

# European Union Labels Natural Gas and Nuclear Energy "Green"

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The European Parliament has now "endorsed labeling some gas and nuclear energy projects as 'green.'" This designation will now enable these energy projects to have "access to hundreds of billions of euros in cheap loans and even state subsidies." Most importantly, the European Union has now determined--at least for the moment--that certain fossil fuels (e.g., natural gas) and non-renewable energy sources (e.g., nuclear) are considered "green" for purposes of EU policy with respect to "which projects deserve loans and funds on the basis of being environmentally friendly."

Effectively, the EU--like U.S. regulatory agencies, such as the SEC--is intent on stopping "'greenwashing,' the pervasive practice of mislabeling energy projects as environmentally friendly." But the EU's definition of greenwashing, which is likely to be influential due to the EU's major role in the global economy, has now expressly classified certain energy sources as environmentally-friendly, even though many environmentalists object to that approach. Indeed, certain "critics of the proposal contend [that] classifying gas and nuclear projects as sustainable is in itself 'greenwashing.'"

This decision by the European Parliament and the ensuing reaction illustrates several important issues currently animating the debates concerning sustainable energy policies and corresponding regulations. First, it is not clear that it is possible to achieve consensus on what should be classified as "sustainable" or "environmentally-friendly," which in turn raises the issue of how to police "greenwashing" when reasonable minds can differ as to whether a particular investment or project is "green" or not. While simply disclosing the standards adhered to by a relevant party is likely relatively uncontroversial, determining whether those standards should be viewed as "green" will almost certainly be contested. Second, this decision and debate also demonstrates the equivocal role played by nuclear power in addressing climate change. Although nuclear power produces zero carbon emissions, and is thus helpful in reducing greenhouse gas emissions if it replaces the use of fossil fuels, many environmentalists remain uncomfortable with the widespread use of nuclear power due to potential nuclear accidents (e.g., Chernobyl, Three Mile Island, Fukushima). Finally, this decision in Europe also indicates the difficulties in shifting to an environmentally-friendly energy model that avoids any use of fossil fuels.

In a landmark vote for [Europe's climate and energy policies](#), the European Parliament on Wednesday endorsed labeling some gas and nuclear energy projects as "green," allowing them access to hundreds of billions of euros in cheap loans and even state subsidies.

The decision placed the European Union's heavy thumb on the scale of a global debate about how and how quickly major industrialized economies can move from their heavy reliance on fossil fuels — and it immediately proved controversial, prompting boos from opponents inside and outside the parliamentary building in Strasbourg, France.

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