Declaration of representatives of Belgium, Bulgaria, Croatia, Czech Republic, France, Hungary, the Netherlands, Romania, Slovakia, Slovenia and Sweden based on the EU Nuclear Alliance working meeting of 18th February 2025 on the upcoming Affordable Energy Action Plan

In view of the Commission's publication of the Affordable Energy Action Plan, the European Nuclear Alliance met on Tuesday 18th February 2025. We, the Ministers and representatives from 11 Member States[1] took part in this meeting, as well as the European Commission.

In a changing global geopolitical context, the Commission's mandate must ensure the **competitiveness and resilience of our economies** towards reaching climate-neutrality by 2050 and to address the « existential challenge » that Europe is facing, as highlighted by Mario Draghi's report on the future of European competitiveness.

1. **In the face of the urgency of these challenges, the Commission should be ambitious and put forward a comprehensive strategy in the Affordable Energy Action Plan that fully integrates the need for both renewables, baseload and dispatchable generation capacities.**

The benefits of existing and future nuclear power plants go beyond the borders of Member States which opt for nuclear energy. Indeed, low-carbon baseload energies such as hydro or nuclear power stabilize our common grid and the entire European electricity market. Due to its baseload profile and low operating costs, nuclear power production creates less volatile market conditions. Without such energies, there is no path for the EU to provide to its citizens affordable, reliable and abundant low-carbon energy while achieving Net Zero by 2050. Therefore, the Commission should work on **a facilitating framework for the development of nuclear energy in Europe**, entailing the development of the nuclear value chain, fuels, research and innovation, and sufficient expertise and skills, while also accelerating the development and deployment of SMRs.

2. **The Action Plan is an opportunity to ensure that the European Union's abundant, low-carbon, locally-produced electricity becomes a genuine competitive advantage for the Union's economy and growth.**

NECPs as well as the Commission's communication for the EU's 2040 climate goal clearly demonstrate the need to **ramp up electrification** as a cost-effective way to reach carbon neutrality and reduce our strategic dependencies to fossil-fuels produced by third countries. Therefore, the Affordable Energy Action Plan should:

- on the production side, **help to achieve affordable and competitive electricity prices** to ensure a business case for electrification and competitiveness of economies of EU Member States and the EU,

[1] Poland, being the actual Presidency of the Council, and Italy attended the meeting as observers.

- on the demand side, **support electrification** for households and undertakings, and in particular industries.

On prices, electricity bills are namely made up of electricity price and grid tariffs, both of which must be addressed by the Action Plan.

- **On electricity production cost**, the Action Plan should support the **conclusion of low-carbon PPA with equal access for industrial consumers** by exploring possibilities for a European guarantee scheme, without prejudice to the upcoming MFF dedicated negotiations. As recommended by Letta's and Draghi's reports, the Action Plan should also lift any barriers to the conclusion of cross-border PPAs, which are key tools to deepen the European energy internal market.

- **On system costs**, in order to avoid overburdening consumers bills, the Action Plan should help to **keep the electricity total system cost[2] and more broadly the total energy system cost low** by **enabling sufficient dispatchable electricity generation through** integrating the complementarity of low-carbon energy sources into the broader energy mix, facilitating **additional flexibilities** (consumption and grid scale storage) and **relevant interconnections.** The transition of our energy systems should take into account the need to ensure energy security and economic stability and leverage on Pan-European interconnectivity. As recommended in Mr. Draghi's report, policy decisions should not be solely based on the levelized cost of electricity (LCOE) associated with each project or technology. Instead, they should take into account the increasing overall system costs and thus the total cost of ensuring sufficient electricity supply to the end consumers associated with the decarbonization of the economy, considering the lifetime operation for each technology and flexibility and grid costs.

Therefore, in view of the upcoming communications, the Nuclear Alliance asked the Commission to present clearly in its upcoming proposals:

- **how the technology neutrality principle will be applied**,
- **how will Member States be associated to the update of the Nuclear Illustrative Programme (PINC)[3]** to support the development of Nuclear Energy alongside Renewables and its financing in the EU, this is without prejudice to the upcoming MFF dedicated negotiations, in particular on its volume,
- **how the Commission intends to create a supporting ecosystem for the deployment of new nuclear production capacities in the EU including SMRs but also new build and life time extension, by encouraging private investments and ensuring adequate and time efficient state aide procedures.** The maturity of the nuclear supply chain and fuel cycle

[2] Total System Cost is defined by the OECD NEA as "Total system costs are thus the total economic costs of satisfying a given electricity demand at all times. s. These are not externalities or social costs but real monetary costs that somebody needs to pay".
NEA (2024) Nea System Cost Analysis for integrated low carbon electricity systems, a guide for stakeholders and Policy Makers

3 The PINC is a tool defined in Article 40 of the Euratom Treaty, to map out the planned nuclear projects and assess the related investment needs.

are elements of importance directly connected to the scaling up of nuclear capacity in the EU.

The Nuclear Alliance also identifies challenges that need further technical discussions and evaluation:

- The development of electricity supply is dependent on the **development of electricity demand**. The Action plan should address this challenge but also the **challenge with the cost-gap between fossil based and decarbonized processes**.

- It is important to further **develop the relevant electricity interconnections at EU wide level as well as internal grid reinforcements** in order to ensure energy market integration and removal of bottlenecks. Reinforcing internal networks requires investments, which should be also assessed in light of their contribution to improving cross-border electricity flows, and enhancing the overall resilience of the European energy market.