

THE MESSAGE



CONTROVERSIAL ENERGIES

Nuclear and gas

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Consistency is a virtue of the few. For some it may be a silly thing or it could be defined as lack of imagination (O. Wilde) or mummification of thoughts, even though changing one's vision should require much pondering over the reasons for the change. Often consistency gives way to more urgent needs, and perhaps we tell small lies, more or less plausible, to convince ourselves that we didn't do an about-face.

Europe, too, has an urgent need: energy. And in view of a potential economic re-start, hopefully in the near future, such a need becomes ever more urgent.

Sustainable finance
according to



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As of today renewable energies are far from being able to face the gargantuan market demand. For some member states and European politicians solar panels, wind turbines and hydrogen alone won't even be able to reach the intermediate 2030 objective set by the Fit for 55 (-55% net emissions vs 1990), let alone the final target of zero net emissions by 2050.

As a result, on the last day of 2021 the EU Commission started consultations to draft a Taxonomy Complementary Delegated Act to include gas and nuclear energy within the EU Taxonomy, effectively accepting these two energy sources. A possibility that already emerged in the COP26 as we pointed out in The long and winding road. Not a small change if we think that exactly two years ago, on Jan 15th, 2020, the European Parliament approved with a large majority the Green Deal where the two sources were considered as not sustainable. Have we discovered something new about gas and nuclear, perhaps? Macron, first to support the inclusion of nuclear in the Taxonomy, should build this year a new radioactive high-level waste (half-lives of tens or hundreds thousand years) storing facility in Bure. They say that the town welcome sign reads: "twinned with Chernobyl, Fukushima and Three Mile Island". It's the same Macron that at the time of the French elections promised to close 14 of the 58 nuclear reactors by 2035 in the name of energy transition and that now, for the same reason, proposes to open new plants and storage facilities.

Gas and nuclear will be considered as sources compliant with the energy transition until renewables will be sufficient. But let's try to run some numbers: seven years are needed to build a nuclear plant and the average life of a third-generation reactor is estimated in 60-100 years. How could this be considered a transition project, when the net zero target is set by 2050? Moreover building costs are so exorbitant that nuclear energy costs as much as three times offshore wind and as much as six times solar. One could say that the long operational life of a nuclear plant gives the time to pay back the initial investment but this too is a weak argument considering the average of a wind or solar farm and the fact that their production cost per installed kwh falls year after year. The truth is that the investments in gas and nuclear are crowding out those in green sources.

The EU Commission's proposal brought about a dispute among member states (and not only) that support it, like France, and those that are against it, like Germany. A final decision has not been reached yet, but it's easy to see the efforts in minimizing potential objections if we consider that the consultations have been opened on the last available day, leaving only 12 days (extended to 21 at the deadline) to the expert panel to express an opinion, and that 72% of member states are thought to be against the inclusion of gas and nuclear in the Taxonomy.

If today solar, wind and hydrogen technologies could address our energy needs,



would Ursula von der Leyen include gas and nuclear among the sustainable sources?

Perhaps the answer would help us understand if the decision has been taken out of conviction or simply to face an immediate need for energy.

By the end of May we should know the final decision. Regardless, however, private

investors may split between those who'll follow the Taxonomy and those who, in line with the german minister for economic affairs and climate action Robert Habeck, will think of the inclusion of gas and nuclear as mere greenwashing. Different shades of green even within the Art. 9 funds.

