



EUROPEAN PARLIAMENT

2009 - 2014

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*Session document*

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**A7-0142/2010**

5.5.2010

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## **REPORT**

on the proposal for a Council regulation on Community financial assistance with respect to the decommissioning of Units 1 to 4 of the Kozloduy Nuclear Power Plant in Bulgaria - 'Kozloduy Programme'  
(COM(2009)0581 – C7-0289/2009 – 2009/0172(NLE))

Committee on Industry, Research and Energy

Rapporteur: Rebecca Harms

### ***Symbols for procedures***

- \* Consultation procedure  
*majority of the votes cast*
- \*\*I Cooperation procedure (first reading)  
*majority of the votes cast*
- \*\*II Cooperation procedure (second reading)  
*majority of the votes cast, to approve the common position  
majority of Parliament's component Members, to reject or amend  
the common position*
- \*\*\* Assent procedure  
*majority of Parliament's component Members except in cases  
covered by Articles 105, 107, 161 and 300 of the EC Treaty and  
Article 7 of the EU Treaty*
- \*\*\*I Codecision procedure (first reading)  
*majority of the votes cast*
- \*\*\*II Codecision procedure (second reading)  
*majority of the votes cast, to approve the common position  
majority of Parliament's component Members, to reject or amend  
the common position*
- \*\*\*III Codecision procedure (third reading)  
*majority of the votes cast, to approve the joint text*

(The type of procedure depends on the legal basis proposed by the Commission.)

### ***Amendments to a legislative text***

In amendments by Parliament, amended text is highlighted in ***bold italics***. In the case of amending acts, passages in an existing provision that the Commission has left unchanged, but that Parliament wishes to amend, are highlighted in **bold**. Any deletions that Parliament wishes to make in passages of this kind are indicated thus: [...]. Highlighting in *normal italics* is an indication for the relevant departments showing parts of the legislative text for which a correction is proposed, to assist preparation of the final text (for instance, obvious errors or omissions in a given language version). Suggested corrections of this kind are subject to the agreement of the departments concerned.

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## DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**on the proposal for a Council regulation on Community financial assistance with respect to the decommissioning of Units 1 to 4 of the Kozloduy Nuclear Power Plant in Bulgaria - 'Kozloduy Programme'  
(COM(2009)0581 – C7-0289/2009 – 2009/0172(NLE))**

**(Consultation procedure)**

*The European Parliament,*

- having regard to the Commission proposal to the Council (COM(2009)0581),
  - having regard to Article 30 of the Act concerning the conditions of Accession of the Republic of Bulgaria and Romania and the adjustments to the treaties on which the European Union is founded, concerning Reactors 1 to 4 of the Kozloduy nuclear power plant in Bulgaria,
  - having regard to the Communication from the Commission to the Council and the European Parliament entitled 'Nuclear safety in the European Union' (COM(2002)0605),
  - having regard to Article 203 of the Euratom Treaty, pursuant to which the Council consulted Parliament (C7-0289/2009),
  - having regard to Rule 55 of its Rules of Procedure,
  - having regard to the report of the Committee on Industry, Research and Energy and the opinions of the Committee on Budgets and the Committee on the Environment, Public Health and Food Safety (A7-0142/2010),
1. Approves the Commission proposal as amended;
  2. Considers that the proposal for a Council regulation is compatible with the ceiling for subheading 1a of the multiannual financial framework (MFF) for 2007-2013 but that the margin remaining in subheading 1a for 2011-2013 is very limited; stresses that the funding of new activities must not jeopardise existing programmes and initiatives under subheading 1a;
  3. Reiterates its call, therefore, for the presentation of a multiannual strategy for the Kozloduy decommissioning programme, as well as for other political priorities under subheading 1a, in the context of the mid-term review of the current MFF, accompanied by concrete proposals to adjust and revise it before the end of the first semester of 2010 by using all mechanisms available under the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management (IIA of 17 May 2006), particularly those in points 21 to 23 thereof;
  4. Points out that the annual amount for the Kozloduy decommissioning programme will be determined during the annual budgetary procedure in accordance with the provisions of

point 38 of the IIA of 17 May 2006;

5. Calls on the Commission to alter its proposal accordingly, pursuant to Article 106a of the Euratom Treaty and Article 293(2) of the Treaty on the Functioning of the European Union;
6. Calls on the Council to notify Parliament if it intends to depart from the text approved by Parliament;
7. Asks the Council to consult Parliament again if it intends to amend the Commission proposal substantially;
8. Instructs its President to forward its position to the Council and the Commission.

## Amendment 1

### Proposal for a regulation

#### Recital 1

*Text proposed by the Commission*

(1) Bulgaria **committed itself** to the closure of Units 1 and 2 and Units 3 and 4 of the Kozloduy Nuclear Power Plant by 31 December 2002 and 31 December 2006, respectively and to the subsequent decommissioning of these units. The European Union expressed its willingness to continue to provide financial assistance up to 2009 as an extension of the pre-accession aid planned under the Phare programme in support of Bulgaria's decommissioning efforts.

*Amendment*

(1) **During the accession negotiations in 2005**, Bulgaria **agreed** to the closure of Units 1 and 2 and Units 3 and 4 of the Kozloduy Nuclear Power Plant by 31 December 2002 and 31 December 2006, respectively and to the subsequent decommissioning of these units. The European Union expressed its willingness to continue to provide financial assistance up to 2009 as an extension of the preaccession aid planned under the Phare programme in support of Bulgaria's decommissioning efforts. **The European Union also gave assurances at that time that the financial assistance would be considered as part of an overall review of Community support for the period 2007-2013.**

## Amendment 2

**Proposal for a regulation**  
**Recital 2**

*Text proposed by the Commission*

(2) The 2005 Treaty concerning the accession of the Republic of Bulgaria and Romania to the European Union, and in particular Article 30 of the Act concerning the conditions of accession of the Republic of Bulgaria and Romania and the adjustments to the Treaties on which the European Union is founded, established in view of Bulgaria's commitment to close Unit 3 and Unit 4 of the Kozloduy Nuclear Power Plant an assistance programme (hereinafter referred to as 'Kozloduy Programme') with a budget of EUR 210 million for the period 2007 to 2009.

*Amendment*

(2) The 2005 Treaty concerning the accession of the Republic of Bulgaria and Romania to the European Union, and in particular Article 30 of the Act concerning the conditions of accession of the Republic of Bulgaria and Romania and the adjustments to the Treaties on which the European Union is founded, established in view of Bulgaria's commitment to close Unit 3 and Unit 4 of the Kozloduy Nuclear Power Plant an assistance programme (hereinafter referred to as 'Kozloduy Programme') with a budget of EUR 210 million for the period 2007 to 2009. ***That programme includes assistance to cover the capacity loss as a consequence of the closure of Kozloduy nuclear power plant.***

*Justification*

*The financial assistance aims at the complex solution of the closure of NPP Kozloduy, including the financial burden of the Republic of Bulgaria in the process of integration into the European Union.*

**Amendment 3**

**Proposal for a regulation**  
**Recital 2 a (new)**

*Text proposed by the Commission*

*Amendment*

***(2a) The principles of Community solidarity and equal treatment require an even-handed approach to be taken, now as in the past, to Member States in need of support funding for nuclear decommissioning, following commitments to close nuclear power plants units, as laid down in their Accession Treaties or in attached Protocols.***

## Amendment 4

### Proposal for a regulation Recital 4

#### *Text proposed by the Commission*

(4) The Union recognises the effort made and the good progress achieved by Bulgaria in the decommissioning preparation stage of the Kozloduy Programme utilising the community funds put in place until 2009, and the need for further financial support beyond 2009 in order to continue the progress with the actual dismantling operations.

