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

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Fulfilling the undertaking it gave to the European Parliament when the Directive on the internal market in electricity was adopted, this report has been prepared by the Commission on the use of financial resources earmarked for the decommissioning of nuclear plants.

Underlining that this is set to become an increasingly important issue (of the 155 reactors currently operating in the enlarged EU, some 50 to 60 are likely to be decommissioned by 2025), the Commission believes it is vital to ensure that, when the time comes, sufficient financial resources will be available to cover the costs of decommissioning work while guaranteeing a high level of nuclear safety. In addition, the creation of the internal market in electricity requires that these resources be managed with complete transparency and that they be used for the purpose for which they have been set aside.

Decommissioning nuclear plants is a technically complex operation requiring considerable funding. The amount needed to rehabilitate the site of a plant is currently estimated to be around 10 to 15% of the initial investment cost for each reactor to be decommissioned. Whatever means nuclear operators select for setting aside resources, that these sums should be commercially managed is not in itself open to criticism. However, it is not easy to draw a dividing line between “normal” management of these resources and practices that may lead to distortions of competition on the internal market in electricity. The Commission has compiled its report using information received from the 14 Member States that have nuclear plants. This information reveals widely differing situations, in terms both of decommissioning strategies and of the way financial resources are managed. It indicates that the majority of the Member States have chosen the option of external management, i.e. separate from the accounts of the nuclear operator, which seems to offer the greatest transparency and, probably, the best guarantee as to the ultimate use of the financial resources. In some countries, however, financial resources earmarked for decommissioning are entered in the accounts of the electricity producers in the form of provisions.

The Commission is now asking the Member States to provide it with further information which it will use first of all to come up with a common framework and, in the longer term, to harmonise the methods by which decommissioning is financed in the EU. The Union should in fact ensure that resources, once set aside, are managed in accordance with Community law.

The Commission will begin in 2005 by presenting a recommendation to the Member States on the basis of the Euratom Treaty, calling on them to take the necessary measures to ensure that financial resources are managed in a transparent manner and that, when the time comes, they are available to maintain a high level of nuclear safety during decommissioning work.