

PRESS RELEASE

Immediate

LAWYERS SAY NUCLEAR SUBSIDIES MAY BE UNLAWFUL

Lawyers working with the campaigning group Energy Fair say that some existing and proposed new subsidies for nuclear power in the UK may be unlawful under EU laws designed to promote fair competition between businesses.

A formal complaint about subsidies for nuclear power is now being prepared for submission to the European Commission.

Research by Energy Fair has shown that there are several existing or proposed subsidies for nuclear power. Withdrawal of any one of them, via legal or political action, is likely to make new nuclear power plants uncompetitive.

“Our research is in line with what others have been saying” says Dr Gerry Wolff, Coordinator of Energy Fair. “MPs have already raised concerns about provisions in the recent Finance Act that will produce windfall profits for the nuclear industry. The Government itself says that the industry will benefit by £50 million per year, and calculations by WWF and Greenpeace show that the subsidy could be as much as £3.43 billion between 2013 and 2026”.

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2 The law firm BBH (www.beckerbuettnnerheld.de/en/) is preparing a formal complaint to the European Commission on behalf of Energy Fair. Dr Dörte Fouquet, who leads the legal team, is a senior partner in the firm and is also Director of the European Renewable Energies Federation (EREF, www.eref-europe.org/).

3 The planned action by Energy Fair, to make a formal complaint to the European Commission about subsidies for nuclear power, is endorsed by the following people and organisations: Tom Burke CBE (www.e3g.org/about/Tom-Burke/), Campaign for Nuclear Disarmament (www.cnduk.org/), Eurosolar (www.eurosolar.de/en/), Jean Lambert MEP (www.jeanlambertmep.org.uk/), Caroline Lucas MP (www.carolinelucas.com/cl.html), Nuclear Free Local Authorities (nfznscl.org.uk/), Michael Meacher MP (www.michaelmeacher.info/weblog/), People Against Wylfa B (PAWB, www.stop-wylfa.org/), Jonathon Porritt CBE (www.jonathonporritt.com/), Dr Jeremy Leggett and Solarcentury (www.solarcentury.co.uk/), Sortir du Nucléaire (www.sortirdunucleaire.org/), Keith Taylor MEP (www.keithtaylormp.org.uk/), and Urgewald (<http://urgewald.org/>).

4 Reports about MPs' concerns about subsidies for nuclear power include:

- * "Lib Dem MPs set to rebel against nuclear power 'subsidy'" (The Guardian, 2011-07-01, www.guardian.co.uk/environment/2011/jul/01/lib-dem-rebel-nuclear-power-subsidy).
- * "MPs attack government's covert subsidies for nuclear industry" (The Guardian, 2011-05-16, www.guardian.co.uk/environment/2011/may/16/nuclear-energy-industry-select-committee).
- * "UK breaks promise on nuclear power subsidies, say MPs" (BBC News, 2011-05-16, www.bbc.co.uk/news/science-environment-13393732).

5 Research by the Energy Fair group has identified 9 existing or proposed subsidies for nuclear power and 2 potential subsidies. They are summarised in "Forms of support for nuclear power" (PDF, www.mng.org.uk/ns) and described more fully in the following two documents:

- * "Subsidies for nuclear power in the UK government's proposals for electricity market reform" (PDF, www.mng.org.uk/emrdoc).
- * "Nuclear Subsidies" (PDF, www.mng.org.uk/nsubsidies).

6 With regard to the 'carbon price floor' (now part of the Finance Act 2011):

- * In Parliament on the 9th of May 2011, the then Economic Secretary, Justine Greening MP, said: "The existing nuclear sector is likely to benefit by an average of £50 million per annum to 2030 due to higher wholesale electricity prices."
- * According to calculations by WWF and Greenpeace, the measure could result in windfall profits for existing nuclear generators of up to £3.43 billion between 2013 and 2026 ("Energy bills to rise as nuclear gets £3.43 billion for doing nothing", WWF press release, 2011-02-14, www.wwf.org.uk/what_we_do/press_centre/?4629/Energy-bills-to-rise-as-nuclear-gets-343bn-for-doing-nothing).