

Nuclear Liabilities Financing Assurance Board

Tuesday 27th January 2015, 10:00 – 16:00

Slaughter and May, One Bunhill Row, London EC1Y 8YY

Attendees:

NLFAB Board:	Janet Balfour, Simon Carroll, Anne Baldock, Antony Barker (Phone), Simon O'Regan, Norman Harrison, Anthony White (10-12)
Advisers:	Robert Chaplin, (Slaughter and May), Jon Exley (KPMG), Chris Kaye (NDA, until 12:20)
DECC:	Rob Middleton, Nicola Robinson, Hergen Haye, Hugo Robson (11:00-14:00)
NNBG:	Humphrey Cadoux-Hudson (EDF Energy Managing Director, Nuclear New Build), Tony Free (Head of Environmental Planning, Project Development Directorate), Kevin Boram (Finance Manager, Investment Team)
Deloitte:	Daniel Grosvenor (Partner, Corporate Finance Advisory)
HSF:	Julia Pyke, Matthew Job, Hannah Roscoe
BNP Paribas:	Mark Muldowney
CGN:	Wei Fanjie
Secretariat:	Clare Bayley

Private Board Session

1. The Board agreed that they need to make clear that the messages of concern are coming from NLFAB, and need to make clear the seriousness of such concerns.
2. The NLFAB's letter of 19 December 2014 to DECC (shared with NNB and IUK) has focussed attention on FDP. Parties are seeking mechanisms to address the Board's concerns.

Meeting with EDF Energy and Advisers

3. NLFAB Chair Janet Balfour clarified that NLFAB are a non-negotiating party. NLFAB is an independent body whose statutory task is to advise the SoS as to whether the FDP package is prudent.
4. The Chair outlined the changes that have been introduced into the negotiated terms since the provisional FDP agreement (March 2013). It is these which have produced the Board's current concerns (outlined in letter) regarding prudence.

5. Humphrey Cadoux-Hudson, EDF Energy Managing Director of Nuclear New Build, thanked the Board for the opportunity to discuss its concerns and acknowledged the responsibility that NLFAB have in advising Secretary of State on FDP. Negotiations are at a critical stage and there is not much room for manoeuvre, however NNB have a duty to listen to NLFAB concerns and to try to reach a compromise together.
6. The EDF Energy team and advisers responded to the issues raised by NLFAB, presenting modelled scenarios. They affirmed that FDP payments will have seniority over other payments. Due diligence work by IUK should give all parties, including equity parties, confidence that risks have been assessed and will be effectively managed.
7. NLFAB remain concerned with respect to the year that FDP will be fully funded; the totality of the agreement, which is critical to determining whether the final FDP transaction reached is prudent; optimism in modelling assumptions; the potentially significant impacts of shocks at critical time periods, such as an extended outage requiring significant capital investment when back ended FDP payment is due; and the need for FDP to take priority.
8. EDF Energy identified some ideas that might offer a way forward for addressing concerns that the NLFAB Board had raised and, in principle, may be open to accept as a way forward. EDF Energy offered to consider these further and return to present its suggestions to the Board on 4th February 2015.

Private Board session

9. The Board looks forward to receiving new proposals from EDF Energy at its next meeting.
10. Minutes from previous meetings will be approved at the next NLFAB Board meeting on 4th February 2015.

