Nuclear safety: financial resources earmarked for the decommissioning of nuclear power plants

2005/2027(INI) - 12/12/2007 - Follow-up document

In October 2004, the Commission presented its first report to the European Parliament on the use of financial resources earmarked for the decommissioning of nuclear power plants.

The report was drafted partly as a result of concerns regarding potential safety implications, should adequate decommissioning funds not be available when needed, and partially because of concerns regarding the distortion of competition within the internal market. The 2004 report was well received and led to an own-initiative report from the European Parliament.

Since the adoption of its first report, the Commission has undertaken an extensive consultation process with all interested parties and stakeholders and adopted a Recommendation on decommissioning funds in 2006. This is a second report on the matter of funds that have been ring-fenced for the decommissioning of nuclear power plants. Its purpose is to compare EU nuclear operators and Member States' funding practices.

The main findings of the study are that the decommissioning of nuclear plants is set to become an increasingly important issue in the years ahead. It can be assumed that under present policies, around one third of the reactors currently operating in the EU will need to be decommissioned by 2025. In spite of specific national legislation more could be done to improve aspects of fund adequacy and management use – in particular through detailed monitoring and reporting. Differences in decommissioning strategies and fund management may lead to a distortion on the liberalised EU energy markets. Decommissioning costs, including the final disposal of waste, has to be seen as part of the electricity production costs and should be compatible with state aid rules.

The report urges the Member States to adopt a more transparent approach when reporting on the financial resources for decommissioning. Liability assessments should follow agreed accounting principles with estimates and provisions being made available to the public.

The main differences that currently exist between the Member States relate to the structure and ownership of energy utilities – a distinction that was formed before the internal market in electricity was set up. Liberalising the energy market has brought about an increased need for transparency and more harmonisation in the management of these financial resources. For its part, the Commission, urges the Member States to step up cooperation.

One of the most important objectives that needs to be factored into any future strategy is to ensure that financial resources are set aside to meet the requirements of nuclear plant decommissioning and that they will be available as and when required. Any resources that have been set aside will need to be managed in a transparent manner. Information concerning decommissioning should be made publicly available and not made confidential.

The benefits of harmonised decommissioning methodologies should be explored further at an EU level and common approaches, in the case of new constructions, rigorously pursued.

For its part, the Commission will focus attention on the adequacy of funding, its financial security and the ring fencing that is required in order to guarantee that funds are used only for the purposes for which it was intended.