

PAWB, Pobl Atal Wylfa B/People Against Wylfa B

Rt.Hon Chris Huhne MP,
Secretary of State,
Department of Energy and Climate Change,
3 Whitehall Place,
London SW1 2AW

June 16,2010

Dear Mr.Huhne,

I write to you on behalf of PAWB the anti-nuclear power campaigning movement based in Ynys Môn and Gwynedd. We would like to congratulate you on your appointment and wish you well in your work. It is certainly an opportunity to make a real difference in getting to grips with the great challenges that face us all in reducing the potentially catastrophic effects of climate change. We state clearly at the outset that promoting a new generation of nuclear reactors is a dangerous and vastly expensive distraction in the whole context of climate change. The vigorous promotion of a whole variety of renewable energy technologies on large and small scales and a comprehensive programme of energy conservation and efficiency should be your whole focus in office.

PAWB wishes to make comments on the consultation on a methodology for deferring a Fixed Unit Price for waste disposal and updated cost estimates for nuclear decommissioning. This consultation was launched by your predecessor Ed Miliband in March this year, and in common with each consultation carried out by the Blair/Brown governments, this latest one shows an unjustifiable bias towards the nuclear industry. The central flaw in this consultation is the setting of a "fixed unit price" for waste "disposal" when approval is given for a new nuclear reactor. This effectively amounts to a very substantial subsidy to the nuclear industry by capping the cost of nuclear waste disposal to the operator and transferring potential cost overruns to the taxpayers. If the new coalition government is going to be true to its word that no subsidies will be provided for new nuclear reactors and the management and disposal of their waste, we urge you to withdraw this consultation. Any further rethought consultation should accurately assess the economics of new nuclear build without financial sweeteners from the British State.

In response to consultation question 1, PAWB argues that the Government should not give nuclear operators the option of deferring the setting of their Fixed Unit Price. Nobody knows how long it will take for legacy nuclear waste to be placed in a Geological Disposal Facility. The Government admits all legacy waste may not be emplaced until 2130, almost a century after a GDF is anticipated to be available. New build wastes add significantly to the uncertainty, since the doubly hot and doubly radioactive high burn-up spent fuel needs to be stored for 160 years on the site of its production. Due to the sheer heat of this waste, it doesn't follow that it could be buried in the initial legacy waste GDF.

Setting a Fixed Unit Price depends on the dubious future performance of the stock market. Considering how banks have crashed in recent times, it would be highly irresponsible for the Government to set an artificial FUP in favour of the nuclear operators, thus ignoring the totally unpredictable nature of stock markets over the next 160 years.

In response to consultation question 2, PAWB states that the Government should not take title to, and liability for a nuclear operator's waste. The fiasco of British Energy's virtual bankruptcy in 2002 should plant serious doubt in the Government about lumping nuclear liabilities on taxpayers. PAWB does not agree that the Government should consider itself better placed than an operator to manage cost risks. The long timescales involved and all the uncertainties surrounding waste management and disposal should prevent the Government to place "a significant risk in the hands of the taxpayer".

PAWB comments as follows on consultation questions 3 and 4. Far from striking a balance in protecting the taxpayer, by taking a prudent and conservative approach to cost estimation, while facilitating new nuclear build by providing certainty to operators, there are serious contradictions in the methodology to determine a Fixed Unit Price. No British nuclear power plants have been built without massive state assistance. The French Areva EPR reactor currently under construction at Olkiluoto in Finland is already over three years behind schedule and 75% over budget. It is a similar picture with the new EPR being built at Flamanville, Normandy. There have been an average of 300% over budget costs on India's 10 most recent reactors.

Similarly, calculating the FUP assuming new build spent fuel can be buried with legacy waste poses more searching questions than clear answers. What if GDF costs rise far beyond those allowed for in the risk premium charged as part of the FUP? As mentioned earlier, there are great doubts whether new build high burn-up spent fuel can be placed alongside legacy waste. This methodology underlines that the FUP is in effect a subsidy to private sector nuclear companies who will not otherwise take on the risks surrounding waste management costs.

PAWB argues that issues arise from question 5 on the copper canister disposal method being considered in Finland and Sweden. It has been suggested in recent research by G.Helquist in July 2009, that copper canisters 1m thick might be required for 100,000 years durability to store waste. This is dramatically thicker than the current thickness of 0.05m argued to be safe. The research by Helquist argues that corrosion of copper by water is a much bigger issue than previously recognized. Cost and availability of 1m thick copper canisters will undermine the whole disposal concept.

Question 6 again underlines risks and uncertainties rather than giving a credible range of estimates of the likely costs for decommissioning, waste management

and waste disposal for a new nuclear power station. The harsh economic reality is that costs outlined in the 2007 Labour Government Nuclear Consultation are already hopelessly outdated. Decommissioning and waste management costs are now estimated in the range of £800 million - £1800 million, a potential 330% increase on the estimate in the 2007 consultation document for a 1.35GW pressurized water reactor. Such an escalation of costs in such a short period surely undermines the Government's offer to establish the Fixed Unit Price. If these costs have rocketed over the past 3 years, what are the possible cost increases over the next century and a half?

Finally, the previous government launched a consultation on the Justification of Practices Involving Ionising Radiation Regulations 2004 in November 2009. No final decision has been reached on this consultation. PAWB fully supports the call made by Jane Davidson AM, Minister for Environment in the National Assembly Government for a public inquiry into Justification on the basis of concern about managing and disposing of doubly hot and doubly radioactive new build nuclear waste. PAWB also urges the Government to address critical issues such as the medical effects of low level radiation, the safety of proposed reactors, the risk of terrorist attacks, and the correlation between nuclear power and nuclear weapons proliferation in a fully independent and thorough public inquiry. It would be very unwise for the Coalition Government to approve its draft decision that new nuclear reactors can be "justified" on the back of such a flawed and limited consultation.

We look forward to hearing from you.

Yours faithfully,

Dylan Morgan, Co-ordinator PAWB