Nuclear Liabilities Financing Assurance Board

Wednesday 4th February 2015, 09:30 – 14:30

Slaughter and May, One Bunhill Row, London EC1Y 8YY

Attendees:

NLFAB Board:	Janet Balfour, Simon Carroll, Anne Baldock, Antony Barker (phone), Simon O'Regan (phone), Norman Harrison, Anthony White
Advisers:	Robert Chaplin, Daniel Tan (Slaughter and May), Jon Exley (KPMG)
DECC:	Rob Middleton, Nicola Robinson, Hergen Haye, Hugo Robson, Peter Huey
NNBG:	Humphrey Cadoux-Hudson (EDF Energy Managing Director, Nuclear New Build), Tony Free (Head of Environmental Planning, Project Development Directorate), Kevin Boram (Finance Manager, Investment Team)
Deloitte:	Daniel Grosvenor (Partner, Corporate Finance Advisory)
HSF:	Julia Pyke, Hannah Roscoe
BNP Paribas:	Mark Muldowney
CGN:	Wei Fanjie
Secretariat:	Clare Bayley

Private Board Session

11. Board members will provide final advice only when they have had the opportunity to consider a complete FDP package.

Meeting with EDF Energy and Advisers

12. NLFAB is sympathetic to NNB's need to satisfy the competing demands of various participants in discussions about the HPC project and welcome NNB's commitment to addressing the Board's concerns.
13. NNB presented the Board with a revised proposal, amended to address the Board's concerns as identified at the NLFAB meeting on 27th January. The Board asked questions, and wish to scrutinise the modelling data (and assumptions) supporting the proposals. The Board indicated that, in principle and subject to scrutiny, the proposals presented may be acceptable as a way forward. NNB agreed to share the data requested.

14. Some elements of the revised proposal are provisional, as they have yet to be agreed with Infrastructure UK. DECC-IUK-NNB will have tri-partite meetings to resolve outstanding issues.
15. The Board questioned proposals covering any future NNB insolvency. It was agreed that, should the issue of insolvency arise at some future date, such a threat would be resolved only through discussion between DECC, IUK, and the Board.

Private Board session

16. In the event of any refinancing which might affect the FDP payment profile, members wish that NLFAB (or equivalent) will have a future role, to ensure that the FDP is protected. OND will provide the Board with further information on this issue.
17. The Board asked for confirmation that any changes to a finalised FDP package would require approval from Secretary of State.
18. At NLFAB's request, KPMG advisers are to scrutinise modelling data presented to the Board.
19. Next Board meetings agreed:
 - a. Wednesday 11th February to discuss modelling data analysis
 - b. Thursday 5th March to discuss progress
 - c. Tuesday 24th March to discuss advice
 - d. Thursday 2nd April (for contingency)

Nuclear Liabilities Financing Assurance Board

Thursday 5th March 2015, 09:30 – 13:00

Slaughter & May, 1 Bunhill Row, London EC1Y 8YY

Attendees:

NLFAB Board: Janet Balfour, Simon Carroll, Anne Baldock, Antony Barker, Norman Harrison, Simon O'Regan, Anthony White (phone)

Advisers: Robert Chaplin, Heather Fleming, Daniel Tan, (Slaughter & May), Jon Exley, Graeme Brown (KPMG)

DECC: Rob Middleton, Nicola Robinson, Hergen Haye, Hugo Robson

Secretariat: Clare Bayley

Private Board Session

1. The Board reflect on progress to date and recap on previous NLFAB meeting with EDF Energy and advisers. NLFAB are cautious not to provide draft advice until they have seen a final draft of FDP documentation and are in a position to give a definitive view.
2. The Board uphold the view that the FDP agreement must be prudent and must take payment priority, and in the event of a future refinancing arrangement this position is maintained.

Update from DECC

3. The timetable for completion remains challenging. The target is to have all documentation completed by Easter 2015 to be presented to the new Government after the election.
4. The European Commission have requested further information on the Waste Transfer Contract (WTC) before the UK is formally asked to submit the WTC State Aid Case. DECC are responding to this request.
5. The deal being brokered is a compromise on all sides.

Outstanding issues

6. Negotiations are progressing and the outstanding issues are narrowing. Advisers to the Board outlined progress, and NLFAB members scrutinised the status of current proposals with regards to the FDP funding period and arrangements in the event of insolvency.
7. The Board analysed modelling data of potential downside (extreme) scenarios and were satisfied with the high level of confidence that these scenarios would not occur. The

current proposal is robust enough to withstand a number of shocks, and it is likely that FDP will be fully funded by year 37.