#### *Amendment*

(4) The Union recognises the effort made and the good progress achieved by Bulgaria in the decommissioning preparation stage of the Kozloduy Programme utilising the community funds put in place until 2009, and the need for further financial support beyond 2009 in order to continue the progress with the actual dismantling operations ***in accordance with the 2005 Accession Treaty, whilst applying the highest safety standards.***

## Amendment 5

### Proposal for a regulation Recital 5

#### *Text proposed by the Commission*

(5) It is equally important to use the Kozloduy Nuclear Power Plant's own resources, as this contributes to the availability of the necessary expertise and at the same time mitigates the social and economic impact of the early closure by continuously employing the staff from the closed nuclear power plant. The continued financial support is therefore important to maintain the required safety ***standard.***

#### *Amendment*

(5) It is equally important to use the Kozloduy Nuclear Power Plant's own resources, as this contributes to the availability of the necessary expertise, ***enhances know-how and skills, and*** at the same time mitigates the social and economic impact of the early closure by continuously employing the staff from the closed nuclear power plant. The continued financial support is therefore important to maintain the required safety, ***health and environmental standards.***



## Amendment 6

### Proposal for a regulation Recital 6

*Text proposed by the Commission*

(6) The Union recognises also the need for financial support to progress further ***with mitigating measures in the energy sector given the extent of the capacity loss by the closure of the nuclear units and its*** impact on the security of supply ***in the region.***

*Amendment*

(6) The Union recognises also the need ***and the necessity*** for financial support to progress further ***towards a more energy efficient economy which will have a positive*** impact on the security of supply, ***on electricity prices and on the volume of greenhouse gas emissions in Bulgaria. As more progress is needed in Bulgaria with regard to the final disposal of irradiated fuel elements and highly radioactive waste, and as the final disposal of all radioactive substances resulting from the closure of Kozloduy nuclear plant is a highly important process which needs to be carefully planned, the Union should assist the Bulgarian Government in the process of identifying the final disposal solutions, if appropriate on the basis of a study by the Bulgarian Government relating to the safe final disposal of all radioactive substances involved in the decommissioning.***

## Amendment 7

### Proposal for a regulation Recital 6 a (new)

*Text proposed by the Commission*

*Amendment*

***(6a) The loss of generating capacity due to the early closure of Units 1 to 4 of the Kozloduy Nuclear Power Plant has led to a significant additional volume of greenhouse gas emissions, estimated at 15 TWh for the period 2011-2013 with a CO<sub>2</sub>-equivalent of some 1,2 Gg/GWh, and has resulted in about 18 000 Gg or 18 000 kt CO<sub>2</sub>-equivalent additional effect for Bulgaria, thus necessitating additional***

*CO<sub>2</sub> reductions.*

## **Amendment 8**

### **Proposal for a regulation**

#### **Recital 6 b (new)**

*Text proposed by the Commission*

*Amendment*

***(6b) The Union recognises the need to mitigate the effect of increased environmental damage and emissions due to the replacement capacity coming mostly from increased use of lignite plants.***

## **Amendment 9**

### **Proposal for a regulation**

#### **Recital 6 c (new)**

*Text proposed by the Commission*

*Amendment*

***(6c) Mitigation measures to reduce the socio-economic impact of the closure of Units 1 to 4 of the Kozloduy Nuclear Power Plant, such as programmes for retraining affected personnel to use their skills in other sectors, for example industrial research or renewable energy, could require EU financial assistance.***

## **Amendment 10**

### **Proposal for a regulation**

#### **Recital 7**

*Text proposed by the Commission*

*Amendment*

***(7) Consequently,*** provision should be made for a sum of EUR 300 million from the general budget of the European Union to fund the decommissioning of the Kozloduy Nuclear Power Plant over the

***(7) Recognising the inadequate decommissioning and radioactive waste treatment funds from operating profits,*** provision should be made for a sum of EUR 300 million from the general budget

period from 2010 to 2013.

of the European Union to fund the decommissioning of the *Units 1 to 4 of the Kozloduy Nuclear Power Plant* over the period from 2010 to 2013. ***Of this sum, EUR 180 million should be used to support the decommissioning programme and the remaining EUR 120 million to fund both energy efficiency and savings measures.***

## **Amendment 11**

### **Proposal for a regulation Recital 7 a (new)**

*Text proposed by the Commission*

*Amendment*

***(7a) In view of the Commission Ex Ante Evaluation of 27 October 2009<sup>1</sup>, EUR 180 million of the funds is intended to assist the following projects: (1) project management, technical assistance for the support of the implementation of the decommissioning programme; (2) the provision of salaries for experts (operation, maintenance, technical support, project management) at the Kozloduy site, working for the decommissioning of Units 1-4; (3) contribution to the construction of the National Radioactive Waste Disposal Facility, crucial for the implementation of the decommissioning programme, in particular for the storage of low and intermediate level waste in the first 10 years of implementation; (4) site infrastructure and treatment of dismantled waste (including additional allocation for projects already in the tendering process). The improvement of site infrastructure referred to as part of Project 4 may only comprise measures relating to the decommissioning of Units 1-4.***

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<sup>1</sup> SEC (2009) 1431.

## Amendment 12

### Proposal for a regulation Recital 8

*Text proposed by the Commission*

(8) The appropriations of the general budget of the European Union for decommissioning should not lead to distortions of competition in relation to power supply companies on the energy market in the Union. These appropriations should also be used to finance measures ***to compensate the loss of production capacity*** in line with the acquis.

*Amendment*

(8) The appropriations of the general budget of the European Union for decommissioning should not lead to distortions of competition in relation to power supply companies on the energy market in the Union. These appropriations should also be used to finance ***energy efficiency and savings*** measures in line with the acquis ***and the rules of the functioning of the common European energy market.***

## Amendment 13

### Proposal for a regulation Recital 10

*Text proposed by the Commission*

(10) The tasks of the EBRD include managing the public funds allocated to the programmes for decommissioning nuclear power ***plants and*** monitoring the financial management of these programmes so as to optimise the use of public money. In addition, the EBRD carries out the budget tasks entrusted to it by the Commission in line with the requirements of Article *53quinquies* of the Financial Regulation.

*Amendment*

(10) The tasks of the EBRD include managing the public funds allocated to the programmes for decommissioning ***those*** nuclear power ***units that were subject to accession-linked closure agreements.*** ***The EBRD is*** monitoring the financial management of these programmes so as to optimise the use of public money. In addition, the EBRD carries out the budget tasks entrusted to it by the Commission in line with the requirements of Article *53d* of the Financial Regulation.

## Amendment 14

### Proposal for a regulation Recital 11

*Text proposed by the Commission*

(11) In order to ensure the highest possible efficiency, the decommissioning of the Kozloduy Nuclear Power Plant should be carried out with recourse to the best available technical expertise, and with due regard to the nature and technological specifications of the units to be shut down.

*Amendment*

(11) In order to ensure the highest possible efficiency ***and to minimise possible environmental consequences***, the decommissioning of the ***Units 1 to 4 of the*** Kozloduy Nuclear Power Plant should be carried out with recourse to the best available technical expertise, and with due regard to the nature and technological specifications of the units to be shut down.

**Amendment 15**

**Proposal for a regulation**  
**Recital 11 a (new)**

*Text proposed by the Commission*

*Amendment*

***(11a) In order to ensure access to information, public participation and transparency, all appropriate measures should be taken during the decommissioning of the Kozloduy Nuclear Power Plant to fulfil the obligations laid down in international conventions that already provide for the necessary requirements in national, international, or trans-boundary contexts, such as the Aarhus Convention on access to information, public participation in decision-making and access to justice in environmental matters of 25 June 1998<sup>1</sup>.***

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<sup>1</sup> OJ L 124, 17.5.2005, p. 1.

**Amendment 16**

**Proposal for a regulation**  
**Recital 12**

*Text proposed by the Commission*

(12) The decommissioning of *the* Kozloduy Nuclear Power Plant will be carried out in line with the legislation on the environment, particularly Council Directive 85/337/EEC of 27 June 1985 on the assessment of the effects of certain public and private projects on the environment.

*Amendment*

(12) The decommissioning of *Units 1 to 4 of the* Kozloduy Nuclear Power Plant will be carried out *in accordance with Bulgaria's national law and licensing arrangements, and* in line with the legislation on the environment, particularly Council Directive 85/337/EEC of 27 June 1985 on the assessment of the effects of certain public and private projects on the environment.

