

Brussels, 16 October 2014

Dear Mrs Scott Cato,

Thank you for your questions and concerns addressed to the Commission regarding the decision on State aid for the Hinkley Point C nuclear power station.

According to Article 194 of the EU Treaty, Member States are free to determine their energy mix. The UK has decided to promote nuclear energy and this decision is within its national competence. However, when public money is spent to support companies, the Commission has the duty to verify that this is done in line with the EU State aid rules. Its role is to ensure that any State aid provided is necessary, proportionate and not distortive of competition or trade between Member States.

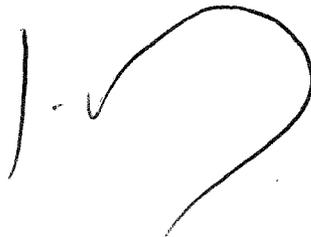
The Commission initiated the formal investigation procedure on this measure in December 2013, expressing doubts on the compatibility of the aid measure with the internal market based on the information available at that time. The opening decision aimed at ensuring that the final assessment would be well-grounded in facts and analysis and would take into account the views of all interested parties.

As part of the investigation procedure, the Commission received extensive information and submissions from interested parties and the UK authorities. These new elements, together with the intense and comprehensive scrutiny process conducted by the Commission, have informed the Commission's assessment. In particular, the investigation showed that the support would address a genuine market failure, dispelling the Commission's initial doubts. It also resulted in substantial changes to the level of support compared to the one originally notified.

On this basis, the Commission adopted the final decision on this measure on 8 October 2014. It found that the modified plans of the UK to support the investment in a new nuclear power plant at Hinkley Point was compatible with EU State aid rules.

For more information please see the press release¹ and the non-confidential version of the decision that will be published on the Commission website and in the Official Journal of the European Union.

Yours sincerely,



¹ http://europa.eu/rapid/press-release_IP-14-1093_en.htm

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