8. The Board reflected on scenarios that could be orchestrated by the developer to avoid making huge back ended FDP payments. It was concluded that it would not be in any interest to do this.

Next steps

9. NLFAB will be asked to give a view as to whether they consider that the agreement is prudent by the end of March 2015. The Board maintain that they will not be drawn into providing a view until they have seen the full FDP package.

Nuclear Liabilities Financing Assurance Board

Thursday 2nd April 2015, 14:30 – 16:30

Slaughter and May, One Bunhill Row, London, EC1Y 8YY

Attendees:

NLFAB Board: Janet Balfour, Simon Carroll, Anthony White, Anne Baldock (Phone), Antony Barker (Phone), Simon O'Regan (Phone), Norman Harrison (Phone)

DECC: Rob Middleton, Nicola Robinson, Hugo Robson and Peter Huey

Advisers: Robert Chaplin (Slaughter and May), Graeme Brown (KPMG), Chris Kaye (NDA) (Phone); Daniel Tan (Slaughter and May), Andrew Smith (Slaughter and May) and Heather Fleming (Slaughter and May)

Introduction

1. The Chair noted the purpose of the meeting was to receive a general update on the draft Funding Arrangements Plan (FAP) for Hinkley Point C (**HPC**).

OND update

2. OND provided an update on the progress of negotiations with NNBG, the proposed operator of HPC, noting that good progress had been made on the FAP and Waste Transfer Contracts (WTCs). However, considerable work still remains to be done to finalise the Section 46 Agreement and the IUK Direct Agreement.
3. It was noted that the Board had received a version of the FAP on 25 March.

HPC FAP Discussion

4. Advisers explained the key areas of progress that had been made on the FAP since the last meeting.
5. Board members were grateful for sight of the FAP. However, they agreed that the complexity of the document meant that they would require more time to review and consider.
6. The Board requested further information regarding the interface between the FAP and the other documents that form the FDP suite of agreements. It was suggested that a flow diagram, or similar, showing the interdependencies between the documents would be welcome.
7. The Board requested that a summary of the FAP be produced, as recommended in the FDP guidance.

8. Hugo Robson (DECC) provided an update regarding the Contract for Difference (CfD). raised and discussed certain concerns regarding the WTCs and State Aid.

Next steps

9. All the parties involved in the FDP and CfD should continue to work towards a Final Investment Decision for HPC.
10. The Board will provide Slaughter and May advisers with comments on the latest version of the FAP by 20 April. Advisers will review and provide responses in advance of the next NLFAB meeting on Thursday 30 April 2015.

Nuclear Liabilities Financing Assurance Board

Thursday 30th April 2015, 09.30 – 12.00

Attendees:

NLFAB Board: Janet Balfour, Simon Carroll, Anne Baldock, Antony Barker, Norman Harrison, Simon O'Regan, Anthony White

Advisers: Robert Chaplin, Andrew Smith, Valerie Kemp (Slaughter and May)
Jon Exley, Graeme Brown (KPMG)

DECC: Nick Hodgson, Rob Middleton

Secretariat: Clare Bayley

DECC Update

1. The Office for Nuclear Development now sits within the International, Science, and Resilience (ISR) group within DECC (previously OND was in Markets & Infrastructure). This will enable closer links with the Nuclear Resilience and Assurance Directorate (NRAD). Katrina Williams is Director General of ISR. Lee McDonough has been appointed as Director of OND from 3rd May 2015, replacing Hergen Hays.
2. EDF are keen to see urgent progress and to maintain momentum towards FID in summer 2015. The timetable for completion remains challenging.
3. The European Commission formally published the State Aid decision for Hinkley Point C in OJEU on 28th April. Legal challenge to the decision must be made by 23rd July 2015 (within 2 months and 24 days of publication). DECC are confident that the decision is robust and that any challenge is without foundation.
4. On the Waste Transfer Contract State Aid decision, HMG are waiting for an invitation to notify from the Commission.

