

Summary: Intervention & Options

Department /Agency:

Department of Energy and
Climate Change

Title:

Impact Assessment of the Financing of Nuclear
Decommissioning and Waste Handling Regulations 2010

Stage: Consultation

Version: One

Date: March 2010

Related Publications: 1) Consultation: Methodology for determining a fixed unit price for waste disposal and updated cost estimates for decommissioning, waste management and waste disposal, 2010.

2) Consultation: Funded Decommissioning Programme Guidance for New Nuclear Power Stations, 2008.

Available to view or download at:

- 1) http://www.decc.gov.uk/en/content/cms/what_we_do/uk_supply/energymix/nuclear/new/waste_costs.aspx
- 2) <http://www.berr.gov.uk/consultations/page44784.html>

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What is the problem under consideration? Why is government intervention necessary?

Intervention is necessary to enable the Secretary of State to have access to information to ensure that operators of new nuclear power stations meet the full costs of decommissioning and full share of waste management costs, given that as a result of the Energy Act 2008 the Secretary of State is under a duty to secure the prudent provision of funded decommissioning programmes. Regulatory intervention will also create a more certain regulatory environment for the operators by regulating the way in which the Secretary of State will act under certain conditions. This is the best way to enable the Secretary of State to carry out those functions under the Energy Act.

What are the policy objectives and the intended effects?

The overall policy objective is to facilitate the construction and operation of new nuclear power stations whilst ensuring that the operator of a new nuclear power station meets the full costs of decommissioning and their full share of the waste management costs.

What policy options have been considered? Please justify any preferred option.

1. "do nothing" i.e. not implement options 2 through to 3d, see below.
2. Preferred option: cost recovery for government approval and review costs funded decommissioning programmes (FDPs); 3rd party verification of FDPs; new "designated technical matters"; materiality threshold for prior approval of modifications to an FDP (set at 5% of present value of an FDP); reporting requirements (based on objective-based approach); defining the content of an FDP.
- 3a. As (2) above, but no cap on recovering costs associated with approval and review of FDP from operators;
- 3b. As (2) above, but limit the scope of order for new designated technical matters;
- 3c. As (2) above, but different materiality threshold
- 3d. As (2) above, but reporting requirements based on prescriptive approach.

When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects?

Government will monitor and evaluate the effectiveness of the policy framework after it is implemented through use of the annual and quinquennial reports submitted by operators.

Ministerial Sign-off For SELECT STAGE Impact Assessments:

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.



Signed by the responsible Minister:

Summary: Analysis & Evidence

Policy Option:	Description: Implement regulations as set out in Table 1.
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COSTS	ANNUAL COSTS		Description and scale of key monetised costs by 'main affected groups' reporting costs		
	One-off (Transition)	Yrs			
	£ N/A				
	Average Annual Cost (excluding one-off)				
	£ 31,000 – 175,000	60	Total Cost (PV)	£ 0.7 to 3.8 million	
Other key non-monetised costs by 'main affected groups'					

BENEFITS	ANNUAL BENEFITS		Description and scale of key monetised benefits by 'main affected groups' Benefits arise as a result of the requirement to only seek prior approval from the Secretary of State for modifications above modification threshold		
	One-off	Yrs			
	£ N/A				
	Average Annual Benefit (excluding one-off)				
	£ 0 – 100,000	40	Total Benefit (PV)	£ 0 to 1.8 million	
Key non monetised benefits included increased transparency brought about by the reporting requirements and increased assurance in relation to the cost estimates.					

Key Assumptions/Sensitivities/Risks

Total costs are based on a 40 year generation period and 20 year decommissioning period and have been calculated on a per station basis. Additional costs in the range of £250k - £1.25 million arising from requiring triennial reporting rather than quinquennial reporting (discounted).