**Amendment 17**

**Proposal for a regulation**  
**Recital 12 a (new)**

*Text proposed by the Commission*

*Amendment*

*(12a) The activities related to the decommissioning of the Kozloduy Nuclear Power Plant will be carried out in line with the fundamental objective of protecting workers and the general public from the harmful effects of ionising radiation, as laid down in existing legislation, particularly Council Directive 96/29/Euratom of 13 May 1996 laying down basic safety standards for the protection of the health of workers and the general public against the dangers arising from ionizing radiation<sup>1</sup>, thus ensuring the highest level of safety and protection for workers and the general public's health. The mitigation measures in the energy sector through energy efficiency and renewable energy should be supported by a specific Bulgarian national strategy.*

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<sup>1</sup> OJ L 159, 29.6.1996, p.1.

## Amendment 18

### Proposal for a regulation Recital 12 b (new)

*Text proposed by the Commission*

*Amendment*

***(12b) Principles of economy, efficiency and effectiveness in respect of the allocated funds should be ensured through evaluation and performance audits of the previously financed programmes.***

*Justification*

*There is a need to ensure that the funds allocated through the projects in the period 2007-2009 have taken into account sound financial management as defined by the Financial Regulation.*

## Amendment 19

### Proposal for a regulation Recital 13 a (new)

*Text proposed by the Commission*

*Amendment*

***(13a) Articles 53d, 108a and 165 of Council Regulation (EC,Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities<sup>1</sup>, and Articles 35 and 43 of Commission Regulation (EC,Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of Council Regulation (EC,Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities<sup>2</sup> lay down the conditions to be considered under the joint management budget implementation method.***

<sup>1</sup> OJ L 248, 16.9.2002, p.1.

<sup>2</sup> OJ L 357, 31.12.2002, p.1.

### *Justification*

*Further to the Financial Regulation and Implementing Rules, the Commission is entitled to implement its budget by joint management with international organisations if these organisations apply standards which offer guarantees equivalent to internationally accepted standards, in, at least, their accounting, audit, internal control and procurement procedures.*

### **Amendment 20**

#### **Proposal for a regulation Recital 13 b (new)**

*Text proposed by the Commission*

*Amendment*

***(13b) The Kozloduy case should serve as an example, and a complete and precise budget of decommissioning should be drawn up by the Commission for analysis and forecasting of costs of future decommissioning of nuclear power plants.***

### **Amendment 21**

#### **Proposal for a regulation Article 1**

*Text proposed by the Commission*

*Amendment*

This Regulation establishes the programme laying down detailed rules for the implementation of Community's financial contribution to address the decommissioning of Units 1 to 4 of the Kozloduy Nuclear Power Plant and the consequences of their closure in Bulgaria (hereinafter referred to as 'Kozloduy Programme').

This Regulation establishes the programme laying down detailed rules for the implementation of Community's financial contribution to address ***the further process of*** the decommissioning of Units 1 to 4 of the Kozloduy Nuclear Power Plant and the consequences, ***with regard to the environment, economy and security of supply in the region,*** of their ***early*** closure in Bulgaria (hereinafter referred to as 'Kozloduy Programme').

### *Justification*

*Compensation would not be necessary at all if the plants continued to operate for their design lifetime.*



## Amendment 22

### Proposal for a regulation Article 2

#### *Text proposed by the Commission*

The Community contribution to the Kozloduy Programme shall be granted for the purpose of providing financial support for measures connected with the decommissioning of the Kozloduy Nuclear Power Plant, measures for environmental upgrading in line with the acquis and for modernising **conventional** production capacity to replace the production capacity of the four reactors at the Kozloduy Nuclear Power Plant and other measures which stem from the decision to close and decommission **this plant** and which contribute to the necessary restructuring, upgrading of the environment and modernisation of the energy production, transmission and distribution sectors in Bulgaria as well as to enhancing security of supply **and** energy efficiency in Bulgaria.

#### *Amendment*

The Community contribution to the Kozloduy Programme shall be granted for the **primary** purpose of providing financial support for measures connected with the decommissioning of **Units 1 to 4 of** the Kozloduy Nuclear Power Plant. **It shall also be directed at** measures for environmental upgrading in line with the acquis and for modernising production capacity to replace the production capacity of the four reactors at the Kozloduy Nuclear Power Plant and other measures which stem from the decision to close and decommission **those units** and which contribute to the necessary restructuring, upgrading of the environment and modernisation **and strengthening** of the energy production, transmission and distribution sectors in Bulgaria as well as to enhancing security **and a higher standard** of supply, energy efficiency **and use of renewable energy** in Bulgaria, **while encouraging energy-saving measures and promoting renewable energies. Financial support can also be provided in order to mitigate the socio-economic transition in the affected communities, for example through developing new sustainable jobs and industries.**

## Amendment 23

### Proposal for a regulation Article 3 - paragraph 1

#### *Text proposed by the Commission*

1. The financial reference amount necessary for the implementation of the Kozloduy programme for the period from 1

#### *Amendment*

1. The financial reference amount, **within the meaning of point 38 of the IIA of 17 May 2006, that is** necessary for the

January 2010 to 31 December 2013 shall be EUR 300 million.

implementation of the Kozloduy programme for the period from 1 January 2010 to 31 December 2013 shall be EUR 300 million.

## Amendment 24

### Proposal for a regulation Article 3 – paragraph 2

#### *Text proposed by the Commission*

2. The annual appropriations shall be authorised by the budgetary authority within the limits of the financial perspectives.

#### *Amendment*

2. The annual appropriations shall be authorised by the budgetary authority within the limits of the financial perspectives **and according to the requirements of the decommissioning process.**

#### *Justification*

*The implementation of the Kozloduy Programme Agreement should be a smooth and successful process of economic and social involvement of the Republic of Bulgaria into the European Union.*

## Amendment 25

### Proposal for a regulation Article 3 - paragraph 3

#### *Text proposed by the Commission*

3. The amount of the appropriations allocated to the Kozloduy Programme **may** be reviewed in the course of the period from 1 January 2010 to 31 December 2013 to take account of the progress made with the implementation of the programme and to ensure that the programming and allocation of the resources are based on actual payment needs and absorption capacity.

#### *Amendment*

3. The amount of the appropriations allocated to the Kozloduy Programme **shall** be reviewed in the course of the period from 1 January 2010 to 31 December 2013 to take account of the progress made with the implementation of the programme, **and to take account of the long-term impacts on, and consequences for, the environment, economy and security of supply as a result of the early closure of Units 1 to 4 of the Kozloduy Nuclear Power Plant**, and to ensure that the programming and allocation of the resources are based on actual payment

needs and absorption capacity.

## Amendment 26

### Proposal for a regulation

#### Article 5 – paragraph 2

*Text proposed by the Commission*

2. Measures under the Kozloduy Programme shall be adopted in accordance with Article 8(2).

*Amendment*

2. Measures under the Kozloduy Programme shall be adopted in accordance with Article 8(2). ***They shall comply with EU rules on public procurement.***

## Amendment 27

### Proposal for a regulation

#### Article 6 – paragraph 1

*Text proposed by the Commission*

1. The Commission may have an audit of the use made of the assistance carried out either directly by its own staff or by any other qualified outside body of its choice. Such audits may be carried out throughout the duration of the agreement between the Community and the EBRD on making Community funds available to the Kozloduy International Decommissioning Support Fund and for a period of five years from the date of payment of the balance. Where appropriate, the audit findings may lead to recovery decisions by the Commission.

*Amendment*

1. The Commission ***shall monitor, and*** may have an audit of the use made of the assistance carried out either directly by its own staff or by any other qualified outside body of its choice. Such audits may be carried out throughout the duration of the agreement between the Community and the EBRD on making Community funds available to the Kozloduy International Decommissioning Support Fund ***in accordance with the rules of the International Atomic Energy Agency and the International Energy Agency*** and for a period of five years from the date of payment of the balance. Where appropriate, the audit findings may lead to recovery decisions by the Commission. ***The funding of such audits and any other assessments falls outside the scope of the budget for decommissioning assistance.***

## Amendment 28

### Proposal for a regulation

#### Article 6 – paragraph 2 - subparagraph 1

*Text proposed by the Commission*

2. Commission staff and outside personnel authorised by the Commission shall have appropriate right of access, particularly to the beneficiary's offices and to all the information, including information in electronic format, needed in order to conduct such audits.

