon capture and sequestration technology. Each of them has its importance in addressing the enormous energy-related challenges that Europe faces.

Therefore, there can be no delay in development of efficient policy measures. Delays to promote nuclear energy or any of the other three technological solutions have very harmful effects. The security of energy supply and climate protection under affordable conditions are at stake.

Why is nuclear a key element of the solution?

First of all, it has the advantage of providing security of supply. Second, it is carbon-free. And third, with a barrel of oil costing 130 dollars or more, we are confronted today with an acute issue of affordable energy for industry. In this context, the strong cost-competitiveness of nuclear cannot be left aside. Even more, it should motivate us to move forward.

The Commission – as the President just did - is starting to communicate clearly on all these issues. This is very much appreciated. Commissioner Piebalgs underlined in April 2008 the important role of nuclear energy towards a low-carbon economy.

We must give the construction of new nuclear power plants the same level of attention as to development of other forms of energy. *Technical* obstacles which unnecessarily hold back development of nuclear energy must be eliminated. Last year, BUSINESSEUROPE submitted a proposal for an EU action agenda in this respect. It covered, inter alia, harmonisation of safety requirements, simpler and more harmonised permitting procedures and mutual recognition of certificates for new designs issued by the national authorities.

One of the Commission's strategic ideas is that Europe's leadership positions in technology must be maintained and promoted. Nuclear technologies definitely fall into this list of strong technological positions. This is also an opportunity to participate in the numerous investments in nuclear energy all over the world.

But we also need a strategic vision concerning the creation of better *economic* conditions for the development of nuclear energy. In particular, this vision must optimise the benefits for producers as well as consumers.

We know that competitiveness is a key challenge. The need for producers to find low-cost financing for nuclear investments is another one. This obliges us to demonstrate creativity, by designing innovative partnerships. We have to foster the development of long-term contracts between energy suppliers and industrial consumers.

Long-term contracts have been discussed in this Forum's "Opportunities" Group chaired by Jean-Pol Poncelet. This is good news. Their relevance has been recognised for encouraging decisions on nuclear new build. Why is this good news? Because long-term contracts offer a lot of benefits:

- a stable customer base over the long term provides lower financing costs;
- long-term contracts give consumers long-term visibility of economic conditions. This influences the decision by energy-intensive industries to maintain or even expand their production in Europe. This is also important for producers;
- contracts with risk-sharing clauses can lead to very competitive pricing arrangements.

As examples, one can mention the EXELTIUM agreement in France or the FENNOVOÏMA agreement in Finland.

Unfortunately, the development of long-term contracts is still fairly limited. It is complicated by a number of factors.

At *national* level, legislation sometimes generates uncertainty about the effective duration of contracts. Public authorities often do not play a pro-active facilitator role.

At *European* level, uncertainties are generated by the Commission's thinking in connection with competition law. This is the case with complex issues like agreements with leading producers. These agreements are sometimes the only option for accessing competitive assets. Agreements need to be assessed carefully from the angle of competition law. The Commission focuses a lot on possible negative effects on competition. But it is important also to look at potential positive effects. These can take the form of increased efficiency gains and guarantees of optimal levels of investment in the sector. Providing energy users with a fair share of resulting benefits can be planned. So, a multi-criteria assessment must be used.

Eliminating the obstacles to long-term contracts is possible and necessary. A first important step would be to ensure political recognition by the EU and Member States of the importance of long-term contracts. On that basis, work could be developed on opening possibilities for conclusion of long-term contracts.

Given the magnitude of the European nuclear fleet, we can only benefit from maintaining this competitive asset on our own territory, knowing that we have to implement adequate solutions for nuclear waste management.

If I may share one personal thought: I think that the nuclear waste problem is easier to solve and to manage than the global warming problem.

My plea is not for a nuclear landscape, but rather for a landscape where nuclear can move on. My plea is also for a responsible and courageous debate in the countries that have decided to pull out of nuclear. Just look at the consequences that a withdrawal from nuclear would have in Germany and Belgium, in particular if the timetable for carbon capture and storage technology slips. Replacing nuclear with other energies would push the price of carbon up to unprecedented levels.

I hope that we will play an active role, each in our position of responsibility, for moving the nuclear debate forward in a responsible, pragmatic and non ideological way.

Thank you.