Price Base Year 2010	Time Period Years 60	Net Benefit Range (NPV) £ - 3.8 to 1.1 million	NET BENEFIT (NPV Best estimate) £ -1.4 million
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What is the geographic coverage of the policy/option?				England, Wales, NI	
On what date will the policy be implemented?				Late 2010	
Which organisation(s) will enforce the policy?				DECC,	
What is the total annual cost of enforcement for these organisations?				£ Nil	
Does enforcement comply with Hampton principles?				Yes	
Will implementation go beyond minimum EU requirements?				N/A	
What is the value of the proposed offsetting measure per year?				£ [0]	
What is the value of changes in greenhouse gas emissions?				N/A	
Will the proposal have a significant impact on competition?				No	
Annual cost (£-£) per organisation (excluding one-off)		Micro N/A	Small N/A	Medium N/A	Large £31k – 175k
Are any of these organisations exempt?		No	No	No	No

Impact on Admin Burdens Baseline (2005 Prices)			(Increase)
Increase of £ 0.6 – 3.35 m	Decrease of £ 0 – 1.6 m	Net Impact	£ 1.4 million

Key:

Annual costs and benefits:

(Net) Present

Evidence Base (for summary sheets)

The issue

Policy background

1. The Energy Act 2008 requires that operators of new nuclear power stations must have secure financing arrangements in place in order to meet the full costs of decommissioning and their full share of waste management costs. It requires the operator of a new nuclear power station to submit to the Secretary of State a funded decommissioning programme (FDP) for approval before construction of the new power station commences.

Statutory funded decommissioning programme guidance

2. To assist operators in understanding their obligations under the Energy Act 2008 the Government published draft guidance in February 2008 that sets out what is required for an approvable FDP. The Government has taken a principles based approach to developing the guidance, the aim of which is to allow the operator to develop and comply with a FDP in the most cost effective manner. The guidance will be finalised later in 2010.
3. However in some areas greater certainty is required than can be provided for by using guidance and in these areas it is necessary to implement the regulations set out in Table 1. Relying only on guidance was considered as an option (along with the 'do nothing' option) however to enable the Government to implement a cost recovery scheme regulations are required. But in some instances, for example setting out in regulations certain aspects of the modification procedure, there are distinct benefits. This is because the regulations enable the Secretary of State to disapply certain aspects of the Energy Act 2008 to the modification procedure, thus reducing some of the administrative burden on the operator (see Table 3).
4. This impact assessment sets out the proposals for the implementation of regulations which arise from the Energy Act 2008. The impacts of these proposals are considered in more detail below.

Proposed Regulations

5. The regulations that the Government intends to make are:

Table 1: Proposed regulations

	Purpose of regulation	Manner of implementation
1	Cost recovery – to enable DECC to recover costs associated with the approval and subsequent modification(s) reviews of the FDP.	Negative resolution
2	Third party verification of the FDP – to provide independent assurance of the FDP.	Negative resolution
3	Designated technical matters – the Act allows Secretary of State to make an Order designating which activities associated with the DWMP are designated technical matters.	Affirmative resolution

4	Modification to an approved FDP – setting a materiality threshold at/above which prior approval from the Secretary of State is required before an FDP can be modified by the operator or any other person with obligations under the FDP.	Negative resolution
5	Reporting requirements – setting out the requirement for annual and quinquennial reporting to monitor the FDP.	Negative resolution
6	Defining the content of a funded decommissioning programme	Negative resolution

Analysis of the ‘do nothing approach’