*Amendment*

2. Commission staff and outside personnel authorised by the Commission shall have appropriate right of access, particularly to the beneficiary's offices and to all the information, including information in electronic format, needed in order to conduct such audits. ***The audits shall also cover the stage reached in the issuing of permits for decommissioning.***

*Justification*

*This is intended to ensure that the funds are used according to schedule and to check more thoroughly that they are being used for the correct purpose.*

## Amendment 29

### Proposal for a regulation

#### Article 6 – paragraph 2 – subparagraph 2

*Text proposed by the Commission*

The Court of Auditors shall enjoy the same rights, especially of access, as the Commission.

*Amendment*

The Court of Auditors ***and the European Parliament*** shall enjoy the same rights, especially of access, as the Commission.

## Amendment 30

### Proposal for a regulation

#### Article 7

*Text proposed by the Commission*

The Commission shall ensure the implementation of this Regulation and shall report at regular intervals to the European Parliament and the Council. It shall carry out a mid-term ***review***, as provided for in Article 3(3).

*Amendment*

The Commission shall ensure the implementation of this Regulation and shall report at regular intervals to the European Parliament and the Council ***on the use of funds and the activities carried out***. It shall carry out a mid-term ***evaluation and an ex-post evaluation***, as

provided for in Article 3(3) *and report on them both to the European Parliament.*

*The ex-post evaluation shall contain a complete and precise budget of the costs for decommissioning a nuclear power plant so as to plan for future decommissioning expenditure. It shall also analyse the economic, social and environmental costs, focusing on the impact of residual free-radiation and consequences for security of supply.*

## **Amendment 31**

### **Proposal for a regulation Article 7 a (new)**

*Text proposed by the Commission*

*Amendment*

#### *Article 7a*

*The Commission shall perform a compliance assessment, in line with the internationally accepted standards of, at least, the EBRD accounting, audit, internal control and procurement procedures, before the signing of the contribution agreement.*

#### *Justification*

*Further to the Financial Regulation and Implementing Rules, the Commission is entitled to implement its budget by joint management with international organisations if these organisations apply standards which offer guarantees equivalent to internationally accepted standards, in, at least, their accounting, audit, internal control and procurement procedures.*

## EXPLANATORY STATEMENT

In connection with the accession of Central and Eastern European countries, the use of nuclear power there and the handling of radioactive waste have become matters for consideration in the European Union. The objectively lower safety standards in the accession countries led to pressure being brought to bear, and financial assistance provided, to increase protection of human beings and the environment.

As regards the decommissioning of nuclear facilities, it was mostly only after these States had acceded that a start was made there on the introduction of legal and technical rules on decommissioning. Capacities for handling the waste arising from decommissioning are still only available to a limited extent.

In some accession States, it still has not been decided whether the irradiated fuel elements should be reprocessed or directly finally disposed of in geological formations.<sup>1</sup> In the countries concerned, this certainly affects the priority assigned to making progress on the issue of final disposal, particularly of highly radioactive waste and irradiated fuel elements. This is particularly true of Bulgaria. Nor do the countries have any binding plans for dealing with relatively long-lived low- and intermediate-level radioactive waste.

The current strategy is for most irradiated fuel elements originating in the Republic of Bulgaria to be reprocessed in Russia<sup>2</sup>. As a result, the main hazards to human beings and the environment which are involved in handling the most hazardous product of the use of nuclear energy are displaced into a non-EU member state. Reprocessing on the one hand entails a very serious potential for safety hazards (very high radioactive emissions during normal operation and possible serious accidents) and on the other hand entails a major danger of proliferation and hence of the use of nuclear energy for belligerent purposes. Reprocessing is not an acceptable method of disposing of irradiated fuel elements.

The above shortcomings also affect security interests of the European Union. It is therefore highly desirable that rapid progress should be made on the final disposal of irradiated fuel elements and highly radioactive waste in the countries of Central and Eastern Europe.

The proposal for a regulation submitted by the Commission in COM(2009)0581 is intended to provide financial assistance for the decommissioning of Units 1 to 4 at Kozloduy nuclear power plant in Bulgaria and ensure that the resultant radioactive materials are dealt with.

The Commission justifies its proposal by pointing to the fact that, for historical reasons, insufficient appropriations have been set aside in Bulgaria to cover the costs of dismantling reactors and that commitments were entered into in the Act of Accession in connection with the early closure of Units 1-4 at Kozloduy.

The rapporteur endorses this justification and stresses that the provisions of the Act of Accession concerning decommissioning of Units 1-4 at Kozloduy must be complied with by both parties. The possible deterioration of safety at the site and resumed operation of Units 3 and 4, which could result from failure to provide EU financial assistance, must be avoided.

The basis for the decision to decommission Kozloduy Units 1-4 is the internationally recognised fact that Type WWER 440/230 reactors have serious design faults which affect their safety and cannot be effectively remedied at reasonable cost. The Commission observed in 2002 that Units 1 to 4 at Kozloduy could not, under realistic conditions, achieve a high safety standard and needed to be decommissioned<sup>1</sup>, and it reaffirmed this in 2009<sup>2</sup>. The

rapporteur endorses this view and notes in addition that, while the safety standard of this type of reactor is particularly inadequate, it is limited for any type of reactor and the possibility of serious accidents cannot be excluded for any reactor type or in any country.

Units 1 and 2 at Kozloduy were closed with a view to decommissioning at the end of 2002 and Units 3 and 4 at the end of 2006. In the two units closed in 2002, the decommissioning measures with a view to immediate dismantling can be continued without interruption. In Units 3 and 4, decommissioning measures are only possible to a limited extent, as the storage ponds still contain irradiated fuel elements. In order to improve safety at the plant and prevent the potential restarting of these two units, the fuel elements should be transferred as soon as possible to the external temporary storage facility and dismantling should begin at once.

The financing required in order to decommission Kozloduy 1-4, including waste disposal and temporary storage of fuel elements, is said to amount to EUR 1800 m.<sup>3</sup> This estimated cost is comparable, for example, to the cost of two dual-unit facilities with the same type of reactor at Greifswald in the Federal Republic of Germany. The costs stated for Greifswald make it possible to calculate a figure of EUR 1780 m for four reactors, albeit under partially different conditions.<sup>4</sup>

The Government of the Republic of Bulgaria originally called for EUR 202 m to be provided for the next stage of decommissioning of the four reactors. The financing proposed by the Commission for the decommissioning between 2010 and 2013 is EUR 180 m. The international community (mainly the EU) provided EUR 340 m (PHARE) up to 2006, EUR 253 m (EBRD) from 2007 to 2008 and EUR 89.5 m for 2009. The total financing provided for the decommissioning until 2013 will be EUR 860 m. Although the share of this up to 2006 and for 2009 is not currently known with exactitude, it may be assumed that most of the costs which will be incurred until 2013 for the decommissioning and for handling the radioactive waste, as well as the temporary storage of irradiated fuel elements planned to date, are covered.

If a contribution to be made by Bulgaria itself is taken into account, the EUR 180 m proposed by the Commission for the remainder of the decommissioning may be regarded as appropriate.

The above-mentioned financing requirement of EUR 1800 m does not include the costs of a project for final disposal of the fuel elements; nor does the financial assistance of EUR 300 m proposed by the Commission. As noted above, the strategy of reprocessing outside the European Union which is currently being adhered to in Bulgaria for this purpose is unacceptable on safety and security grounds. The third report on the Joint Convention states as grounds for the decision to opt for reprocessing rather than direct final disposal that inadequate funds are available and there is a desire to avoid imposing an unreasonable burden on future generations.

The argument concerning the burden on future generations does not hold water. Reprocessing does not involve destruction of any of the materials created by using nuclear power, which means that they will still be left for future generations to deal with.

The funds which are lacking should be provided by the EU in order to ensure that reprocessing is terminated as soon as possible. No fresh reprocessing contracts should be concluded, and the possibility of terminating existing ones should be considered. According to the Commission<sup>1</sup>, the assistance already provided has been used to finance the building of the temporary store and the acquisition of CONSTOR for all fuel elements from Units 1 to 4.

