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Response to the Public Consultation on the Draft New General Block Exemption Regulation

The Case for Including Nuclear Energy Generation in the Revised GBER

Introduction

Clean Air Task Force (CATF) welcomes the opportunity to contribute to the public consultation on the draft new General Block Exemption Regulation (GBER). CATF is a global non-profit organisation that works to safeguard against the worst impacts of climate change by catalysing the rapid development and deployment of low-carbon solutions, including nuclear energy. Through our Advanced Nuclear Energy Programme, support the policy, regulatory, and financing conditions needed for the deployment of nuclear energy across Europe.

We recommend extending the revised GBER to cover support for nuclear energy generation – Small Modular Reactors (SMRs) specifically, under similar conditions already applied to other low-carbon technologies.

We propose three amendments to the draft text that would enable this extension while preserving nuclear-specific safeguards based on the Euratom safety framework.

We estimate the current exclusion of nuclear energy from the GBER creates a significant and avoidable bottleneck for the deployment of new nuclear projects, including SMRs — a technology that the European Commission, Member States, and the European Industrial Alliance on SMRs have identified as integral to Europe's energy security, decarbonisation, and industrial competitiveness.

Why this matters: the gap between ambition and implementation

The EU's ambitions for nuclear energy is clear. In March 2026, the Commission published the EU Strategy for the development and deployment of SMRs (COM/2026/117), targeting the first European SMR deployments by the early 2030s. The Strategy envisions 17–53 GW of SMR capacity by 2050 and proposes nine actions to accelerate deployment — including the establishment of an "SMR coalition" of willing Member States to coordinate policy, regulatory and economic approaches for selected SMR designs.

This ambition is underpinned by a broad and growing political agreement. The so-called Nuclear Alliance — comprising Belgium, Bulgaria, Croatia, Czechia, Estonia, Finland, France, Hungary, Italy, the Netherlands, Poland, Romania, Slovakia, Slovenia, and Sweden — represents 15 countries, more than half of the EU. Over ten Member States have included SMR deployment in their National Energy and Climate Plans and now need to deploy the technology to deliver on their decarbonisation plan. SMR projects are underway in Poland, Romania, Czechia, Sweden, Estonia, Finland, France, and Italy.

The Nuclear Illustrative Programme (PINC, COM/2026/120) estimates that €241 billion in nuclear investment will be needed by 2050. Commission President von der Leyen, speaking at the Nuclear Energy Summit in March 2026, described Europe's earlier retreat from nuclear as "a strategic mistake" and stated that renewables and nuclear are most powerful when in combination. The Draghi Report on EU competitiveness called for unprecedented public-private investment in energy and advocated a technology-neutral approach encompassing all low-carbon sources. However, the State aid framework has not kept pace with this political and strategic shift.

The gap

Article 50 of the draft new GBER excludes nuclear from the entirety of Section 6 (Aid for Environmental Protection) , including investment aid for low-carbon energy generation (Article 58), operating aid in the form of Contracts for Difference (Article 59), aid for heat production (Article 60), energy efficiency measures (Articles 55–56), and energy infrastructure (Article 66). Other low-carbon technologies benefit from these provisions. Nuclear energy — despite being recognised by the EU as a strategic contributor to climate neutrality, energy security, and industrial competitiveness — does not.

The practical consequence is that every national support scheme for an SMR project must undergo full individual notification to the Commission under Article 108(3) TFEU. This process should conclude within 24 months per project per country and creates a source of significant uncertainty for private investors which are needed to unlock the potential of SMRs.

The Commission's Clean Industrial Deal State Aid Framework (CISAF, adopted June 2025) has partially addressed this gap by extending coverage to nuclear manufacturing and clean technology supply chains. CISAF expanded the eligible technology list to include nuclear energy under the clean-tech manufacturing provisions, recognising nuclear alongside other net-zero technologies. However, it explicitly excludes aid for nuclear energy generation, which must still be assessed individually on a case-by-case basis under Article 107(3)(c) TFEU. The Commission's commitment to a "timely assessment" of nuclear state aid cases is welcome, but it is not a substitute for the legal certainty and predictability that GBER coverage provides.

The result is a gap that sits at odds with the EU's own policy framework: the EU Taxonomy classifies nuclear as a sustainable economic activity, CISAF covers nuclear manufacturing, the Net-Zero Industry Act includes nuclear among net-zero technologies, and the SMR Strategy calls for deployment by the early 2030s — but the GBER, the instrument that determines how quickly Member States can actually implement support schemes for energy generation, excludes nuclear entirely.

Why this matters for coordinated deployment

The EU's SMR Strategy's emphasis on an "SMR coalition" and a fleet-based approach to deployment makes the state aid bottleneck especially consequential. The economic case for SMRs rests on serial production of standardised designs — what the Strategy describes as creating "the conditions for a fleet-approach enabling series production." This requires multiple Member States to move in a coordinated and timely fashion.