6. Under the do nothing approach the regulations in Table 1 above would not be implemented.
7. The purpose of the reporting requirements is to ensure that the operator’s waste disposal and decommissioning liability is monitored and assessed against the size and performance of the fund. It enables the Secretary of State to be satisfied that the operator continues to be able to meet the full costs of decommissioning and full share of waste disposal costs. Reports will be required on an annual and quinquennial basis. Under the ‘do nothing’ option the Secretary of State would have to submit a notice requiring information from the operator in order to be satisfied that the operator is able to meet the full costs of decommissioning and full share of waste management costs. This ‘do nothing’ option is likely to result in higher administrative costs as the requests for information are likely to arise on an ad hoc basis.
8. Under the ‘do nothing option’ the cost of verifying the information provided by operators would fall on the Government. This is because the Secretary of State is under a duty to secure that prudent provision is made for the financing arrangements meaning that the Government would have to undertake additional assurance at the taxpayer’s expense.
9. The Government would also incur the costs associated with the consideration of a FDP for approval. It would also incur the costs associated with verifying the impact of any subsequent modification above the materiality threshold set by the regulations. Again this would happen as a result of the duty placed on the Secretary of State by the Energy Act 2008 which requires the Secretary of State to secure that prudent provision is made for the financing arrangements.
10. Under the ‘do nothing’ the operator would not be required to pay for the construction and maintenance of interim stores for spent fuel and intermediate level waste and decommissioning planning after generation of electricity has commenced out of the Fund. Instead it could pay for these costs out of operational expenditure. This could result in all or some of the costs for the construction and maintenance of the interim stores falling to the taxpayer in the event that the operator is unable to meet these costs from operational expenditure when they fall due. It could also mean that moneys are not available to undertake the planning for decommissioning.
11. The effect of not setting a materiality threshold for the modification of a programme (i.e. the ‘do nothing approach’) would be that the operator would have to seek approval for every modification that was made to the FDP. In considering the level of the threshold the key consideration lay in identifying a threshold that balanced the need to ensure that

prior approval was sought for those changes that were deemed to have a strategic effect on the liabilities against a need to ensure that the taxpayer is protected against the decommissioning and waste management costs. The Government considers that modifications to an FDP resulting in changes in estimated liabilities of this size are likely to be infrequent and the result of significant operational or technical changes. Such changes are considered to be of sufficient magnitude as to require prior approval by the Secretary of State.

Preferred options

12. The preferred options provide a mechanism for ensuring that the Government can recover the costs associated with the consideration and verification of funded decommissioning programmes. They also serve to reduce the administrative burden on operators of new nuclear power stations by setting a materiality threshold for modifying a funded decommissioning programme. A further benefit of the regulations is that they clarify the modification process and reporting requirements.
13. A detailed analysis of the costs and benefits of the preferred options compared with the 'do nothing option' is set out below.

Analysis of preferred option

Cost recovery provisions

14. The Government intends to set an initial fee that the operator will be required to pay on submission of a FDP for approval, its review or where prior approval from the Secretary of State is needed to modify a programme. This fee ranges from £18,750 - £75,000 depending on the activity.
15. The initial fee is designed to meet some of the estimated costs of the initial advice that the Secretary of State is likely to take from the Nuclear Liabilities Financing Assurance Board (NLFAB). The fee of £75,000 is based on the total number of days that the Nuclear Liabilities Fund (NLF) met as stated in its annual report for Year End March 2009. Although the role and functions of the NLFAB are different from the NLF, for these purposes the Government believes that it is a suitable comparison.
16. The quinquennial review and approval of a modification to an FDP attract the same fee because these activities will require an in-depth review of the FDP and as such will be more complex. The annual report will be a less complex document and so the charge is set at the lower rate.

Supplementary fee

17. Although operators will be given the opportunity to clarify any issues associated with the approval of a FDP or its modification or review, given the highly technical nature of the FDP further technical advice may be required, the costs of which may exceed the fee initially submitted. As a result under the preferred option allowance has been made for a supplementary fee to be charged to the operator. Any supplementary fee will be charged to the operator on an ongoing basis as the costs are incurred.