Measures to accelerate the availability of the overall temporary storage capacity and to rapidly carry out a procedure to select a final disposal site, as well as measures to survey its geological suitability, should be funded from the budget of EUR 120 m which is being made available for the handling of irradiated fuel elements until 2013.

The Commission proposal for a regulation on financial assistance to the 'Kozloduy Programme' also provides for the promotion of energy projects. The rapporteur rejects this.

The Republic of Bulgaria has already received more than EUR 259 m in support for energy projects from the EBRD. According to Commission figures, this funding was mainly used to improve energy efficiency and promote the use of renewable energy.<sup>2</sup> This enabled Bulgaria to reduce carbon dioxide emissions from its power plants and more generally to improve their environmental performance. Yet Bulgaria has for its part decided to expand its generating capacity by using nuclear power. Although this could reduce carbon dioxide emissions to a small extent if the country simultaneously refrained from using coal, it means increased exposure of people and the environment to radioactivity and increased safety risks because of the possibility of incidents occurring. As, however, each euro invested in energy efficiency far more quickly reduces greenhouse gas emissions, and by many times more, than each euro invested in expanding nuclear power, the insistence on clinging to a nuclear strategy *de facto* leads to higher emissions than other strategies.

Units 1 and 2 were closed fully eight years ago, and Units 3 and 4 more than three years ago, only five years before the end of their design life. Thus sufficient time was available in which to plan and build replacement capacity, and thanks to the financial assistance from the EBRD, funding was also available for the purpose. To provide further support would distort competition to the detriment of other countries or producers. This is not permissible under European law.

Electricity continued to be supplied in Bulgaria after 2007 (after Units 1-4 of Kozloduy nuclear power plant had been closed) without any problem<sup>3</sup>. There is therefore no need to replace production capacity in order to maintain security of supply in Bulgaria. If the term 'region' in the Commission proposal also applies to areas outside Bulgaria, it would initially be necessary to examine the supply of these countries. As the neighbouring countries - with the exception of Romania and Greece - are not EU Member States, it would also be necessary to check the extent to which it is permissible to assist their energy supplies with EU funding in this way. Moreover, Bulgarian electricity generators derive revenue from exports. These exports must not be paid for using EU funds.

Taking into account the provision of EUR 120 m for the further processing of irradiated fuel elements, the text proposed by the Commission regarding decommissioning seems appropriate:

The continued funding from the EU budget accords with the EU's interest in maintaining safety of nuclear power use.

The allocation of the funds via the EBRD is appropriate.

Without this support, it is not impossible that Reactors 3 and 4 at Kozloduy might be restarted, which would entail substantial risks of incidents. Serious incidents would not only affect the Republic of Bulgaria.

So far, no adequate reserves exist in the Republic of Bulgaria to pay for decommissioning. Without EU funding there is probably no guarantee that the decommissioning measures to



protect human beings and the environment will continue to the requisite extent.

Because of the current lack of funding, the EU funds will help to ensure that a high standard of safety is attained in the decommissioning work in order to protect human beings and the environment.

The use of EU funds must be confined to the decommissioning of Kozloduy Units 1 to 4 and, in that context, to the projects for which it is earmarked, as well as for the rapid organisation of temporary dry storage and final disposal of the fuel elements. The proposed amendments/additions to the recitals and articles define more precisely the use to be made of the funding and link it to the priority objectives of the EU: upholding high safety standards in the decommissioning and creation of the liberalised energy market by avoiding longer-term distortions of competition.

Article 6 of the regulation is intended to facilitate effective monitoring of the use made of the EU funds and of whether they are used at the right time. For this purpose, a knowledge of the current state of the permit procedure is helpful. In addition, regular checks should be made as to whether the use of EU funding is distorting competition.

8.4.2010

## **OPINION OF THE COMMITTEE ON BUDGETS**

for the Committee on Industry, Research and Energy

on the proposal for a Council regulation on Community financial assistance with respect to the decommissioning of Units 1 to 4 of the Kozloduy Nuclear Power Plant in Bulgaria - 'Kozloduy programme' (COM(2009)0581 – C7-0289/2009 – 2009/0172(NLE))

Rapporteur: Helga Trüpel

### **SHORT JUSTIFICATION**

Financial Community assistance is provided to Lithuania, Slovakia and Bulgaria to support the efforts in implementing their commitment of closing down first generation nuclear reactors. The support to Bulgaria has been governed by the Accession Treaty and it has been due to end in 2009, while support to Lithuania and Slovakia will continue until 2013. At the time of the negotiations on the multiannual financial framework Bulgaria was not yet an EU Member State and furthermore, it took the decision on the dismantling rather late. Therefore, no provision was included in the MFF 2007-2013 for funding beyond 2009.

The financial support provided until 2009 for decommissioning was mainly dedicated to preparation works. The proposal for the continuation is to extend the support to Bulgaria to accompany and to ascertain the safe maintenance and decommissioning of the Kozloduy power plant according to an approved plan. The proposal also provides for further mitigation measures in the energy sector. The financial contribution required from the Community will be EUR 300 million in total in 2010-2013. The assistance will be made available as a Community contribution to the Kozloduy International Decommissioning Support fund managed by the EBRD.

The Commission presented its proposal for the continuation of support for the decommissioning of Kozloduy in October 2009, in the middle of the budget procedure for 2010. The budgetary proposal concerning the year 2010 was included in Amending Letter 2. Arriving very late, the proposal placed the budgetary authority before a considerable challenge, since the budgetary needs of the decommissioning of Kozloduy were due to fall under Heading 1a, just like the European Recovery Plan, which required financing for almost 2 billion euro in 2010. Considering the political commitments made in the accession negotiations as well the undisputable need to ensure a safe dismantling of old nuclear technology, it was considered necessary to find financing for Kozloduy. In the end, the budgetary means needed in 2010, EUR 75 million, were provided by mobilising the

## Flexibility Instrument.

The subsequent financing, EUR 225 million in 2011-2013, should in principle be found in Heading 1a. The Commission has included the necessary amounts in the financial programming for that period. Together with other changes foreseen, the margin in Heading 1a is shrinking rapidly and approaches 34 million in 2012. The margin would be slightly bigger in 2011 and 2013. In the legislative financial statement attached to the proposal, the Commission admits that the proposal may require application of the provisions of the IIA. According to Point 38 of the same IIA, since this programme is not subject to the co-decision procedure, the financial reference that Council may wish to include will not affect the powers of the budgetary authority. The amounts will thus be decided in the annual budgetary procedure. Considering the limited margin and the possible upcoming needs, it will be important to consider beforehand, or if no multi-annual solution is agreed, during each budgetary procedure which would be the best source of financing for Kozloduy.

At the moment this draft opinion is released, the Rapporteur has not finalised her choice on the most appropriate solution to be presented as regard the financial compatibility of the Commission proposal. Therefore she puts forwards two different options:

- Option A (represented by AM 1) confirms the financial compatibility of the proposal
- Option B (represented by AM 2) stipulates the financial incompatibility of the proposal

## AMENDMENTS

The Committee on Budgets calls on the Committee on Industry, Research and Energy, as the committee responsible, to incorporate the following amendments in its report:

### Amendment 1

#### Draft legislative resolution Paragraph 1 a (new)

*Draft legislative resolution*

*Amendment*

***1a. Considers that the proposal for a Council regulation is compatible with the ceiling for subheading 1a of the multiannual financial framework (MFF) for 2007-2013 but that the margin remaining in subheading 1a for 2011-2013 is very limited; stresses that the funding of new activities must not jeopardise existing programmes and initiatives under subheading 1a ;***

## **Amendment 2**

### **Draft legislative resolution Paragraph 1 b (new)**

*Draft legislative resolution*

*Amendment*

***1 b. Reiterates its call, therefore, for the presentation of a multiannual strategy for the Kozloduy decommissioning programme, as well as for other political priorities under subheading 1a, in the context of the mid-term review of the current MFF, accompanied by concrete proposals to adjust and revise it before the end of the first semester of 2010 by using all mechanisms available under the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management (IIA of 17 May 2006), particularly those in points 21 to 23 thereof;***

## **Amendment 3**

### **Draft legislative resolution Paragraph 1 c (new)**

*Draft legislative resolution*

*Amendment*

***1c. Points out that the annual amount for the Kozloduy decommissioning programme will be determined during the annual budgetary procedure in accordance with the provisions of point 38 of the IIA of 17 May 2006;***

## Amendment 4

### Proposal for a regulation Article 3 - paragraph 1

*Text proposed by the Commission*

1. The financial reference amount necessary for the implementation of the Kozloduy programme for the period from 1 January 2010 to 31 December 2013 shall be EUR 300 million.