HPC FDP Discussion

5. NLFAB requested briefing from advisers on the interface between all relevant documentation, such as FAP, CfD, DA, and their interdependencies. NLFAB also requested a timeline of the various stages of the FDP and how they are interlinked with the other arrangements.
6. The Board wish to look holistically at the suite of documents and understand how they fit with the FDP in order to advise the Secretary of State on the suitability of the funding arrangements.
7. NLFAB wish to see the final version of the Decommissioning and Waste Management Plan (DWMP) and advice from the Nuclear Decommissioning Authority (NDA) to satisfy themselves that the funding arrangements are appropriate.

8. Several issues remain outstanding on the FAP. The Board will be updated on how these are being progressed and the methods employed for their resolution when the Board next meets on 14 May 2015.

NLFAB Advice to Secretary of State

9. NLFAB discussed the drafting of advice to Secretary of State. The Board will be unable to finalise their advice until they have been able to consider a final version of the FAP.

Next meeting

10. NLFAB will meet on Thursday 14 May 2015 at Slaughter and May, 12.00-17.00.

Nuclear Liabilities Financing Assurance Board

Thursday 14th May 2015, 12.00 – 17.00

Attendees:

NLFAB Board:	Janet Balfour, Anne Baldock, Antony Barker, Norman Harrison, Anthony White, Simon Carroll (phone for part of meeting)
Advisors:	Robert Chaplin, Andrew Smith, Valerie Kemp (Slaughter and May), Graeme Brown (KPMG)
DECC:	Nick Hodgson, Rob Middleton, Peter Huey
Secretariat:	Clare Bayley
Apologies:	Simon O'Regan

OND Update

1. New Ministers have now been appointed since the general election. Amber Rudd has been appointed Secretary of State for Energy and Climate Change, Andrea Leadsom is Minister of State (with responsibility for nuclear), and Lord Bourne is Parliamentary Under Secretary of State. No clear direction has been set as yet but the view is that Government will want to pursue new nuclear.
2. NLFAB will meet with Secretary of State to discuss advice.

Funding Arrangements Plan (FAP)

3. NLFAB Board members raised a series of comments and questions on the latest version of the Funding Arrangements Plan (FAP). These have been shared with EDF Energy and advisors. Many of the points raised have now been addressed, however there are several outstanding. Suggested final solutions will be reported to the Board at the next meeting.
4. The Board are content with the level of scrutiny that the FAP has been subjected to.

FDP Direct Agreement

5. The FDP Direct Agreement (DA) regulates the rights and priority/ranking of the project's financing creditors between themselves. The main concern in this area is to ensure that the DA does not take precedence over the FAP, and to ensure that the FDP cannot be amended through other channels other than by agreement by the Secretary of State.
6. The final details of the FDP DA are yet to be agreed. NLFAB will provide advice on subsequent versions.

Decommissioning and Waste Management Plan (DWMP)

7. The DWMP has not materially changed and the NDA's report is final. Chris Kaye will attend the next NLFAB meeting and will respond to any outstanding questions.

High level summary of documentation

8. NLFAB advisers have provided a high level summary of the key documentation relating to the FDP and other agreements to map how these all fit together. The Board found this to be helpful but have asked for further detail on CfD, Section 46, and Waste Transfer Contract.

Next steps

9. NLFAB members to read document and come forward with any questions for next meeting.
10. The next NLFAB meeting will be on Wednesday 03 June 2015.

