

Respondent Details

Name:	P Manson
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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

Yes

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

No.

I think this is the wrong question.

It is of course sensible that new build nuclear operators are required to make prudent provision for the future costs of decommissioning and of waste disposal. Given the current uncertainties in these areas the general framework proposed is a reasonable way forward. There are factors to be balanced. On one hand, the sooner the operator starts to make investments against a known target for total funding the better. On the other hand, the longer the deferment, the greater the degree of certainty in the funding requirement.

We are working on the somewhat naive financial assumption that we can accurately assess costs in the future, as far away as over a century. We can have no idea of what a cup of tea or a bag of cement will cost so far into the future. To use a single occasion to define these expected costs is unrealistic. What is needed is periodic review of funding requirements and the mechanisms being proposed should be amended to include such a period review.

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

The methodology is of necessity conservative and sets an upper bound on costs. It is thus more than likely that at the end of waste disposal the Government's actual costs will be less than the funds made available through the transfer price. There should be recognition of this possibility, and provision for a return to the operator of unspent monies.

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):