

## **Annex 2-Paris/Brussels Conventions - meeting with EDF Energy: 14 September 2011**

Present: EDF Energy - NAME REDACTED, NAME REDACTED

DECC – Stephen de Souza, NAME REDACTED, NAME REDACTED, NAME REDACTED

### Purpose of the meeting

- a) To set out the current DECC timetable for implementation of the revised Conventions
- b) EDF to update on work to find solutions for insurance provision for the new liabilities
- c) Agree next steps.

### a) Timetable

- NAME REDACTED explained the current timetable. The aim is to publish the Government response to the consultation (earlier this year) on implementation proposals in late October/early November. Exact timing will be subject to Ministerial approval.
- We hope to lay the final version of the Order revising the NIA65 by the end of the year. Progress after that will be subject to Parliamentary time and approval.
- Following approval of the Order by Parliament, the UK will be able to confirm that it will be ready to ratify the Conventions<sup>1</sup>, and to agree a joint date for ratification.
- It was agreed that there will need to be a "lead-in" period prior to the ratification and coming into force of the Conventions during which operators in the UK and other Convention countries can finalise insurance solutions.
- It was agreed that it would be useful if the EU countries agreed in advance a date on which together they would ratify the Convention changes (this would also be the date when the changes would come into force as the EU countries would make up the two thirds of Paris signatories needed for coming into force). NAME REDACTED pointed out that it would simplify matters if this could be 1 January 2013, as virtually all nuclear third party liability insurance contracts operate on a calendar year basis, and for all countries to start at the same time.

### b) EDF Energy update

- NAME REDACTED and NAME REDACTED presented their progress in finding solutions for insurance/other financial security cover for the new liabilities. They understand the insurance pools are unable to provide full cover at the start of the regime. EDF Energy are actively looking for alternative solutions to fill both the gaps and also provide more of the cover than could be provided by the nuclear insurance pool.
- EDF Energy are at early stages of developing a solution. This is likely to involve existing mutuals and the development of new ones. NAME REDACTED/NAME REDACTED undertook to report back on progress in due course.
- EDF Energy expressed concerns over costs if Government steps in to cover insurance gaps due to market failure, and that pricing should be reflective of the real risk faced.

### c) Next steps

- It was agreed that EDF Energy will keep DECC up to date on progress on insurance matters.
- DECC will keep EDF Energy informed if there were likely to be any significant changes to the timetable for the publication of the Government response and the laying of the Order.

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<sup>1</sup> The Protocols to the Paris and Brussels Conventions themselves will also need to be laid before Parliament under Part 2 of the Constitutional Reform and Governance Act 2010.