18. Although it is policy that the Government recovers the costs incurred in considering a FDP the Government is keen to ensure that the operator is not exposed to unnecessary costs. Therefore in order to limit the exposure to the operator the Government intends to cap the various activities associated with the FDP. These are set out in Table 2 below.
19. The cap is derived from estimating a prudent fee for each activity based on current daily rates for external advisors using the OGC Buying Solutions framework. Using the OGC Buying Solutions framework will also help ensure that the Government is procuring advice under recognised procurement arrangements. The cap is also based on the annual costs incurred by NDA in relation to administering the contract created as part of the Nuclear Liabilities Fund Agreement.

Cost to operators

20. As a result of the cost recovery provisions the potential costs to the operator are set out in Table 2:

Table 2: Proposed maximum cost of activity

Activity	Initial fee	Maximum cap
Approval of FDP	£75,000	£500, 000
Approval of modification to a FDP	£75,000	£500,000

Risks

21. For Government the key risk is that the costs associated with the consideration of a FDP escalate beyond the cap. However it is estimated that the costs of seeking advice in relation to the consideration of an FDP are unlikely to exceed £500,000. This figure will be reviewed to ensure it is proportionate to the advice needed to consider an FDP whilst ensuring that the taxpayer does not incur any of these costs.

Independent verification of FDPs

22. The verification of FDPs is an important part of the assurance process. And whilst this policy creates a distributional cost/impact it creates a non-monetised benefit in the certainty that it creates. If this policy were not implemented there could be greater uncertainty associated with the operator's cost estimates. In turn this may result in greater requests for information from the government. Therefore it is ultimately to the benefit of the operator to clarify what is required by verification.
23. Although it is likely that verification of FDPs would still happen without the regulations (as the Fund is likely to want to have the operator's cost estimates verified) as a result of the proposed policy there will be greater certainty for the operator, and as a result a possible overall benefit resulting from potentially lower administrative costs.

Options considered

24. Do nothing – Under the do nothing option we have assumed that the verification of the FDP, modification of an FDP and of the reports could be the region of £62,000 - £500,000 p/a because whilst there would be no regulatory requirement on the operator to have the FDP verified, the Government would still want assurance that the estimates within the FDP were a prudent reflection of the size of the liabilities and the value of the

fund at that point in time. These costs would be borne by the Government because under the Energy Act 2008 the Secretary of State is under a duty to secure that prudent provision is made for the financing arrangements.

25. Preferred option – to require the operator to ensure that the estimates are verified by an independent third party under the terms set out in the regulations and the final guidance. The preferred option implements a lighter touch regime as it leaves some discretion to the operator and verifier. This is a preferred option when compared to a prescriptive based regime which would seek to regulate every activity associated with the verification, leaving little room for discretion.
26. Under the preferred option the regulations will set out what is to be verified, when verification is to take place and the structure/content of the verification report.

Distribution of impact

27. Because it will enhance transparency and provide additional protection to the taxpayer by inserting another layer of assurance, verification will be an integral part of the FDP process. Furthermore as a result of implementing the preferred option the operator will also benefit as verification is likely to result in fewer ad hoc requests for information.
28. The costs of verification will be borne by the operator and are difficult to estimate given the expected complexity of the FDP. In the do nothing option it is assumed that these costs would be borne by the Government. This is because the Government would have to undertake additional reviews of the information to satisfy itself the FDP was prudent and accurate. The preferred option ensures that operators bear these costs.
29. The NDA recovers the costs of administering the contract created as part of the Nuclear Liabilities Fund Agreement which amongst other things includes the review of decommissioning plans and reports. These costs which include external contractor support and cover the existing BE fleet are estimated to be in the region of £500,000 p/a (although this is expected to change as BE move from planning into decommissioning as their stations progressively close).

Risks

30. If the regulations do not provide an adequate framework for the verification to take place there is a risk that the verification process will not deliver a satisfactory level of assurance and that as a result the liabilities are not adequately scrutinised. However to mitigate against this the Secretary of State has powers in the Energy Act 2008 to request information in relation to the FDP. So for example, if the Secretary of State is not satisfied with the verification of a FDP the Secretary of State can request additional information in relation to that FDP. However as previously mentioned, ad hoc requests for information are likely to increase the administrative burden to the operator, so it is in the operator's interests to meet the requirements of the preferred option.

