

EU taxonomy: green label for nuclear and gas

But Germany is against: The taxonomy regulation risks becoming a tool for greenwashing

<https://greenreport.it/news/energia/tassonomia-ue-etichetta-verde-per-nucleare-e-gas/>

[January 3, 2022] **Google automated translation**



The European Commission announced that it has' initiated consultations with the Member States Expert Group on Sustainable Finance and the Platform on Sustainable Finance on a draft text of a supplementary taxonomy delegated act covering certain gas and nuclear related activities ".

In a note, the EU Commission recalls that «The EU taxonomy guides and mobilizes private investments in the activities necessary to achieve climate neutrality in the next 30 years. The energy mix existing in Europe today varies from one Member State to another. Some parts of Europe are

still heavily reliant on high-carbon coal. The taxonomy provides for energy activities that allow member states to move towards climate neutrality from such different positions. And, "Taking into account scientific advice and current technological advances, as well as the different transition challenges between Member States", the Commission believes that "Natural gas and nuclear power can play a role as means to facilitate the transition to a future mainly based on renewable energies. Under the taxonomy, this would mean classifying these energy sources under clear and strict conditions (for example, the gas must come from renewable sources or have low emissions by 2035), particularly as they contribute to the transition to climate neutrality. Furthermore, to ensure transparency, the Commission will amend the delegated act on the disclosure of the taxonomy so that investors can identify whether the activities include gas or nuclear activities and to what extent, so that they can make an informed choice. ".in particular because they contribute to the transition towards climate neutrality. Furthermore, to ensure transparency, the Commission will amend the delegated act on the disclosure of the taxonomy so that investors can identify whether the activities include gas or nuclear activities and to what extent, so that they can make an informed choice. ".in particular because they contribute to the transition towards climate neutrality. Furthermore, to ensure transparency, the Commission will amend the delegated act on the disclosure of the taxonomy so that investors can identify whether the activities include gas or nuclear activities and to what extent, so that they can make an informed choice. ".

According to the note from the EU Commission, «The activities contemplated in this complementary delegated act will accelerate the gradual elimination of more harmful sources, such as coal, and will guide us towards a more ecological and low-carbon energy mix. As with other activities under the taxonomy regulation, the criteria for gas and nuclear activities will be updated as technology evolves.

This is exactly what environmental associations and various European countries feared (and other countries asked for) the opening to nuclear power as sustainable / renewable energy and the slowing of the transition from fossil fuels to renewables and, according to the taxonomy draft text revealed by *Reuters* and *Politico* , nuclear energy should be recognized as a sustainable economic activity as long as EU countries hosting power plants can safely dispose of radioactive waste and cause " *no significant damage*" to the environment, while the construction of new nuclear power plants will be recognized as green for permits granted until 2045. Meanwhile, investments in gas will continue to be labeled as green transition energy, if they produce emissions below 270 g of CO2 equivalent per kilowatt hour (kWh), they replace traditional fossil fuels such as coal production and receive a building permit by the end of 2030.

A very non-selective labeling system, given that it should cover the industries that produce around 80% of all greenhouse gas emissions in the EU. The Commission has also taken steps to apply the taxonomy to some state funding, which means that regulations could decide which projects are eligible for certain public finances.

At the beginning of last year, the EU Commission had to postpone the decision on the classification of nuclear and gas after the disputes within the panel of commissioners on whether to assign them the green label. But, recent increases in electricity prices have forced Brussels to relaunch the problem.

To enter into force, the draft proposal must be approved by the majority of EU member states and the European Parliament, but 2022 begins with a clear division between Germany and France (which is the new EU president in office.) precisely on these energy objectives: on 1 January the

new German traffic light coalition government (Social Democrats, Greens and Liberals) harshly criticized the proposals of the EU Commission chaired by the German Christian Democrat Ursula von der Leyen and the Minister of Economy and Protection of the climate Robert Habeck and environment minister Steffi Lemke, both of the Grünen, rejected the Commission's initiative and Habeck, who is also German deputy chancellor, said that "Berlin could not support the proposed program".

What has infuriated the German government is the sentence of the draft delegated act, sent on December 31 to the EU countries, which states that "It is necessary to recognize that the fossil gas and nuclear energy sectors can contribute to decarbonisation of the EU economy "and that this applies to all" new nuclear plants for which the construction permit has been issued by 2045 ".

Habeck told the German news agency *dpa* that the Commission's proposal on nuclear power and gas «annacqua the good label for sustainability. From our point of view, there would have been no need for this addition to the taxonomy rules. We do not see an approval of the new proposals. It is questionable whether this greenwashing will be accepted by the financial markets ».

In an interview with the media group *Funke* , Lemke was even tougher: «I think it is absolutely wrong that the European Commission intends to include nuclear energy in the EU taxonomy for sustainable economic activities. Nuclear energy could lead to devastating environmental disasters and leave behind large amounts of high-level hazardous radioactive waste, and therefore cannot be sustainable. '

To push hard for nuclear to be included in the EU taxonomy were countries such as France, Poland and other Eastern European countries that argue that it is an essential, low carbon technology necessary to provide energy security while the EU will switch to renewable energy in the coming decades. Environmentalists argue that the colossal investments needed to build, manage and decommission nuclear power plants divert enormous resources from the development of renewable energy to allocate them to the most expensive and dangerous way of producing energy. In addition to Germany, countries like Austria or Luxembourg think so, which would like to see nuclear energy disappear from the EU instead of encouraging the construction of new plants through green labeling. In Italy, where two referendums have rejected nuclear power, the government is still discussing a possible nuclear renaissance while it has not yet been possible to identify the single national repository for waste.

While Germany saw growing opposition to nuclear power following the Fukushima Daiichi disaster in 2011 and Christian Democratic Chancellor Angela Merkel had initiated a phasing out of nuclear power resulting in the closure of three of the country's six remaining power plants on December 31, 2021. , France, heavily dependent on nuclear power - 70% of its electricity, although this share is expected to be halved over the next 15 years and if Paris has pledged to shut down 12 nuclear reactors by 2035 - spearheaded the offensive in favor of atom as a clean alternative. Thus, the assault European Emmanuel Macron has found interested allies in the former Communist and sovereign countries of Eastern Europe which are most dependent on fossil fuels and which have defended gas as a possible transitional energy source.

The prospects that the draft proposed by the von der Leyen Commission will be rejected are slim because the majority of EU countries have not spoken out against nuclear energy and, if they support the proposal, it will become law from 2023.

The German opposition had so far delayed the presentation of the draft taxonomy, but the text of the von der Leyen Commission seems almost a revenge of the German Christian Democrats for the defeat suffered in the federal elections: it is particularly problematic for the Grünen, who have always opposed to nuclear power and that I am the most important shareholder of the Social Democratic Chancellor Olaf Scholz.

German Greens MEP Rasmus Andresen concludes: “The proposal from Commission President Ursula von der Leyen is a step backwards. Its credibility on climate policy has undergone significant cracks. Nuclear and fossil gas are not sustainable. There are more realistic and better alternatives to making Europe climate neutral. Von der Leyen's proposal sets the wrong incentives for investors. The taxonomy regulation risks becoming a tool for greenwashing ».