

Annex F: Response form for the consultation document on a Fixed Unit Price methodology and updated cost estimates

You may respond to this consultation by email or by post.

Please note that if you accessing this document electronically you will only be able to enter text in the response fields.

Respondent Details	
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Please return by 18th June 2010 to:

Fixed Unit Price methodology and updated
cost estimates consultation
Office for Nuclear Development
Department of Energy and Climate Change
Area 3D
3 Whitehall Place
London
SW1A 2AW

You can also submit this form by email:
decomguidance@decc.gsi.gov.uk

Tick this box if you are requesting non-disclosure of your response. ☐

No.	Question
Chapter 3: The methodology to determine a Fixed Unit Price	
1	<p>Do you agree or disagree that prospective operators of new nuclear power stations should be given the option to defer the setting of their Fixed Unit Price? If so, do you agree that deferral should be limited to 10 years after the nuclear power station has commenced operation? Do you have any comments on the way the Government proposes to determine an expected Fixed Unit Price as the basis for an operator's interim provision in the event they choose to defer the setting of their Fixed Unit Price?</p>
Response	<p>This group approaches with great caution any process of pricing between the Government and the nuclear industry. We have witnessed decommissioning money being siphoned off new build Sizewell B, and seen what we regard as improper involvement by the Nuclear Decommissioning Authority in new build wastes without due consultation, as recommended by CoRWM 1.</p> <p>The difference with new build this time round, is that, with a privatised nuclear industry, the Government has categorically stated that there be no public subsidy..</p> <p>We are therefore concerned that the previous Government set up a FUP scheme that muddies the waters between new wastes, legacy wastes and the reactor sites. There have been criticisms that this scheme represents public subsidy by the back door. We would welcome a response by the Government on the paper produced in 2008 by Dr MacKerron : Response to "Consultation on Funded Decommissioning Programme Guidance for New Nuclear Power Stations"</p> <p>http://www.sussex.ac.uk/sussexenergygroup/documents/decom_funding_consultation</p> <p>At the very least, the proposals for any sort of FUP should be abandoned. There must be clarity that new build operators must pay the full price of disposal right up to when disposal occurs.</p> <p>Rather than an FUP the Government should go back to the drawing board and look at alternative waste funding arrangements. Consideration must be given as to potential financial difficulties with the company concerned, putting waste disposal costs ahead of dividends for investors. The gamble intended by the FPU schemes, of accruing interest to pay for disposal costs is reprehensible and does not constitute sustainable development. Discounting methods in such an unstable financial climate are just not good enough.</p>
2	<p>Do you agree or disagree with the proposal that the Schedule for the Government to take on to and liability for an operator's waste should be set in relation to the predicted end of the decommissioning of the nuclear power station? Do you have any comments on the way the Government proposes to recoup the additional costs it will incur in this case?</p>

No.	Question
Response	The Government must not take title to and liability for an operator's waste set in relation to the predicted end of the decommissioning of the nuclear power station and whether or not it is a Geological Disposal Facility. This must be rejected. Operators should be financially and legally responsible. Any extra costs over time should be borne by the operator, even if they are outside FUP funding. If this is judged as too difficult, then the operator should abandon nuclear in favour of other low carbon generation that does not bear such uncertainties.
3	Do you agree or disagree that the proposed methodology to determine a Fixed Unit Price strikes the right balance in protecting the taxpayer, by taking a prudent and conservative approach to cost estimation, while facilitating new nuclear build by providing certainty for operators? What are your reasons?
Response	There has been no discussion on why the taxpayer needs to be involved. Those who make the mess should clean it up.
4	Do you agree or disagree with the proposed approach to determining an operator's contribution to the fixed costs of constructing a Geological Disposal Facility? What are your reasons?
Response	<p>There are many uncertainties over the building of the GDF. At present there is still not a willing community to host the Facility. Furthermore there is as yet no consensus as to anything other than legacy waste would be acceptable to such a community.</p> <p>We wish to express concern over the nature of new build waste, which is of a different type to legacy wastes. We know that spent fuel will have to remain on site for about 160 years. Members of the public, we have received no news as to how this will be moved, or to where or if it will be moved. There are many such questions to be answered before the stage of Consultation has reached can have any validity.</p> <p>We have no faith in the financial scheme as proposed, in that the costs, with removal to the GDF, will be at their greatest when the operator's contribution is tailing off. Therefore future taxpayers will have to bear the burden.</p>
5	Do you agree or disagree with the proposal that the units to be used for the Fixed Unit Price are pence per kWh for spent fuel and cubic metres of packaged volume for intermediate waste? What are your reasons?
Response	A major flaw of the consultation is that there is no method shown by which the operators make up for a short-fall in waste funds if electricity prices decrease, or if there is a fall in demand. To make a judgement on this, the workings need to be open to Parliament and the Public.
Chapter 5: Updated estimates of the costs for decommissioning, waste management and waste disposal	

No.	Question
6	Do the updated cost estimates represent a credible range of estimates of the likely costs of decommissioning, waste management and waste disposal for a new nuclear power station?
Response	There are too many unanswered questions, with incomplete methodologies. There is a thorny question of spent fuel, and the technical challenges of dealing with this, which are in progress. The whole concept of FUP brings to light the many technical, social and political uncertainties of buying so far into the future.

Please select the category below which best describes who you are responding on behalf of.

- ☐ Business representative organisation/trade body
- ☐ Central Government
- ☐ Charity or social enterprise
- ☐ Individual
- ☐ Large business (over 250 staff)
- ☐ Legal representative
- ☐ Local Government
- ☐ Medium business (50 to 250 staff)
- ☐ Small business (10 to 49 staff)
- ☐ Micro business (up to 9 staff)
- ☐ Trade union or staff association
- ☒ Other (please describe):

Thank you for taking the time to let us have your views. The Government does not intend to acknowledge receipt of individual responses unless you tick the box. ☒

Department of Energy and Climate Change
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