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German reactor deal shields energy companies from future costs



The leaked memo is designed to prevent future changes

The German government has disclosed that it will indemnify utility companies if their nuclear reactors require expensive upgrades, or if a future government prolongs taxation of the plants.

In a secret, "green-proof," memo, which the German government made public just hours after it was leaked, electric utility companies have been offered protection against future financial demands.

The leaked agreement - part of a new German energy pact to extend the lifespan of the country's nuclear power plants - caps the bill for utilities to upgrade each of their 17 nuclear facilities at 500 million euros (\$640 million).

The operators are required to make their reactors more secure against radioactive leaks and terrorists attacks.

The utilities are also assured in the memo that if a new fuel-rod tax, which is supposed to expire in 2016, were to be extended by a new government, the utilities would be allowed to reduce their mandatory contributions to a renewable energy fund for reducing carbon dioxide emissions.



The opposition wants to pull the plug on nuclear energy

Critics call memo a 'dirty deal'

Critics say the memo is intended to foil any future Social Democrat-Green government from rolling back Chancellor Angela Merkel's pro-nuclear policies.

Demonstrators opposed to the government's decision to extend the lifetimes of Germany's nuclear power stations stacked 150 fake barrels of nuclear waste in front of parliament in Berlin on Thursday.

The opposition Greens, who helped introduce the sunset policy to shut down German reactors by 2022, have attacked the center-right government's pro-nuclear swerve. Deputy caucus leader, Baerbel

Hoehn, called the memo a "dirty deal" which only benefits the four big energy companies, Eon, RWE, EnBW and Vattenfall.

Merkel argues that nuclear power generation is needed as a "bridge." Renewable energy technologies, she says, are not yet developed enough to fill the gap, which would be left behind if nuclear plants were to be shut down as originally planned.

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