



MINISTER
MINISTRY OF ECONOMIC AFFAIRS AND CLIMATE POLICY

Ms. Mairead McGuinness
Member of the European Commission

The Hague, 19 May 2022
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Dear Commissioner,

The EU taxonomy can serve as the gold standard in guiding the reallocation of capital from fossil fuel activities to sustainable activities. The Dutch government considers two principles of key importance. First, the taxonomy should be technology-neutral. Second, the taxonomy should be based on scientific evidence. I would therefore call your attention to the following.

The Dutch government is not satisfied with the inclusion of natural gas in the Complementary Climate Delegated Act as this is not in line with these principles. Natural gas is not subject to the same standards as set for other energy carriers in the taxonomy. Moreover, the Platform on Sustainable Finance stated, with reference to reports of the IEA and IPCC, that the inclusion of natural gas, even under the proposed criteria, is largely incompatible with the path towards a maximum of 1.5 degrees of global warming. The Dutch government therefore takes the view that natural gas should be considered only as a transitional activity in an 'amber' category in a general taxonomy, and not as sustainable in a green taxonomy.

The Dutch government is satisfied that the inclusion of nuclear energy in the taxonomy is based on a comprehensive and independent process of scientific evaluation and therefore welcomes it. However, two major concerns with respect to the criteria remain unaddressed. First, the requirement that accident tolerant fuel must be used as of 2025. This is problematic because this type of fuel is not well defined, it is currently unavailable and its effectiveness has not yet been proven. Second, the requirement to operate a disposal facility for high-level radioactive waste as of 2050 is unnecessarily



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burdensome and fails to take into account national differences in nuclear waste policies. In short, if the Netherlands were to operate a disposal facility by 2050, instead of 2130 as envisioned under current policies, this would result in at least € 2 billion in additional costs in the short term without any benefits for the climate, the environment or security. Furthermore, it is unlikely that the full process of public consultation, site selection, construction and operationalisation can be completed by 2050.

On 21 January 2022, we provided technical feedback on the draft Complementary Delegated Act to explain our position. We have shared this feedback with the Dutch parliament. The Netherlands is disappointed to note that our feedback has not resulted in amendments to these criteria in the Complementary Delegated Act. Given the inclusion of nuclear energy in the taxonomy and the assessment that there is sufficient support in the Council for the Complementary Delegated Act, the Dutch government decided not to object to the act. Nonetheless, we stand by our criticism concerning the inclusion of natural gas and the aforementioned two specific concerns regarding nuclear energy.

The Taxonomy Regulation requires the technical screening criteria to be revised every three years. Accordingly, the Dutch government will remain a vocal advocate for allocating natural gas to an 'amber' category in a general taxonomy, and for aligning the requirements for nuclear waste management with the Dutch system. Moreover, the Dutch government will remain vigilant on whether future delegated acts adhere to the principles of a scientific basis and technological neutrality. For now, the Dutch government calls on the Commission to provide further elaboration and clarification on the interpretation of the criterion of accident tolerant fuels.

Yours sincerely,

Rob Jetten
Minister for Climate and Energy Policy