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ICC contribution on Nuclear Energy

Prepared by the ICC Commission on Environment and Energy for the 14th Session of the Conference of the Parties (COP-14) of the UN Framework Convention on Climate Change (UNFCCC)

NUCLEAR ENERGY – THE CASE FOR INCENTIVISATION UNDER THE UNFCCC FRAMEWORK

To meet the aims of the UNFCCC a full range of technologies must become available to enable emissions reductions in the most cost-efficient manner possible, both in the context of the existing Kyoto framework and beyond 2012, under the work of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention ("AWG LCA").

It is vital that barriers to the development and implementation of both existing and new technologies should therefore be removed. For example, the inclusion of "negative" technology lists such as that in the Clean Development Mechanism ("CDM") and Joint Implementation ("JI") represents a major challenge to the development of low-emission electricity generation technologies such as nuclear energy and hence to meeting the ultimate objectives of the UNFCCC.

The need for nuclear energy

Electricity generated from nuclear power stations is sustainable, secure and affordable. Nuclear electricity has very low lifecycle emissions of greenhouses gases and utilises as fuel a uranium resource that is available and abundant in many politically stable parts of the world, facts that are of great interest to governments seeking to drive economic development through access to energy—as well as those wishing to maintain a degree of energy security in a world of increasing energy insecurity.

Wider deployment of nuclear power can contribute to the decarbonisation of electricity systems and consequentially the decarbonisation of industry. It can be applied to reduce other sources of greenhouse gas emissions through applications such as process heat, hydrogen production and desalination. In the medium-long term the use of nuclear for transportation, by providing low-GHG electricity to as plug in hybrids or hydrogen for fuel cell-power vehicles, could offer flexibility to curb emissions in this difficult sector.

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Advanced nuclear power can enhance access to clean energy, improve energy security and promote environmental protection at local, regional and global levels. A robust mix of energy sources, including nuclear, combined with improved end-use efficiency, will almost certainly be required to meet the growing demand for energy services, particularly in many developing countries. It is therefore of great importance that nuclear is recognised as a mitigation technology if the aims of the UNFCCC are to be realised.

Key challenges for the deployment of nuclear generation

Key factors of success for nuclear deployment are well identified: safety, acceptability and economic competitiveness. These issues must be addressed and dealt with for every nuclear project.

Nuclear power plants require significant capital investment. While nuclear power plants are far less sensitive to variations in fuel costs the initial capital required can deter investors.

Nuclear generation in new countries requires the development strong governance – particularly sound waste management programmes, safety policies and non-proliferation practices and the application of the same high regulations standards that apply to existing nuclear generation. In addition there is a requirement to ensure that sufficient capacity building in education and employment occurs.

Support for nuclear energy through CDM, JI and future climate change policies and measures can help address these issues.

Nuclear energy in non-Annex 1 countries

Nuclear generation is already being used in a number of non-Annex 1 countries, including China, India, South Africa and Brazil. With supportive policies and measures in place, industry will continue to use its expertise to deploy nuclear generation safely and with environmental integrity.

It is important that nuclear energy retains recognition as a valid abatement option not only in Annex I countries but also in non-Annex 1 countries and stable financing options are open to enable investment in nuclear generation. New investments models have to be implemented involving consumers through local communities, industries, state-owned companies, as well as utilities. Investment in regulated and de-regulated electricity market should be facilitated.

Recommendations to policy makers

ICC recommends to the COP/MOP that:

1. It is acknowledged that the deployment of nuclear power in both Annex 1 and non-Annex 1 countries has the ability to further reduce emissions of carbon dioxide to the atmosphere. The removal of the "negative" technology list from any agreement on post-2012 sustainable mechanisms will assist the deployment of mature nuclear generation technology.

2. ICC therefore requests that Parties, as part of negotiations under the "Bali Roadmap", give serious consideration to removing the "negative" technology list from any agreement on post-2012 sustainable mechanisms, such as CDM and JI project activities, and examines how to best promote the development and deployment of all mitigation and adaptation technologies as part of the discussions on technology, technology dissemination and finance.

More detailed ICC views on the role of the Kyoto Mechanisms are available at www.iccwbo.org.