



Executive Vice-President
Prosperity and Industrial
Strategy

Brussels, 2 May 2025

SENSITIVE (*)

Subject: *Request for Immediate Action to Suspend Contract Signature for the New Nuclear Reactors of Dukovany and Temelin, Czechia*

Dear Minister,

- (1) *I am writing to you in the context of the tender procedure that the ČEZ Group – Elektrárna Dukovany II, a. s. (the ‘Authority’) launched for the construction of new nuclear reactors in Dukovany and in Temelin, Czechia (‘the Project’).*
- (2) *The Commission is aware that the Korea Hydro & Nuclear Power Co., Ltd. (the ‘Party’) was retained by the Authority as the ‘preferred bidder’ and received information that the Authority intends to sign a contract with the Party on 7 May 2025.*
- (3) *Especially given the current global geopolitical situation, the European Union and the Member States have a joint and critical duty to ensure the security of energy supply and maintain energy security across the internal market, including Czechia. This responsibility is vital for the economic stability and social welfare of the European Union, as well as for upholding geopolitical stability.*
- (4) *Against this background, we fully share the importance of this Project and we want to work with you to ensure its legality. In this regard, I would like to recall the duties conferred upon the European Commission pursuant to Regulation (EU) 2022/2560 of the European Parliament and of the Council of 14 December 2022 on foreign subsidies distorting the internal market ⁽¹⁾ (‘the FSR’), namely the need to safeguard a strong, open and competitive internal market where both European and foreign undertakings compete on merits (recital (1) of the FSR).*

*Minister of Industry and Trade Lukáš Vlček
Office of the Minister
Czech Republic*

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(1) Regulation (EU) 2022/2560 of the European Parliament and of the Council of 14 December 2022 on foreign subsidies distorting the internal market, OJ L 330, 23.12.2022, p. 1–45

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I would also like to recall that the FSR covers all economic sectors including those that are of strategic interest to the European Union and critical infrastructures, such as those mentioned in Article 4(1), point (a), of Regulation (EU) 2019/452 of the European Parliament and of the Council ⁽²⁾ (recital (3) of the FSR).

- (5) Against the same background, I would like to also stress that pursuant to Article 4(3) of the Treaty on European Union ('TEU'), the Union and the Member States shall, in full mutual respect, assist each other in carrying out tasks which flow from the Treaties. In application of this principle, recital (58) of the FSR states that "Member States should cooperate effectively with the Commission in the application of this Regulation".*
- (6) As you are aware ⁽³⁾, the Commission has already started the process of gathering information as part of a preliminary review (Case FSP.101847) to assess whether potential foreign financial contributions received by the Party constitute foreign subsidies and, if so, whether those foreign subsidies distort the internal market with respect to the Project.*
- (7) In the context of its preliminary review, on 12 February 2025, the Commission services issued two requests for information ('RFI') pursuant to Article 13(2) FSR. The first to the Authority and the second to the Party. While neither the Authority, nor the Party provided adequate information in response to those requests, on the basis of the information that was provided, as well as other information that the Commission services have uncovered as part of the preliminary review, significant indications remain that the Party has been granted foreign subsidies that are liable to distort the internal market. To that end, pursuant to Article 10(3) FSR and without preempting the final decision, the Commission is currently in the process of preparing a decision initiating an in-depth investigation.*
- (8) In this regard, the duty of sincere cooperation requires Czechia to avoid any situation that would irreversibly run counter to concerns set out in this letter and that could give rise to irreversible effects that prevent the FSR from being applied effectively.*
- (9) This would be the case, however, where a contract creates final facts which would jeopardise the Commission's right to carry out its investigation effectively and its ability to ensure that entities take effective remedial action on conduct substantially affecting the internal market. In such a case, the decision of the Authority to sign the contract*

⁽²⁾ Regulation (EU) 2019/452 of the European Parliament and of the Council of 19 March 2019 establishing a framework for the screening of foreign direct investments into the Union, OJ L 79I, 21.3.2019, p. 1–14

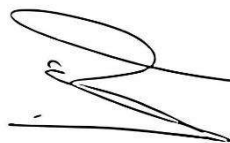
⁽³⁾ By letter of 12 February 2025, the Commission services issued a Request for Information ('RFI') pursuant to Article 13(5) of the FSR, addressed to Petr Závodský, CEO – Chairman of the board of Directors of the Authority. In that letter the Commission services announce the conduct of a preliminary review investigation to the Authority.

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would be contrary to Czechia's obligation, under the duty of sincere cooperation enshrined in Article 4(3) of the TEU and recalled in recital (58) of the FSR.

- (10) *Consequently, in order to avoid an irreversible situation that would give rise to a breach of the duty of sincere cooperation, I count on your full support and cooperation until the Commission takes its final decision in this case pursuant to Article 11 of the FSR, or until compliance with the FSR is guaranteed.*
- (11) *Fully aware of the importance you attach to this Project, I extend my sincere gratitude for your attention to this matter and for your understanding. A signature of a contract that creates final facts at this point in time would not correspond to our joint responsibility under the Treaties and the FSR to ensure the objectives set out therein and to defend the energy security of the Union, including of Czechia.*
- (12) *Once again, I would like to reiterate that this request and investigation do not go against the Project. On the contrary, it is our intention to ensure legal certainty and to make sure that our internal market rules are respected.*
- (13) *My services are of course at your disposal to discuss in detail, and I would like to stress that I am personally available to discuss this matter at your earliest convenience. Kindly do not hesitate to reach out to my office [REDACTED]*

Yours sincerely,



Stéphane Séjourné

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