Designated technical matters¹

¹ Designated technical matters are the steps that need to be taken to decommission the

31. As the policy stands the Fund only makes payments for activities that occur once the station has ceased generating for the final time. The effect of implementing the policy under the preferred option will be to require payments from the Fund for activities that occur during the generation life of the station.

Options considered

32. Do nothing – the effect of doing nothing would maintain the status quo and could result in all or some of the costs of the construction and maintenance of interim stores² that need to be constructed after the construction of the station falling to the taxpayer. It could also mean that moneys are not available to undertake planning for decommissioning.

33. Limiting the scope of the Order – the scope of the order could be limited to include the construction of the stores only for example. However this would mean that there is a risk that when the stores are transferred to the Government, moneys for additional maintenance costs would need to be found in order to ensure that the stores were in a satisfactory condition. However there could be no guarantee that those moneys would be available and so the preferred option is to designate both the construction and maintenance of interim stores as designated technical matters.

Analysis of preferred option

34. Under the preferred option the Order makes the following activities designated technical matters:

- the building and maintaining of interim stores (intermediate level waste and spent fuel);
- the planning for decommissioning before the station ceases operation for the final time.

35. As a result of this policy activities associated with the matters described above will have to be paid for from the Fund. This will ensure monies are available to pay for the activity at a point in the future. Not implementing the Order may mean that moneys are not available to construct and maintain additional stores and for planning activities related to decommissioning.

Costs/benefits

36. Given the objective of ensuring that moneys are available to meet the liabilities as and when they fall due, the Government considers the construction and maintenance of interim stores for intermediate level waste and spent fuel and the costs of planning for decommissioning sufficiently significant (in terms of the potential for these financial and societal costs falling to the taxpayer) as to make them designated technical matters even though these costs will arise while the power station is operational.

37. This approach will result in additional costs to the operator as a result of drawing moneys from Fund during the operation of the station. However on an annual basis the

installation and clean up the site (which includes the management and disposal of waste) once the station has ceased generation for the final time. The operator will have to meet the costs of designated technical matters from the independent Fund.

² For intermediate level waste and spent fuel

government believes these costs are relatively small compared to the running of the costs of a nuclear power station. As part of the consultation on the Order the Government is interested to know what operators estimate the costs as a result of this policy to be.

“Materiality threshold” for modification of an FDP

38. The purpose of introducing a materiality threshold is to help reduce the administrative burden on the operator and to ensure that material changes to the FDP are approved by the Secretary of State. The Act currently requires the operator to seek prior approval for every modification to the FDP.

Options considered

39. Do nothing – the effect of not implementing the preferred option would mean that the operator would have to seek approval for every modification that was made to the FDP and that the operator would still be required to report every modification.

40. Preferred option – set the materiality threshold at a 5%± increase of the net present value (adjusted for inflation) of the then current estimate of the decommissioning and waste management liability. Under the preferred option the regulations also define the content of a FDP by clarifying that it must contain the estimates of the costs for the disposal of spent fuel and intermediate level waste and costs of decommissioning and waste management. The Government is consulting on this threshold.

41. Consider other materiality thresholds – in considering the level of the threshold the key consideration lay in identifying a threshold that balanced the need to ensure that prior approval was sought for those changes that were deemed to have a strategic effect on the liabilities against a need to ensure that that the taxpayer is protected against the decommissioning and waste management costs.

Analysis of preferred option

42. The basis for identifying whether or not a change to the station will result in a modification to the FDP for which prior approval is required is to consider individually the affect of the change of the station on the decommissioning and waste management liability and the waste disposal liability. Where the change results in an increase equal to or greater than the materiality threshold prior approval from the Secretary of State will be required.