Nuclear Liabilities Financing Assurance Board

Wednesday 3rd June 2015, 10.00 – 13.00

Attendees:

- NLFAB Board: Janet Balfour, Anne Baldock, Norman Harrison, Simon Carroll and Simon O'Regan (by telephone, 11:00-13:00), Antony Barker (part attendance, by telephone)
- Advisors: Robert Chaplin, Andrew Smith, Valerie Kemp, Jeremy Chew (Slaughter and May) Jon Exley, Graeme Brown (KPMG), Andy Ridpath (NDA)
- DECC: Nick Hodgson, Rob Middleton, Peter Huey, Nicola Robinson, Lee McDonough (from 11:30), Hugo Robson (from 11:30)
- Apologies: Anthony White, Chris Kaye, Clare Bayley

Introduction

11. The Chair opened the meeting.

DWMP

12. OND provided an update on the DWMP, noting that there had been no substantive changes and that the Board had been provided with a draft copy on 8 May 2015. OND answered queries regarding the DWMP.

CfD Summary

13. Slaughter and May and OND talked through, and answered queries regarding, the CfD summary document and the detailed FAP-CfD-WTC timeline. Advisers and the Board considered the queries raised.
14. The Board expressed gratitude for the documentation provided.

Updated FAP prepared by NNB in light of NLFAB comments

15. The Board noted a revised version of the FAP dated 28 May 2015 had been provided to them. The Board agreed to review the entirety of the FAP and its cumulative changes since the last version reviewed by the Board in detail (dated 21 March 2015) at a future time, to be determined when drafting was further advanced.

16. Slaughter and May and OND discussed with the Board the issues raised in the revised Fund Drawdown note which had been circulated to the Board on 29 May 2015, and the extent to which the current draft of the FAP addresses those issues.
17. NLFAB members agreed that their advice should contain a statement or caveat regarding these issues.

Timetable and forward look

18. Final documentation will be provided to NLFAB by the end of July for final consideration.
19. The two main points outstanding were the FDP Direct Agreement (and incorporating it into the FAP) and the S.46 Agreement.
20. Regarding the FDP Direct Agreement, OND/advisers are awaiting a new draft from A&O/IUK, and the intention was that the Board would review such a draft at the next NLFAB meeting on 22 June 2015.
21. Regarding the EU, OND provided an update on the Waste Transfer case, noting that a series of questions had been received from the European Commission but that they have now said they will have no further questions. Even with a positive State Aid decision, the risk of a challenge would need to be taken into account.
22. An update was provided on IUK Guarantee progress.

Nuclear Liabilities Financing Assurance Board

Monday 22nd June 2015, 16.00 – 18.00 (conference call)

Attendees:

NLFAB Board: Janet Balfour, Simon Carroll (p), Anthony White, Norman Harrison (p), Antony Barker

Advisers: Robert Chaplin, Andrew Smith, Valerie Kemp, (Slaughter and May) Jon Exley, Graeme Brown (KPMG)

DECC: Nick Hodgson, Rob Middleton, Peter Huey, Nicola Robinson

Secretariat: Clare Bayley

Apologies: Anne Baldock, Simon O'Regan

Response to NLFAB comments on FAP

1. The NLFAB Board members submitted a series of queries / questions / areas of concern to NNB. These have been largely address to NLFAB members satisfaction. The latest version of the FAP now has 29 issues remaining, of low level difficulty, to work through. NLFAB will return to this at the next meeting.

Financing

2. NLFAB advisers presented the Board with a position on how Hinkley Point C could be financed. EDF and Chinese partners are yet to finalise agreement on this, and the financing structure discussed is subject to change.
3. There is a new draft of the direct agreement, the current expectation is that a draft will be shared with NLFAB at the next Board meeting on 3rd July.

NLFAB advice

4. NLFAB have asked advisers to provide an outline structure for their advice. The advice should include links to other related documents.
5. NLFAB advice cannot be concluded until members have seen all relevant documentation.

Other

6. NLFAB Chair Janet Balfour met with Andrew Preece, Chair of FundCo. Fundco have similar concerns to the Board. Both felt that it would be mutually beneficial for the Action: Secretariat to arrange.