If each country in a coalition must separately notify and wait for individual Commission approval of its national support scheme, synchronised deployment becomes extremely difficult. Currently, fleet economics are at risk of fragmentation and slow deployment if each SMR project application is assessed separately over 24 months period. Limited capacity in the EC State Aid Unit means some countries' applications will progress more quickly than others, resulting in uneven advancement — those receiving swift approval move ahead, while others face delays. The very coordination the Commission is calling for is undermined by the state aid framework's treatment of nuclear.

By contrast, if nuclear generation was covered by the GBER, under appropriate conditions, Member States could design and implement their national support schemes without prior notification — enabling the kind of rapid, coordinated action that the EU SMR Strategy envisions.

The competitiveness dimension

The GBER revision is framed by the Competitiveness Compass and the Clean Industrial Deal. The Draghi Report argued for unprecedented public-private investment in energy as an industrial competitiveness issue. SMRs fit this framing in three ways:

1. They strengthen energy security by reducing dependence on imported fossil fuels and volatile LNG markets.

1. They support industrial competitiveness by providing firm, affordable baseload power for energy-intensive industries and emerging high-demand users such as data centres.

2. They create supply chain sovereignty — EU-assembled SMRs with European content generate high-value manufacturing employment across Member States.

A state aid framework that requires nuclear to undergo the slowest and most uncertain approval pathway, while other low-carbon technologies benefit from streamlined GBER treatment, does not serve these objectives. The EU is participating in a global competition to keep pace with other nuclear countries that already have SMRs running, under construction, or nearing final investment decisions. The goal being to bring advanced nuclear technologies into commercial use, develop domestic supply chains and workforce in the short term and export SMRs in the medium and long term. Administrative delays in state aid approval are a self-inflicted competitive disadvantage.

How to ensure GBER is supporting nuclear role in the transition

CATF proposes targeted adjustments to the draft GBER, designed to apply the same competitive disciplines that already govern aid for other low-carbon energy technologies, while introducing specific safeguards reflecting the particular characteristics of nuclear fission.

In particular, Article 50 should introduce a conditional exception to the current exclusion of nuclear energy. This exception should allow both investment aid for the production of energy from nuclear fission technologies and aid for the supply of electricity or heat from such technologies, subject to clearly defined conditions.

Investment aid for nuclear fission

Investment aid should be permitted for newly installed nuclear fission capacities, covering:

- the construction of nuclear fission reactors, including small modular reactors (SMRs);
- dedicated infrastructure necessary for SMR deployment, such as grid connections, heat distribution networks, and site preparation;
- electricity or thermal storage directly associated with a nuclear installation.

To ensure proportionality and preserve existing control for large-scale projects, eligibility should be limited to installations with a capacity of up to 470 MW per unit. This threshold captures all SMR designs currently under development in the EU, while larger conventional reactors would remain subject to individual notification. Using a capacity-based threshold, rather than a monetary cap, ensures a more accurate alignment with technological realities.

Eligible costs should correspond to total investment costs. Aid intensity should follow a tiered approach: up to 45% as a baseline; higher levels in cohesion regions; and up to 100% where aid is awarded through genuinely competitive bidding processes, with at least 70% of selection criteria based on aid per unit of output or capacity. This ensures cost discipline while preserving flexibility for Member States.

Aid for nuclear electricity and heat supply

Operating aid for nuclear electricity or heat should be allocated through competitive bidding processes with strong price-based criteria. At the same time, Member States should be allowed to limit such tenders to specific nuclear technologies in clearly justified cases, where this supports long-term decarbonisation and energy security, ensures system diversification for grid stability, or enables the coordinated deployment of standardised reactor designs.

This flexibility is essential to make the EU's SMR strategy operational. In particular, it would allow Member States to organise tenders in a way that supports a fleet-based approach and the emergence of an "SMR coalition." Without it, strict technology-neutral tendering risks fragmenting demand and undermining standardisation, thereby weakening cost reductions and industrial scaling.

Demonstration projects should also be exempted from competitive binding. This is essential for first-of-a-kind SMR units, where by definition no competitive market exists yet.

There should be multiple aid mechanisms for diverse deployment models. It should include three permissible aid structures rather than requiring a single mechanism:

- A two-way CfD covering wholesale market projects, mirroring Article 59.
- A long-term power or heat purchase agreement, enabling bilateral contracts with industrial off-takers. This will be essential for SMR projects supplying data centres, industrial heat, or district heating, where the energy does not pass through the wholesale market.
- A cooperative ownership structure enabling arrangements where off-takers hold equity in the project and receive energy at production cost.

The duration of support should not exceed 35 years after the aided installation starts operations, reflecting the 60+ year average design life of a nuclear asset.

Summary

A robust pipeline of SMR projects is evolving in the EU. Each project will require national state aid approval. Under current rules, each must be individually notified to the Commission. Under the proposed amendments, Member States could implement their support schemes without prior notification, provided the set conditions are met. This is how the GBER already works for other low-carbon technologies. The same treatment should apply to nuclear.

GBER revision is a key opportunity to align the EU's state aid framework with its energy policy. The Commission's own SMR Strategy calls for rapid, coordinated deployment of SMRs. The state aid framework should enable that ambition.

CATF is available to provide further detail or discuss this submission.