(English version)

Question for written answer E-000736/25
to the Commission
Tomáš Zdechovský (PPE)
(18 February 2025)

Subject: Clarification on state aid conditions for JEDU II (Dukovany II nuclear power plant)

In the light of the Commission's decision to approve state aid for the construction of the Dukovany II nuclear power plant in the Czech Republic (SA.58207) and the related press release dated 30 April 2024 ([1]), we would like to request clarification on the following points:

1. The press release states that 'market prices provide incentives to reduce production and plan maintenance and refuelling when market prices are low'. Given that nuclear reactor fuel cycles are fixed and outages cannot be flexibly planned based on short-term market conditions, can the Commission explain on what analysis this claim is based?

2. According to the Bank of America report of May 2023 entitled 'The nuclear necessity', the real system costs of renewable energy, including grid adaptation and backup costs, are higher than those of nuclear energy. On what basis did the Commission conclude that limiting nuclear production in favour of renewables will lead to lower CO_2 emissions overall?

3. Who specifically on the Czech side approved the final terms of the agreement with the Commission, and was the Czech Ministry of Industry and Trade (MPO) obliged to accept the changes proposed by the Commission, or was there room for negotiation on alternative solutions?

Submitted: 18.2.2025

Answer given by Executive Vice-President Ribera on behalf of the European Commission
(19 May 2025)

The statement referred to by the Honourable Member is based on the Commission's assessment of the parameters of the formula calculating the remuneration of the beneficiary under the electricity purchase contract. The contract, in addition to providing revenue stability and limiting overcompensation, also ensures appropriate financial incentives to reduce production and plan maintenance when market prices are low and to increase production when market prices are high, within the boundaries of the technical flexibility potential of the nuclear power plant. Therefore, the Commission considers that the remuneration formula incentivises the power plant to use the available technical flexibility as efficiently as possible, reducing the distortive effect of the measure. For more details, please consult the Commission's Decision ([2]).

The Commission did not conclude that limiting nuclear production in favour of renewables will lead to lower CO_2 overall emissions. The approved measure does not impose any limitation of such production. Where market conditions are such that prices are below marginal cost of production, the parameters of the formula calculating the remuneration of the beneficiary can create incentives to temporarily reduce output. For existing nuclear plants, periods of low demand and high renewable production have already resulted in operators voluntarily choosing to temporarily reduce nuclear output. This is a consequence of market operators being exposed to efficient price signals.

The Commission cannot comment on the content or the identity of parties of the discussions concerning the state aid case on state support for the construction of the Dukovany II nuclear power plant in the Czech Republic (SA.58207). In the interest of transparency and legal certainty, the Commission has made public all relevant information in the state aid decision.

([1]) https://ec.europa.eu/commission/presscorner/detail/en/ip_24_2366.
([2]) SA.58207 — Support for Dukovany II, a new nuclear power plant in Czechia https://competition-cases.ec.europa.eu/cases/SA.58207.