Nuclear Liabilities Financing Assurance Board

Friday 03 July 2015, 09:30 – 12:00 (conference call)

Attendees:

NLFAB Board:	Janet Balfour, Simon Carroll, Anthony White, Norman Harrison, Antony Barker, Simon O'Regan, Anne Baldock
Advisers:	Robert Chaplin, Andrew Smith, Valerie Kemp, (Slaughter and May) Jon Exley, Graeme Brown (KPMG)
DECC:	Nick Hodgson, Rob Middleton, Peter Huey, Nicola Robinson, Hugo Robson
Secretariat:	Clare Bayley

OND Update

1. Good progress is being made with the negotiations on all sides. It is on track for completion by the end of September.
2. There will be an Ad-Hoc Ministerial meeting between Secretary of State for Climate Change, the Commercial Secretary and the Chancellor of the Duchy of Lancaster to review progress in early September.
3. HMG are awaiting invitation from the European Commission to submit the state aid case for waste transfer arrangements.

FAP Update

4. We are on track to have the FAP finalised by the end of July

Financing

5. The Board was informed of the proposed financing arrangements for the HPC project.
6. NLFAB express concern regarding the option to have indexing as it could have negative impact on FDP. This will be reflected in advice.

NLFAB Advice

7. NLFAB advice cannot be completed until members are sighted on final relevant documentation.
8. The Board request that advisers review other documents such as the Direct Agreement to assess the impact on the full package, so that they can advise whether arrangements for FDP are prudent.

9. Advice will include a letter to Secretary of State summarising the advice and pointing to key points to consider when making a decision.
10. NLFAB are content with the structure of the advice and content of the draft advice.

Other

11. NLFAB members will have lunch with the NLF Board on Wednesday 14th October 2015.
12. It is expected that the NLFAB Board will continue with new membership for to advise on FDP arrangements for pipeline projects. NLFAB members would like to complete a lessons learned exercise to inform future projects. It has taken six years to reach the end point.

Nuclear Liabilities Financing Assurance Board

Wednesday 22nd July 2015, 09.30 – 11.00 (phone conference)

Attendees:

NLFAB Board: Janet Balfour, Anne Baldock, Norman Harrison, Antony Barker
Advisers: Andrew Smith and Valerie Kemp (Robert Chaplin sends apologies)
(Slaughter and May), Jon Exley and Graeme Brown (KPMG)
DECC: Nick Hodgson, Rob Middleton, Peter Huey and Nicola Robinson
Secretariat: Clare Bayley
Apologies: Simon O'Regan, Simon Carroll, Anthony White

OND update

1. The timetable for completion remains unchanged. OND still expecting a final version of the FAP at the end of July, and are seeking final NLFAB advice by the end of August.
2. There are several outstanding issues remaining to finalise the agreements to reach Final Investment Decision (FID). Documentation will go through HMG approvals processes once finalised. If there are any outstanding issues that trouble the Board, now is the time for us to address them. There will be limited opportunity for changes after next week/end of this month.
3. The Austrian Challenge to the HPC State Aid has now made. We remain confident that the decision will stand up to challenge and this will not compromise FID.
4. Amber Rudd, Secretary of State for Energy and Climate Change, wrote to NLFAB Chair, Janet Balfour last month. A response will be sent today.

FAP update and comments

5. The Board remain concerned with several outstanding issues. NLFAB will not be able to sign off advice until they have seen final documentation and are satisfied that the arrangements are prudent.

ACTION: Members to comment on latest draft documentation by Monday 27th July.

Procedures and Timing

6. The Board should expect to receive the final version of the FAP by end of next week (31st July). By Friday 24th July, the Board should expect to receive a version of the Direct Agreement. Open to view from the Board on how we get input.
7. The Board request that OND / Advisers provide a cover note providing information on what has been achieved and what remains an issue (if any).