43. The Government’s updated estimates of the costs of decommissioning, waste management and waste disposal (for a generic 1.35GW PWR operating for 40 years) are:

- decommissioning and waste management costs in the range £800m - £1,800m (undiscounted); and
- waste disposal costs in the range £600m - £1100m (undiscounted).

44. Therefore a materiality threshold of 5% equates to a change of £40m - £90m in decommissioning and waste management liabilities, and a change of £30m - £55m in waste disposal liabilities. The Government considers that modifications to an FDP resulting in changes in estimated liabilities of this size are likely to be infrequent and the result of significant operational or technical changes. Such changes are considered to be of sufficient magnitude as to require prior approval by the Secretary of State.

Costs/benefits

45. As a result of this proposed policy there is a reduction in administrative costs because the operator only has to seek approval for modifications above a certain threshold, the benefits to the operator are set out in Table 3:

Table 3: Potential benefits

	Low	High
Additional benefits – avoided modification costs (discounted)	£ 0	£ 1.8 million

46. Under the do nothing approach we have assumed that the costs to operators for reporting all modifications are in the range of £25k - £100k p/a. This estimate is based on the costs incurred by the NDA in paragraph 24.

47. Under the preferred option the operator does not need to seek prior approval for every modification to the FDP. This may result in reduced administrative costs for operators. However under the preferred option operators will still incur costs and the top of this range could be the same as under the do nothing case. This is because of the potential complexity of modifications that need prior approval and uncertainty around the frequency of such modifications.

Risks

48. There is a perhaps an increased risk that as a result of this policy the taxpayer is exposed to the decommissioning and waste disposal costs. To mitigate against this risk there are a number of checks and balances in place (such as independent third party verification, regular reviews and powers to modify a FDP).

Reporting requirements

49. The purpose of the reporting requirements is to ensure that the operator’s waste disposal and decommissioning liability is monitored and assessed against the size and performance of the fund. It enables the Secretary of State to be satisfied that the operator continues to be able to meet the full costs of decommissioning and full share of waste disposal costs. Reports will be required on an annual and quinquennial basis.

Options considered

50. Do nothing- under this option the Secretary of State would have to submit a notice requiring information from the operator in order to be satisfied that the operator is able to meet the full costs of decommissioning and full share of waste management costs.

However under this ad hoc arrangement this option is likely to lead to regulatory uncertainty for the operator.

51. Prescriptive approach – under this approach the Government would set out in detail the content of each report.
52. Preferred option – objective based approach. Under this option the operator will be required to provide information that demonstrates that the objective of ensuring that the operator meets the full costs of decommissioning and full share of waste management cost continues to be met. This has benefits as it focuses on the overall objective rather than focussing only a ‘check list’ of criteria that have to be reported on.

Analysis of preferred option

53. Under the preferred option the operator will be required to carry out both annual and quinquennial reviews of the FDP, reports of which should be submitted to the Secretary of State and published. The regulations set out the minimum reporting requirements but where the Secretary of State is not satisfied with the information that is provided, additional information can be requested.
54. The annual report will have to contain details of any technical changes, changes to the estimates of the costs of the designated technical matters, details of the performance of the financing arrangements for the designated technical matters and notification of any modifications below the materiality threshold.
55. The quinquennial report should provide a detailed summary of the changes to the FDP which have had an effect on the cost estimates of the decommissioning and waste disposal liabilities as set out in the annual reports for each of the previous five years. The estimates of the liabilities should be re-assessed in the light of any changes and the operator should propose modifications to the FDP to take these factors into account where necessary.
56. A summary of the size and performance of the Fund based on the annual reports for each of the previous five years and taking into account, for example, a change in investment policy or share price fluctuations affecting the value of the investments should also be provided in the report. A review of the expected performance of the Fund and the likelihood that the Fund would generate sufficient moneys to discharge the operator’s liabilities in full as and when those moneys were needed should also be carried out.
57. The consultation document includes a question as to whether or not the in depth review should take place every three years rather than every five year as opposed to every three years. Such a change would bring the review of the FDP in line with the triennial valuations undertaken by pension funds which are conducted in order to establish the pension scheme’s funding position and to establish its ability to cover its liabilities.

