



weCARE statement on the 31 December 2021 version of the Taxonomy Complementary Delegated Act for sustainable finance covering nuclear and fossil gas

weCARE¹ is a Brussels-based alliance of NGOs campaigning for a European energy mix that is clean, affordable and reliable, hence the CARE. The alliance takes a keen interest in EU energy & climate policy and in EU initiatives promoting the use of low-carbon energies that are considered to be socially sustainable, which goes beyond the too restricted concept of environmental sustainability. Recent initiatives in this bracket include the European Green Deal, the 'Fit-for-55' package, State Aid Guidelines for Climate & Energy and the EU Taxonomy for Sustainable Finance, the latter aiming to list those energy technologies that support the goal of carbon neutrality and that therefore qualify for financial support under the EU's Green Deal and beyond. A first Taxonomy Delegated Act was adopted in December 2021 and now the European Commission has tabled a Complementary Delegated Act devoted specifically to nuclear energy and natural gas.

weCARE's analysis of this draft Complementary Delegated Act is as follows:

1. We welcome the belated inclusion of nuclear energy in the Taxonomy. As indicated in a former weCARE letter, we would have preferred the Commission to have waited until the final assessment of all the appropriate technologies had been completed before publishing the first Delegated Act in a full and consolidated form, but so be it, we are where we are. We nevertheless note the large number of Member States who objected or abstained during the vote of the first Delegated Act. The EU credibility on this whole Taxonomy process is at stake.
2. We do not understand why nuclear is considered in the CDA to be "transitional", on equal footing with fossil gas. No-one can dispute that

¹ Information about the alliance's objectives, membership and documentation can be found on the website <https://www.wecareeu.org> which is regularly updated. weCARE is registered in the EU Transparency Register under number 473723535459-78.

nuclear power is a very low carbon energy source that is already making a very significant contribution to climate change avoidance. The Commission's own scientific experts have assessed that nuclear causes no more harm to persons or the environment than other comparable energy sources. Therefore, we consider that nuclear energy should be treated under Chap 10.1 of the Taxonomy Regulation 2020/852².

3. For that reason, we question why there needs to be a deadline of 2045 for new reactor build permits and of 2040 for long term operation (LTO) authorisations. We consider that the timing of such proposals should be unrestricted as the text states that "*nuclear energy should be qualified in the absence of technologically and economically feasible low-carbon alternative at a sufficient scale to cover the energy demand in a continuous and reliable manner*". One needs to wait for these low-carbon alternatives to be proven, before setting a deadline on nuclear energy. In addition, these dates of 2040 and 2045 are incompatible with the nuclear industrial rhythms.
4. Accident Tolerant Fuels are not available, qualified and licensed today. They have been renamed as Advanced Technology Fuels. Requiring their use for all projects supported by the Taxonomy, renders these projects not viable. It will be for the national regulatory authorities to decide if these fuels may be used and in which type of reactors.
5. weCARE also believes that the requirement to have a national plan in place for a deep geological repository for high-level waste to be operational by 2050 is, in most cases unrealistic and/or unnecessary, if indeed it contains the obligation to have the repository in operation for that date. The Nuclear Waste Directive of 2011 is clear enough and sufficient on this subject.
6. With regard to the assessment of the suitability of nuclear projects for investment, weCARE is of the opinion that the Commission already undertakes a very comprehensive assessment under Article 41 of the Euratom Treaty, as well as under the Euratom secondary legislation. We are not convinced, therefore, that there needs to be any additional scrutiny arising from the Taxonomy, particularly as any requirement for additional and regular assessment, with unclear timelines, will only make investors less likely to want to embark on such projects.
7. We welcome the fact that the Commission recognises the potential of advanced reactors, including with closed fuel cycle and self-breeding technologies, opening the path for a very long-term recourse to nuclear fission energy, contradicting the "transitional" qualification. However, the

² Article 10(1) states that "*an economic activity shall qualify as contributing to climate change mitigation where that activity contributes substantially to the stabilization of greenhouse gas concentrations in the atmosphere*" (which is obvious for nuclear energy) and adds a) to i) domains or criteria. In particular, Art 10(1)h indicates that are eligible "*activities producing clean and efficient fuels from renewable or carbon-neutral sources*"; obviously, nuclear activities produce and use a fuel, uranium oxide, from natural uranium (which is not fossil), which is carbon neutral. The reference to efficient fuels from carbon-neutral sources would also justify the inclusion of nuclear fuel cycle front end activities in the scope of the CDA.

scope of research, development, demonstration and deployment activities for advanced nuclear technologies and the relation with taxonomy-related sustainable financing needs to be further clarified.

8. Lastly, weCARE is surprised that the non-electric applications of nuclear energy, which might benefit from sustainable financing, are only mentioned for the reactors to be build in the coming two decades, and not for existing reactors or advanced reactors of the future.

weCARE, 13 January 2022