



Joint press release by NGOs South Bohemian Mothers and Calla – Association for Preservation of the Environment dated 6th March 2017

The European Commission has approved state aid for Paks II NPP, problems have not ceased

Today the European Commission announced the results of the investigation into state aid for the construction of two new nuclear reactors in Paks NPP, which do not regard state aid as being in conflict with the law, as long as the Hungarian government maintains its specific commitments [1]. According to NGOs the decision of the European Commission is not alright. Legally, nuclear energy can not be considered as something that is in the public interest of individual Member States. If Hungary connected the new nuclear units to the grid, it would increase the share of nuclear power to 86%. This would ultimately mean a serious economic disadvantage to other sources, such as renewable energy. It's very likely we can expect the interstate litigation like it happened in relation to the approval of state aid for the British reactors at Hinkley Point.

This has already been a second decision of the European Commission concerning the planned nuclear power plant in Paks II in a short period of time. The first decision focused on the consistency of European free competition rules regarding giving Rosatom a contract without any call for tender mentioned in the Russian-Hungarian agreement. In November 2016, the European Commission decided that if no other supplier than Rosatom can guarantee the Hungarian government that the NPP remains permanently owned by the Hungarian state, it is not necessary to tender and that the contract is not in contradiction with EU requirements. Still, 55% of the total costs of 12.5 billion EUR needed for building the NPP will have to be awarded in tender under EU rules.

Patricia Lorenz of Global 2000 said that this case resembles the situation of state subsidies for the Hinkley Point NPP. According to her the European Commission is clearly trying to promote a kind of "Nuclear economic zone" to allow the construction of a few nuclear units at least.

Monika Machová Wittingerová of South Bohemian Mothers said: "*All this reminds me of a story by Šimek & Grossmann about the excursion to the ZOO, where the Professor Zelí is trying to bribe the ticket officer by saying that he does not want a discount for free... Enforcement of state aid for the construction of new nuclear units destroys the myth of the cheap electricity from nuclear power. Like in the Professor Zelí's case, extra price for electricity from new nuclear units would have to be paid either by taxpayers or electricity consumers.*"

Edvard Sequens of Calla – Association for Preservation of the Environment said: "*Not only that the example of financing new Paks units in Hungary is showing us that while the criticized public subsidies for renewable energy will not be needed soon, nuclear energy can not enter commercial operation without public subsidies even after 60 years since its deployment.*"

Contacts:

Edvard Sequens, Calla – Association for Preservation of the Environment, Fráni Šrámka 35, 370 01 České Budějovice, Czech Republic, tel.: +420 602 282 399, edvard.sequens@calla.cz ,

Monika Machová Wittingerová, South Bohemian Mothers, Kubatova 6, 370 04 České Budějovice, Czech Republic, tel.: +420 603 516 603, jihoceske.matky@ecn.cz ,

Patricia Lorenz, Friends of the Earth Europe, tel.: +43 (0) 676 44 64 254, patricia.lorenz@foeeurope.org .

Notes:

[1] Press release by the European Commission is available here: http://europa.eu/rapid/press-release_IP-17-464_en.htm