*Amendment*

1. The financial reference amount, ***within the meaning of point 38 of the IIA of 17 May 2006, that is*** necessary for the implementation of the Kozloduy programme for the period from 1 January 2010 to 31 December 2013 shall be EUR 300 million.

## RESULT OF FINAL VOTE IN COMMITTEE

|   |   |
|---|---|
| <b>Date adopted</b>                             | 8.4.2010  |
| <b>Result of final vote</b>                     | +: 30<br>-: 1<br>0: 1   |
| <b>Members present for the final vote</b>       | Damien Abad, Alexander Alvaro, Marta Andreasen, Francesca Balzani, Reimer Böge, Andrea Cozzolino, Jean-Luc Dehaene, Isabelle Durant, Göran Färm, José Manuel Fernandes, Eider Gardiazábal Rubial, Jens Geier, Estelle Grelier, Jiří Havel, Monika Hohlmeier, Sidonia Elżbieta Jędrzejewska, Anne E. Jensen, Ivailo Kalfin, Jan Kozłowski, Alain Lamassoure, Vladimír Maňka, Barbara Matera, Claudio Morganti, Nadezhda Neynsky, Dominique Riquet, Sergio Paolo Francesco Silvestris, László Surján, Helga Trüpel, Derek Vaughan, Angelika Werthmann |
| <b>Substitute(s) present for the final vote</b> | Frédéric Daerden, Riikka Manner   |

8.4.2010

## **OPINION OF THE COMMITTEE ON THE ENVIRONMENT, PUBLIC HEALTH AND FOOD SAFETY**

for the Committee on Industry, Research and Energy

on the proposal for a Council regulation on Community financial assistance with respect to the decommissioning of Units 1 to 4 of the Kozloduy Nuclear Power Plant in Bulgaria -  
- 'Kozloduy Programme'  
(COM(2009)0581 – C7-0289/2009 – 2009/0172(NLE))

Rapporteur: Antonia Parvanova

### **SHORT JUSTIFICATION**

In accordance with the Article 30 of the Protocol for the Accession Treaty of Bulgaria and Romania, Bulgaria has fulfilled its commitments and reactors units 1 to 4 of the Kozloduy Nuclear Power Plant (KNPP) have been closed. Bulgaria is now proceeding with the decommissioning of these four units.

Based on safety and economical grounds, the Bulgarian government proposed in 2006 an *immediate dismantling strategy* to replace the *differed dismantling strategy*, in line with international best practices, which requires additional timely funding in order to ensure a safe and efficient decommissioning process.

The change operated in the dismantling and decommissioning strategy and its consequences in terms of necessary funding, as well as the compliance with and fulfilment of commitments related to the KNPP, bring justification for an extended Community financial assistance in order to ensure the highest level of safety and environmental standards during the activities of dismantlement and decommissioning of Units 1 to 4.

Furthermore, other Member States such as Slovakia and Lithuania benefited from a similar supporting programme for the decommissioning of Nuclear Power Plants which actually runs until 2013, whereas the support to Bulgaria ends in 2009. The application of the Community principles of solidarity and equal treatment between Member States constitutes an additional rationale for the extension of the Community financial assistance.

Community support, with regards to the decommissioning of the KNPP's Unit 1 to 4 should be geared towards a single objective: ensuring the safe and timely proceeding of the decommissioning activities, while guaranteeing that the highest levels of transparency and environmental protection are met.

A particular emphasis should therefore be put on the safety and environmental standards during each phase of the decommissioning process, in compliance with the existing legislation, such as Council Directive 96/29/Euratom laying down basic safety standards for the protection of the health of workers and the general public against the dangers arising from ionizing radiation. Furthermore, a specific attention should be given to health protection for workers involved in the decommissioning activities, associated with a long term follow up health monitoring.

Transparency is also a key element in ensuring general public understanding and involvement in the decision taken with regards to the decommissioning process, as well as in future options chosen inherent to this decommissioning process such as the final disposal of radioactive waste. The compliance with international conventions that already provide for the necessary requirements in national, international, or trans-boundary contexts, such as the Aarhus Convention of 25 June 1998, is therefore crucial to guarantee access to information, public participation and transparency.

Looking at the provisions in the proposed regulation supporting the measures in the energy sector to mitigate the early closure of the KNPP's units 1 to 4, it appears essential to take into account the fact that the burden on the energy and power sectors, and on the environment, is significantly higher than initially expected. For example, it is estimated that the loss of generating capacities due to the early closure of the four reactors will lead to a significant additional volume of greenhouse gas emissions, 15 TWh for the period 2011-2013 with CO<sub>2</sub>-eq of some 1,2 Gg/GWh, and will result to about 18000 Gg or 18000 kt CO<sub>2</sub>-eq additional effect for Bulgaria, thus necessitating additional CO<sub>2</sub>-reductions.

The overall and long term consequences of the early closure of the four reactors led to a breach of the main principles on which the Union's energy strategy is currently based: the sustainability and reduction of greenhouse gas emissions, the security of energy supply, and the competitiveness of the energy sector. The replacement of the KNPP's Unit 1-4 production capacity had indeed to be compensated to a substantial extent through primary energy imports and by imported and domestic fossil energy.

The extension of the Community financial assistance to the Bulgarian energy sector is therefore crucial in order to ensure that the long-term consequences of the early closure of the four reactors - with regards to the environment, economy and security of supply in the region - are properly addressed. While guaranteeing that the Community financial assistance do not lead to distortions of competition, an updated strategy with regards to the mitigation measures in the energy sector therefore needs to focus on the energy supply security and reliability, the diversification of the energy consumption, the promotion of renewable energies, the reduction of carbon dioxide emissions and on energy efficiency.

The Commission shall also ensure that the Community assistance is compliant with the Financial Regulation and Implementing Rules regarding this type of budget management method by performing the so called "four pillar" assessment or compliance assessment in relation with the internationally accepted standards of, at least, the accounting, audit, internal control and procurement procedures of the EBRD.

Consistency and coherence with the European Union's environment and energy strategies must



be ensured so that the implementation of the Community financial assistance leads to an effective and optimal decommissioning of the KNPP's units 1 to 4.

## AMENDMENTS

The Committee on the Environment, Public Health and Food Safety calls on the Committee on Industry, Research and Energy, as the committee responsible, to incorporate the following amendments in its report:

### Amendment 1

#### Proposal for a regulation

##### Recital 1

*Text proposed by the Commission*

(1) Bulgaria committed itself to the closure of Units 1 and 2 and Units 3 and 4 of the Kozloduy Nuclear Power Plant by 31 December 2002 and 31 December 2006, respectively and to the subsequent decommissioning of these units. The European Union expressed its willingness to continue to provide financial assistance up to 2009 as an extension of the pre-accession aid planned under the Phare programme in support of Bulgaria's decommissioning efforts.

*Amendment*

(1) Bulgaria committed itself to the closure of Units 1 and 2 and Units 3 and 4 of the Kozloduy Nuclear Power Plant by 31 December 2002 and 31 December 2006, respectively and to the subsequent decommissioning of these units. The European Union expressed its willingness to continue to provide financial assistance up to 2009 as an extension of the pre-accession aid planned under the Phare programme in support of Bulgaria's decommissioning efforts. ***The European Union also gave political assurances that the continuation of the Community support would be considered in the context of the overall review of the Financial Perspectives 2007-2013.***

### Amendment 2

#### Proposal for a regulation

##### Recital 2 a (new)

*Text proposed by the Commission*

*Amendment*

***(2a) The principles of Community solidarity and equal treatment require an even-handed approach to be taken, now***

*as in the past, to Member States in need of support funding for nuclear decommissioning, following commitments to close nuclear power plants units, as laid down in their Accession Treaties or in attached Protocols.*

### Amendment 3

#### Proposal for a regulation

##### Recital 5

*Text proposed by the Commission*

(5) It is equally important to use the Kozloduy Nuclear Power Plant's own resources, as this contributes to the availability of the necessary expertise and at the same time mitigates the social and economic impact of the early closure by continuously employing the staff from the closed nuclear power plant. The continued financial support is therefore important to maintain the required safety *standard*.

