

ECA Watch

OECD

Members of the Arrangement on Officially Supported Export Credits

Paris, June 11 2009

Dear Members of the committee,

RE: Extending the of the maximum repayment term for nuclear power plants.

We are writing to you now as it has recently come to our attention that the June meeting of the OECD will consider a proposal to extend the maximum repayment term of export credits for nuclear power plants beyond 15 years. We strongly oppose this extension, as nuclear energy is already a heavily subsidised sector whose safety record and environmental benefits are still in question.

As you may be aware, the nuclear industry has already received € billions of public money for every step of its dangerous existence, from research and development to decommissioning of nuclear power plants. Public money has even backed up projects that never managed to produce electricity such as the "Schnelle Brüter" in Germany or the "Bataan" NPP on the Philippines. On top of this, in many countries, the public purse is used to cover the main bulk of the financial risk of accidents, and nuclear exports are guaranteed through export credit agencies.

To continue public investment in an industry that had until recently been in decline does not make economic or environmental sense. On the economic side, nuclear power plants are notoriously expensive. For example, the Finnish Olkiluoto 3 plant is three and a half years behind schedule and already more than 50 per cent over budget. On the environmental side, despite the industry trying to use warnings of climate change to its advantage there are strong doubts that it is as efficient as claimed, especially taking into account the long-term clean up costs. Recent research has shown that "A four-fold increase of nuclear power generation, from today's 2,600 TWh/year to 9,900 TWh/year in 2050, would only reduce CO₂ emissions from the energy sector by 6 per cent (around 4 per cent of overall greenhouse gases)." To put

this in context, these figures would require the building of around 32 large nuclear reactors every year from now until 2050.¹

Betting on nuclear as the answer to climate change would be too little too late as even doubling capacity could not feasibly happen until 2030 and the great shift in energy systems needs to take place in the coming 10-15 years.

If the aim behind prolonging repayment terms for nuclear power plants is to encourage investment and help to fight climate change, we would strongly question this assumption. Our research has shown that continuing to support nuclear power will instead increase the financial risk of cost-overruns, the legal risk of building without a proper licence,² and increase the global danger of accidents and terrorist attacks. Most importantly, the public would be footing the bill for creating substantial risks for the environment and human health in the form of nuclear waste that will last for generations.

We have tried to keep the above arguments short, but would be keen to discuss this further if you would like further information. In the meantime, we hope you will use your vote to ensure the fifteen year repayment term for export credits for nuclear power plants is not extended.

Yours

Regine Richter, Urgewald, Germany

Monica Vargas, ODG, Spain

Antonio Tricarico, Campagna per la Riforma della Banca Mondiale, Italy

Nick Hildyard, The Corner House, UK

Wiert Wiertsema, Both Ends, Netherlands

Sebastien Godinot, Amis de la Terre, France

Heike Drillisch, Counter Current Germany

Saskia Ozinga, Fern

Michael Mariotte, Nuclear Information and Resource Service

Johan Frijns, BankTrack

Jan Beránek, Greenpeace International

Thomas Wenidoppler, ECA Watch Austria, Austria

¹ Energy Technology Perspectives, 2008 Blue Map scenario. International Energy Agency, Energy Technology Perspectives 2008 (Paris: IEA, 2008)

² as in the case of the Gorleben waste storage