

CANE (Communities Against Nuclear Expansion) Response to Fixed Unit price consultation. DECC.

CANE does not believe that a fixed unit price for waste management or decommissioning is in the best interest of taxpayers for a number of reasons. We will not respond to the questions in the consultation because we believe it is fundamentally wrong to suggest that a FUP is achievable even with substantial safeguards.

We have responded to the DECC ionising regulation consultation and have supported the calls by many NGOs for a full and open public inquiry into many of the aspects including future waste management and economics of nuclear power. We believe there are simply too many assumptions being made in that justification without adequate evidence and consequently we consider it would be morally indefensible to even consider a FUP without that inquiry having taken place first.

We enclose below some of the reasons for our concern, Points 1 to 3 directly reflect our views about the current proposals, Points 4 to 8 reflect aspects of the history of nuclear power which are still relevant today.

1. The reliance on a flat rate nuclear levy delivers a substantial subsidy to the nuclear industry's cost of capital, which is contrary to government policy.
2. The flat rate levy spreads the cost of decommissioning over a period of forty years. This is in spite of the fact that decommissioning costs are almost all incurred as soon as a power station begins operation. This results in a substantial risk to the public purse should a nuclear operator be faced with potential insolvency.
3. The accountancy practice of discounting the cost of waste management and decommissioning over time must be based upon a real world situation, where inflation is low and the difference between the cost of borrowing and investment is reflected as accurately as possible. An arbitrary adoption of a discount rate does not reflect the fact that waste management costs will be incurred for several thousand years.
4. Funds from a subsidy on electricity bills to cover decommissioning costs were understood to be taken by Government to finance part of the construction costs of Sizewell B. Leaving a shortfall in the decommissioning budget.
5. The budgeted cost of decommissioning Sizewell A Magnox reactor according to the Nuclear Decommissioning Authority (NDA) is £800 million . As yet about 5% of the spent fuel is removed, meanwhile a full workforce has to be retained to ensure licence conditions are met. These costs are being met by the taxpayer.

The plant at Sellafield which treats all Magnox fuel is inefficient, worn out and pollutes the environment if throughput is increased, thus constraining the ability of all Magnox sites to be decommissioned.

The second greatest expense in decommissioning is asbestos removal. It is understood that due to budgeting constraints a contract for asbestos removal cannot be let. Consequently these costs rise, as asbestos landfill costs increase year on year as the landfill tax increases. Our view is that Magnox decommissioning programme cannot proceed under the current budget (and certainly will not be if the budget is cut) and that any desire to decommission faster, if technologically and environmentally feasible, is unlikely to happen without fundamental changes to the NDA work plan.

6. The cost of decommissioning each Advanced Gas Cooled reactor is put at five times that of a Magnox reactor because of extra amounts of graphite. (According to the World Nuclear Association). This would appear to put the cost of dismantling an AGR at £4 billion each.

Through our local Sizewell Stakeholder Group we asked British Energy to supply a cost estimate for decommissioning the BE fleet. A figure of £9.36 billion or £2.98 billion discounted was given for the whole of the fleet, including Sizewell B. **We believe these figures could be widely inaccurate.** This is an indication of future liabilities which the taxpayer could be faced with if the NDA inherits these reactors.

7. There is no reprocessing of spent fuel from Sizewell B PWR. A new spent fuel store is to be built on site to allow for cooling down and storage for at least 70 years. We are told that the original storage pond does not have enough capacity for all spent fuel arising. This means that the spent fuel will be on site needing guarding, site maintenance and possible repacking long after the reactor is productive.

8. For new build of the European Pressurised Water Reactor EPR we understand the much hotter spent fuel will require cooling and storage on site for 160 years. This would be substantially past the designed operating life of the stations and past the design life of the storage casks. This would give serious implications for maintenance, site security, safety and flood risk, all of which will have major cost implications.

To conclude on past evidence and faced with the liabilities from AGR and PWR reactors we do not believe a fixed unit price for waste and decommissioning of new build is in the public interest.

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On behalf of CANE
20th May 2010