*Amendment*

(5) It is equally important to use the Kozloduy Nuclear Power Plant's own resources, as this contributes to the availability of the necessary expertise, *enhances know-how and skills, and* at the same time mitigates the social and economic impact of the early closure by continuously employing the staff from the closed nuclear power plant. The continued financial support is therefore important to maintain the required safety, *health and environmental standards*.

### Amendment 4

#### Proposal for a regulation

##### Recital 6

*Text proposed by the Commission*

(6) The Union recognises also the need for financial support to progress further with mitigating measures in the energy sector given the extent of the capacity loss by the closure of the nuclear units and its impact on the security of supply in the region.

*Amendment*

(6) The Union recognises also the need for financial support to progress further with mitigating measures in the energy sector given the extent of the capacity loss by the closure of the nuclear units and its impact on the *environment, energy prices for consumers and* security of supply in the region, *and on the volume of greenhouse gas emissions, since the replacement of production capacity of Units 1 to 4 of the Kozloduy Nuclear Power Plant had to be*

*compensated to a substantial extent through primary energy imports and by imported and domestic fossil energy, and with special emphasis on the need to increase energy efficiency and develop the renewable energy sector.*

## **Amendment 5**

### **Proposal for a regulation**

#### **Recital 6 a (new)**

*Text proposed by the Commission*

*Amendment*

*(6a) The loss of generating capacity due to the early closure of Units 1 to 4 of the Kozloduy Nuclear Power Plant has led to a significant additional volume of greenhouse gas emissions, estimated at 15 TWh for the period 2011-2013 with CO<sub>2</sub>-equivalent of some 1,2 Gg/GWh, and has resulted in about 18 000 Gg or 18 000 kt CO<sub>2</sub>-equivalent additional effect for Bulgaria, thus necessitating additional CO<sub>2</sub> reductions.*

## **Amendment 6**

### **Proposal for a regulation**

#### **Recital 6 b (new)**

*Text proposed by the Commission*

*Amendment*

*(6b) Mitigation measures to reduce the socio-economic impact of the closure of Units 1 to 4 of the Kozloduy Nuclear Power Plant, such as programmes for retraining affected personnel to use their skills in other sectors, for example industrial research or renewable energy, could require EU financial assistance.*

## Amendment 7

### Proposal for a regulation

#### Recital 7

*Text proposed by the Commission*

(7) Consequently, provision should be made for a sum of EUR 300 million from the general budget of the European Union to fund the decommissioning of the Kozloduy Nuclear Power Plant over the period from 2010 to 2013.

*Amendment*

(7) Consequently, provision should be made for a sum of EUR 300 million from the general budget of the European Union to fund the decommissioning of the Kozloduy Nuclear Power Plant **and the mitigating measures in the energy sector** over the period from 2010 to 2013.

## Amendment 8

### Proposal for a regulation

#### Recital 8

*Text proposed by the Commission*

(8) The appropriations of the general budget of the European Union for decommissioning should not lead to distortions of competition in relation to power supply companies on the energy market in the Union. These appropriations should also be used to finance measures to compensate the loss of production capacity in line with the acquis.

*Amendment*

(8) The appropriations of the general budget of the European Union for decommissioning should not lead to distortions of competition in relation to power supply companies on the energy market in the Union. These appropriations should also be used to finance measures to compensate the loss of production capacity in line with the acquis, **encouraging energy-saving measures and promoting renewable energies**.

## Amendment 9

### Proposal for a regulation

#### Recital 11

*Text proposed by the Commission*

(11) In order to ensure the highest possible efficiency, the decommissioning of the Kozloduy Nuclear Power Plant should be carried out with recourse to the best available technical expertise, and with due

*Amendment*

(11) In order to ensure the highest possible efficiency **and to minimise possible environmental consequences**, the decommissioning of the Kozloduy Nuclear Power Plant should be carried out with

regard to the nature and technological specifications of the units to be shut down.

recourse to the best available technical expertise, and with due regard to the nature and technological specifications of the units to be shut down.

## Amendment 10

### Proposal for a regulation Recital 11 a (new)

*Text proposed by the Commission*

*Amendment*

***(11a) In order to ensure access to information, public participation and transparency, all appropriate measures should be taken during the decommissioning of the Kozloduy Nuclear Power Plant to fulfil the obligations laid down in international conventions that already provide for the necessary requirements in national, international, or trans-boundary contexts, such as the Aarhus Convention on access to information, public participation in decision-making and access to justice in environmental matters of 25 June 1998.***

## Amendment 11

### Proposal for a regulation Recital 12 a (new)

*Text proposed by the Commission*

*Amendment*

***(12a) The activities related to the decommissioning of the Kozloduy Nuclear Power Plant will be carried out in line with the fundamental objective of protecting workers and the general public from the harmful effects of ionising radiation, as laid down in the existing legislation, particularly Council Directive 96/29/Euratom of 13 May 1996 laying down basic safety standards for the***

*protection of the health of workers and the general public against the dangers arising from ionizing radiation<sup>1</sup>, thus ensuring the highest level of safety and protection for workers and the general public's health.*

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<sup>1</sup> OJ L 159, 29.6.1996, p.1.

## **Amendment 12**

### **Proposal for a regulation Recital 13 a (new)**

*Text proposed by the Commission*

*Amendment*

*(13a) Articles 53d, 108a and 165 of Council Regulation (EC,Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities<sup>1</sup>, and Articles 35 and 43 of Commission Regulation (EC,Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of Council Regulation (EC,Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities<sup>2</sup> lay down the conditions to be considered under the joint management budget implementation method.*

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<sup>1</sup> OJ L 248, 16.9.2002, p.1.

<sup>2</sup> OJ L 357, 31.12.2002, p.1.

### *Justification*

*Further to the Financial Regulation and Implementing Rules, the Commission is entitled to implement its budget by joint management with international organisations if these organisations apply standards which offer guarantees equivalent to internationally accepted standards, in, at least, their accounting, audit, internal control and procurement procedures.*

## **Amendment 13**

### **Proposal for a regulation Recital 13 b (new)**

PE438.485v02-00

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*Text proposed by the Commission*

*Amendment*

***(13b) The Kozloduy case should serve as an example, and a complete and precise budget of decommissioning should be drawn up by the Commission for analysis and forecasting of costs of future decommissioning of nuclear power plants.***

## **Amendment 14**

### **Proposal for a regulation Article 1**

*Text proposed by the Commission*

*Amendment*

This Regulation establishes the programme laying down detailed rules for the implementation of Community's financial contribution to address the decommissioning of Units 1 to 4 of the Kozloduy Nuclear Power Plant and the consequences of their closure in Bulgaria (hereinafter referred to as "Kozloduy Programme").

This Regulation establishes the programme laying down detailed rules for the implementation of Community's financial contribution to address the decommissioning of Units 1 to 4 of the Kozloduy Nuclear Power Plant and the consequences, ***with regard to the environment, economy and security of supply in the region***, of their closure in Bulgaria (hereinafter referred to as "Kozloduy Programme").

