

Vice-President
Maroš Šefčovič

Commissioner
Miguel Arias Cañete

Commissioner
Margrethe Vestager

Berlin, 26th November 2015

The dangerous impact of Hinkley Point C on the European and German electricity markets

Dear Vice-President, dear Commissioners,

We are writing to you today to express our support for Greenpeace Energy's action for annulment against the European Commission's decision to approve the State aid package for the construction and operation of Hinkley Point C. We also wish to express our disapproval of the British government's plans to pursue such a risky and extremely expensive project. Both these decisions are at odds with the Energy Union and the transformation of our energy markets.

This nuclear power plant represents a colossal waste of money: According to EDF, building costs are now estimated at £24.5 billion (€34 billion). Furthermore, the project will cost an estimated £76 billion (€108 billion), because of the guaranteed inflation proof strike price of (initially) £92.50/MWh (€120/MWh) over 35 years. Instead of relying on the development of domestic energy sources, such as renewable energy, that not only contribute to an increased security of supply but also have a number of benefits in terms of added value and job creation, the British government is choosing to waste taxpayers' money on an outdated and dangerous technology.

In addition, the government is endangering the development of renewable energy in Great Britain. Seeing that in recent years power prices have consistently fallen and are expected to continue to do so, guaranteed support for nuclear for over 35 years will limit the possibilities of support for all other technologies and also risks bringing the development of RE projects to a halt.

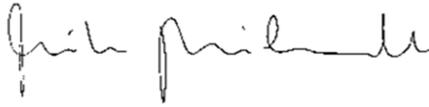
Furthermore, the high subsidies granted to Hinkley Point C will allow it to sell its power at a very low price. As a consequence, power prices will drop in Britain, and, via cross-border power transfer and trading, also in Germany and across the EU. According to a study commissioned by Greenpeace Energy, the average German wholesale power price could drop between 10 to 30 euro cent/MWh depending on the expansion of cross-border interconnection capacity. This represents a competitive disadvantage for German renewable power providers, which would stand to lose up to as much as six-digit figures.

Hinkley Point C will have an impact on the equalisation scheme in Germany (Ausgleichsmechanismus) and thus also German consumers. The lower the market price at which power is sold, the higher the differential costs passed on to final consumers. This will put a strain on the development of renewable energy, both in terms of costs as well as public acceptance.

Dear Vice-President, dear Commissioners, we call on you to revise your decision regarding the construction of the nuclear power plant Hinkley Point C. This project will have a tremendously negative impact on the future European energy market and the competitiveness of energy sources in the Mem-

ber States. It is incompatible with the completion and further development of the internal electricity market and with European energy policy priorities.

Yours sincerely,



Dr. Ing. E.h. Fritz Brickwedde
BEE President

The German Renewable Energy Federation (BEE) and its members support Greenpeace Energy



Bundschuh-Biogaz-Gruppe e.V. (BBG) | Förderkreis Biogas e.V. | OWAG Ostbayerische Windanlagen GbR | Windenergie Norddeifel e.V.