

Response by NuGeneration Ltd.

Dear Sir/Madam,

Consultation on revised Funded Decommissioning Programme Guidance for New Nuclear Power Stations

Thank you for the opportunity to respond to DECC's consultation. Please find, as an attachment to this letter, responses to the two questions raised in the consultation submitted on behalf of NuGeneration Limited (NuGen), a consortium of GDF Suez, Iberdrola and SSE, who have an interest in developing new nuclear power generation at a site in West Cumbria, adjacent to Sellafield.

Consultation questions

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Do you agree or disagree that the draft guidance sets out what an approvable Funded Decommissioning Programme should contain to ensure that operators of new nuclear power stations (i) estimate the potential costs of decommissioning, waste management and waste disposal and (ii) make prudent provision for meeting their liabilities? What are your reasons?

Response

1.1 Principles based approach is the right approach but requires pragmatism on both sides to reach agreement
We support the principles based approach that Government has adopted in the guidance on the basis that the guidance is required to apply over an unusually long time period where it is acknowledged that more clarity over costs and available technologies will emerge with the passage of time.
It is also worth recognising that a consequence of a principles based approach is the need for more work on the part of both the Operators and Government in determining whether the FDP proposals meet the requirements of the principles and there will be a time and cost implication as a result of this. It should also be recognised that agreement will not be reached unless both parties are prepared to take a balanced and pragmatic approach to reach agreement on whether the FDP proposals made by the Operators are in line with the principles outlined in the guidance.
The guidance includes the requirement for

publication of as much of the FDP as possible except for material of a sensitive nature. We support the principle of public disclosure to give the public confidence that the Operator is adhering to the obligation to cover its full costs of decommissioning and its full share of costs of safely and securely managing and disposing of their waste. The guidance also highlights that "It should be noted that the entire FDP and documents related to it will be subject to the Freedom of Information Act 2000 should requests for information be made in relation to them." A principles based approach by its nature will require the Government and Operators to enter into early discussion to determine if early proposals being considered by Operators are in line with the principles outlined in the guidance. These discussions are likely to cover many different options and the resultant outcome included in the final FDP may bear no relation to some of these very early proposals. Government and Operators need to be able to work in a pragmatic and open way that allows them to reach sensible agreement on FDP proposals. It may not be in the interest of the tax-payer if these discussions could not take place in an open and pragmatic manner because of concerns regarding Freedom of Information requests.

1.2 Operators should make prudent provision for meeting their liabilities but care should be taken to ensure multiple layers of prudence do not result in