## **Amendment 15**

### **Proposal for a regulation Article 2**

*Text proposed by the Commission*

*Amendment*

The Community contribution to the Kozloduy programme shall be granted for the purpose of providing financial support for measures connected with the decommissioning of the Kozloduy Nuclear Power Plant, measures for environmental upgrading in line with the acquis and for modernising conventional production capacity to replace the production capacity

The Community contribution to the Kozloduy programme shall be granted for the purpose of providing financial support for measures connected with the decommissioning of the Kozloduy Nuclear Power Plant, measures for environmental upgrading in line with the acquis and for modernising conventional production capacity to replace the production capacity

of the four reactors at the Kozloduy Nuclear Power Plant and other measures which stem from the decision to close and decommission this plant and which contribute to the necessary restructuring, upgrading of the environment and modernisation of the energy production, transmission and distribution sectors in Bulgaria as well as to enhancing security of supply and energy efficiency in Bulgaria.

of the four reactors at the Kozloduy Nuclear Power Plant and other measures which stem from the decision to close and decommission this plant and which contribute to the necessary restructuring, upgrading of the environment and modernisation of the energy production, transmission and distribution sectors in Bulgaria as well as to enhancing security of supply and energy efficiency in Bulgaria, ***while encouraging energy-saving measures and promoting renewable energies. Financial support can also be provided in order to mitigate the socio-economic transition in the affected communities, for example through developing new sustainable jobs and industries.***

## Amendment 16

### Proposal for a regulation Article 3 - paragraph 3

*Text proposed by the Commission*

3. The amount of the appropriations allocated to the Kozloduy Programme *may* be reviewed in the course of the period from 1 January 2010 to 31 December 2013 to take account of the progress made with the implementation of the programme and to ensure that the programming and allocation of the resources are based on actual payment needs and absorption capacity.

*Amendment*

3. The amount of the appropriations allocated to the Kozloduy Programme ***shall*** be reviewed ***every year*** in the course of the period from 1 January 2010 to 31 December 2013 to take account of the progress made with the implementation of the programme, ***and to take account of the long-term impacts on, and consequences for, the environment, economy and security of supply as a result of the early closure of Units 1 to 4 of the Kozloduy Nuclear Power Plant,*** and to ensure that the programming and allocation of the resources are based on actual payment needs and absorption capacity.

## Amendment 17

### Proposal for a regulation Article 6 – paragraph 1

PE438.485v02-00

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*Text proposed by the Commission*

1. The Commission may have an audit of the use made of the assistance carried out either directly by its own staff or by any other qualified outside body of its choice. Such audits may be carried out throughout the duration of the agreement between the Community and the EBRD on making Community funds available to the Kozloduy International Decommissioning Support Fund and for a period of five years from the date of payment of the balance. Where appropriate, the audit findings may lead to recovery decisions by the Commission

*Amendment*

1. The Commission ***shall monitor, and*** may have an audit of, the use made of the assistance carried out either directly by its own staff or by any other qualified outside body of its choice. Such audits may be carried out throughout the duration of the agreement between the Community and the EBRD on making Community funds available to the Kozloduy International Decommissioning Support Fund and for a period of five years from the date of payment of the balance. Where appropriate, the audit findings may lead to recovery decisions by the Commission.

**Amendment 18**

**Proposal for a regulation**

**Article 6 – paragraph 2 – subparagraph 1**

*Text proposed by the Commission*

2. Commission staff and outside personnel authorised by the Commission shall have appropriate right of access, particularly to the beneficiary's offices and to all the information, including information in electronic format, needed in order to conduct such audits.

*Amendment*

2. Commission staff and outside personnel authorised by the Commission shall have appropriate right of access, particularly to the beneficiary's offices and to all the information, including information in electronic format, needed in order to conduct such audits. ***The audits shall also cover the stage reached in the issuing of permits for decommissioning.***

*Justification*

*This is intended to ensure that the funds are used according to schedule and to check more thoroughly that they are being used for the correct purpose.*

**Amendment 19**

**Proposal for a regulation**

**Article 7**

*Text proposed by the Commission*

The Commission shall ensure the implementation of this Regulation and shall report **at regular intervals** to the European Parliament and the Council. It shall carry out a mid-term **review**, as provided for in Article 3(3).

*Amendment*

The Commission shall ensure the implementation of this Regulation and shall report **on a yearly basis** to the European Parliament and the Council. It shall carry out a mid-term **evaluation and an ex-post evaluation**, as provided for in Article 3(3) **and report on them both to the European Parliament**.

***The ex-post evaluation shall contain a complete and precise budget of the costs for decommissioning a nuclear power plant so as to plan for future decommissioning expenditure. It shall also analyse the economic, social and environmental costs, focusing on the impact of residual free-radiation and consequences for security of supply.***

**Amendment 20**

**Proposal for a regulation  
Article 7 a (new)**

*Text proposed by the Commission*

*Amendment*

**Article 7a**

***The Commission shall perform a compliance assessment, in relation with the internationally accepted standards of, at least, the EBRD accounting, audit, internal control and procurement procedures, before the signature of the contribution agreement.***

*Justification*

*Further to the Financial Regulation and Implementing Rules, the Commission is entitled to implement its budget by joint management with international organisations if these organisations apply standards which offer guarantees equivalent to internationally accepted standards, in, at least, their accounting, audit, internal control and procurement procedures.*

## RESULT OF FINAL VOTE IN COMMITTEE

|   |   |
|---|---|
| <b>Date adopted</b>                             | 7.4.2010  |
| <b>Result of final vote</b>                     | +:           47<br>-:           7<br>0:           1   |
| <b>Members present for the final vote</b>       | János Áder, Elena Oana Antonescu, Kriton Arsenis, Pilar Ayuso, Paolo Bartolozzi, Sergio Berlato, Milan Cabrnoch, Martin Callanan, Nessa Childers, Chris Davies, Esther de Lange, Anne Delvaux, Bas Eickhout, Edite Estrela, Jill Evans, Elisabetta Gardini, Julie Girling, Françoise Grossetête, Cristina Gutiérrez-Cortines, Satu Hassi, Jolanta Emilia Hibner, Dan Jørgensen, Christa Kläß, Holger Kraemer, Jo Leinen, Peter Liese, Kartika Tamara Liotard, Linda McAvan, Radvilė Morkūnaitė-Mikulėnienė, Miroslav Ouzký, Vladko Todorov Panayotov, Gilles Pargneaux, Antonia Parvanova, Andres Perello Rodriguez, Mario Pirillo, Pavel Poc, Frédérique Ries, Anna Rosbach, Oreste Rossi, Horst Schnellhardt, Richard Seeber, Theodoros Skylakakis, Bogusław Sonik, Catherine Soullie, Salvatore Tatarella, Anja Weisgerber, Glenis Willmott, Sabine Wils |
| <b>Substitute(s) present for the final vote</b> | Bill Newton Dunn, Justas Vincas Paleckis, Alojz Peterle, Bart Staes, Michail Tremopoulos, Thomas Ulmer, Marita Ulvskog  |

## RESULT OF FINAL VOTE IN COMMITTEE

|   |  |
|---|--|
| <b>Date adopted</b>                             | 28.4.2010  |
| <b>Result of final vote</b>                     | +:           47<br>-:           4<br>0:           1  |
| <b>Members present for the final vote</b>       | Jean-Pierre Audy, Zigmantas Balčytis, Bendt Bendtsen, Jan Březina, Reinhard Bütikofer, Maria Da Graça Carvalho, Giles Chichester, Christian Ehler, Lena Ek, Ioan Enciu, Gaston Franco, Adam Gierek, Norbert Glante, Fiona Hall, Jacky Hénin, Sajjad Karim, Arturs Krišjānis Kariņš, Philippe Lamberts, Bogdan Kazimierz Marcinkiewicz, Angelika Niebler, Jaroslav Paška, Aldo Patriciello, Anni Podimata, Miloslav Ransdorf, Herbert Reul, Teresa Riera Madurell, Jens Rohde, Paul Rübig, Amalia Sartori, Francisco Sosa Wagner, Konrad Szymański, Britta Thomsen, Patrizia Toia, Niki Tzavela, Marita Ulvskog, Vladimir Urutchev, Adina-Ioana Vălean, Alejo Vidal-Quadras |
| <b>Substitute(s) present for the final vote</b> | Matthias Groote, Cristina Gutiérrez-Cortines, Rebecca Harms, Oriol Junqueras Vies, Ivailo Kalfin, Ivari Padar, Vladko Todorov Panayotov, Markus Pieper, Mario Pirillo, Vladimír Remek, Frédérique Ries, Theodoros Skylakakis, Silvia-Adriana Țicău, Hermann Winkler  |