

Respondent Details	
Name:	L2 Business Consulting Ltd

Thanks you for the opportunity to review and provide feedback on The Energy Act 2008 – Consultation on updated Waste Transfer Pricing Methodology for the disposal of higher activity waste from New Nuclear Power Stations.

L2 Business Consulting (L2) is an independent consultancy providing strategic advice on clean-up, regulatory and business development within nuclear and other highly regulated industries. We provide consultancy services across the nuclear fuel cycle including advice on waste management and decommissioning for both clean-up and new nuclear build sectors. We also undertake regulatory support covering licensing, permitting, compliance, radiation protection, health & safety, environmental, quality assurance and training. It is against this expertise in which we provided our comments to your consultation. We have completed the request proforma template as requested, which is attached. In general we are supportive of the updated WTP Methodology but have significant reservations around the approach taken on the build up of the pricing and risk fee, which requires further explanation and justification. We look forward to reviewing the outcome of the consultation process in due course.

Consultation questions	
1	Do you agree or disagree that the level of the Waste Transfer Price should be subject to a Cap and that in return for setting a Cap the Government should charge a Risk Fee? What are your reasons?
Response	<p>The approach identified in the consultation document in relation to the Cap and Risk Fee approach seems reasonable.</p> <p>In addition to this question we would also like to make some additional comments on the WTP consultation:</p> <p>(1) More details on the proposed contracting arrangements between the government and the operator should be provided.</p> <p>(2) As with the draft FDP guidance, the role of third party verification requires greater consideration, who appoints them, could all interest parties make use of the same auditor review, which would provide a common understanding and data set.</p> <p>(3) More consideration needs to be given to how HM Government will be incentivised to ensure cost effective and timely delivery of the GDF</p>
2	Do you agree or disagree that the Deferral Period should be set at 30 years after the start of electricity generation, in order to enable uncertainty over waste disposal costs to be reduced? What are your reasons?
Response	The identified deferral period of 30 years appears reasonable based on underpinning assumptions identified.
3	Do you have any comments on the updated Waste Transfer Pricing Methodology? Comments are sought in particular on the proposed approach to setting an Expected Price and a Risk Fee.
Response	<p>The proposed Waste Transfer Pricing (WTP) methodology as present does not appear to be robust in terms of its approach to price and risk build up. There is a lack of transparency in how the pricing has been determined which makes an accurate understanding and substantiation of the risk elements of the pricing.</p> <p>DECC needs to provide greater transparency on the basis of the calculations, assumptions used and justification for the apparent arbitrary application of multiple risk factors.</p>

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):