Costs/benefits

58. The costs of this policy are set out in the Table 4. They are based on a 40 year generation period, resulting in 40 annual reports and 8 quinquennial reports and 20 year

decommissioning period during which there would be approximately 13 annual reports and 7 triennial reports (assuming that during decommissioning the quinquennial reports are replaced with triennial reports).

Table 4: Administrative costs associated with the reporting requirements resulting from the proposed regulations.

	Low	High
Annual reporting costs	£18,750	£75,000
Quinquennial reporting costs	£18,750	£500,000

Table 5: Discounted total reporting costs

	Low	High
Additional costs arising from reporting requirements (discounted)	£700,000	£3, 800,000

59. If the quinquennial reports during generation were replaced with triennial reports the estimated additional impact on costs would be as follows:

Table 6: Additional costs arising from a requirement to have triennial reporting requirements during the electricity generating period as opposed to quinquennial reporting.

	Low	High
Additional costs arising from requiring triennial reporting rather than quinquennial reporting (discounted)	£250,000	£1,250,000

Specific Impact Tests: Checklist

Use the table below to demonstrate how broadly you have considered the potential impacts of your policy options.

Ensure that the results of any tests that impact on the cost-benefit analysis are contained within the main evidence base; other results may be annexed.

Type of testing undertaken	<i>Results in Evidence Base?</i>	<i>Results annexed?</i>
Competition Assessment	Yes	Yes
Small Firms Impact Test	N/A	N/A
Legal Aid	N/A	N/A
Sustainable Development	Yes	Yes
Carbon Assessment	Yes	Yes
Other Environment	Yes	Yes
Health Impact Assessment	Yes	Yes
Race Equality	N/A	N/A
Disability Equality	N/A	N/A
Gender Equality	N/A	N/A
Human Rights	N/A	N/A
Rural Proofing	N/A	N/A

Annex A – Specific Impact Tests

Competition Assessment

1. This proposal affects the regulatory processes in relation to investment in new nuclear power stations. All the companies likely to build new nuclear power stations will face the same legislation.

Sustainable Development

2. The draft Nuclear National Policy Statement, which sets out the Government's planning policy for the construction of new nuclear power stations, has been subject to an appraisal of sustainability. This has assessed the sustainability of nuclear power and identified the potential for positive effects in meeting the Government's climate change and security of supply objectives.

Carbon reduction

3. The Nuclear White paper sets out the Government's conclusions that nuclear power stations emit lower emissions than fossil-fuelled generation and is on a par with wind. As an illustration, it explained the impact emissions if our existing nuclear power stations were replaced by gas (8million tonnes of CO₂) or coal (16 MtC). It concludes that new nuclear power stations could contribute significantly to meeting the Government's climate change objectives by displacing CO₂.

Other Environment

4. The Nuclear National Policy Statement, which sets out the Government's planning policy for the construction of new nuclear power stations, has been subject to an appraisal of sustainability. This has assessed the sustainability of nuclear power and identified the potential for positive effects in meeting the Government's climate change and security of supply objectives.

Health

5. The Nuclear White Paper sets out the Government's conclusions that new nuclear power stations would pose very small risks to health and that the UK has an effective regulatory framework that ensures that those risks are minimised and sensibly managed. Furthermore the Government has published for consultation its proposed decision on Regulatory Justification which finds that the inherent systems in place for both the AP1000 and the EPR and compliance with the UK's robust regulatory regimes mean that the risk of radiological health detriment is very small.

Equality Impact Assessment

6. After initial screening as to the potential impact of this policy/regulation on race, disability and gender equality it has been decided that there will not be a major impact upon minority groups in terms of numbers affected or the seriousness of the likely impact, or both.