8. Final advice from NLFAB Board is requested by early September. It is hoped that the NLFAB advice will be signed off at the next meeting on 26th August 2015.

NLFAB advice

9. The Board reflected on their role as being one of assurance; the Board needs to be able to assure Secretary of State that the agreements are prudent.
10. The advice, as currently drafted, is an expansion of the outline and is now a working draft. The tabular form is helpful to be able to follow the different aspects that are relevant to the advice.
11. The advice needs to highlight that in the event of a political decision to decommission, this agreement would not cover public liabilities.
12. NLFAB are concerned that the advice should be accessible to the lay reader, and to ensure that the key messages are communicated effectively and with this audience in mind. The advice must also document the key assumptions made in drafting the advice on which Secretary of State will make a decision.
13. The next version of the NLFAB advice will be circulated to members on Friday 24th July.

Nuclear Liabilities Financing Assurance Board

Wednesday 26th August 2015, 10.00 – 16.00

Attendees

NLFAB Board:	Janet Balfour, Anne Baldock, Simon Carroll, Anthony White, Simon O'Regan, Antony Barker
Advisers:	Robert Chaplin, Andrew Smith and Valerie Kemp (Slaughter and May), Jon Exley and Graeme Brown (KPMG)
DECC:	Hugo Robson (for part), Rob Middleton, Nick Hodgson, Peter Huey and Nicola Robinson
Secretariat:	Clare Bayley
Apologies:	Norman Harrison

Update from DECC

1. NLFAB advice is required by 4th September 2015
2. OND gave an update on current status of Hinkley Point C project. Key points to note:
 - OND are meeting with the Commission to discuss the Austrian Challenge to the HPC State Aid decision. We do not yet know the grounds on which the challenge has been made. There is a separate Greenpeace challenge. OND remain confident that the case will stand up to legal challenge.
 - In the unlikely event that there is a successful legal challenge NLFAB can add to the advice that FDP would be protected and would remain prudent.
 - The Major Projects Review of the HPC business case begins on 9th October 2015, to be followed by verification. Secretary of State will sign at point where documentation is finalised and is satisfied that documentation meets guidance.

NLFAB comments on FAP

3. The Board discuss the final documentation and how their advice will be amended to reflect assumptions made and particular nuances to the agreements.
4. The Board discussed the role of the Secretary of State at the occurrence of a range of events / scenarios. The Board agree that their advice should highlight responsibilities of SoS should certain events arise. Secretary of State should be mindful of duties under the energy act, assuming it continues to apply.
5. The advice will comment that DWMP is outside of NLFAB's remit.
6. NLFAB remain concerned about the level of gearing, events arising with change of ownership, and unforeseen events that may prevent operation of the plant. The advice will state that they have considered remote extremes.

NLFAB advice

7. The Board interrogated the latest draft of their advice and direct a series changes to be made. The Board is comfortable that the FAP makes prudent provision for the financing of nuclear liabilities, subject to assumptions and observations.

Nuclear Liabilities Financing Assurance Board

Wednesday 14th October 2015, 10.00 – 17.00

Attendees:

NLFAB Board:	Janet Balfour, Anne Baldock, Simon Carroll, Anthony White, Norman Harrison (part), Antony Barker
Advisers:	Robert Chaplin, Valerie Kemp, Jon Exley
DECC:	Rob Middleton, Nicola Robinson, Peter Huey
Secretariat:	Clare Bayley
Apologies:	Simon O'Regan

OND update

1. Preparations are being made for the Chinese State Visit next week (20-22 October). The details of any announcement regarding Hinkley Point C during the visit remain uncertain and all sides have yet to agree.
2. Subject to NLFAB meeting today, FDP will be finalised and advice will be submitted to the Secretary of State for Energy and Climate Change.
3. Secretary of State has the option to seek further advice from NLFAB if any subsequent changes are required (i.e. in the unlikely event of successful legal challenge to the State Aid decision).
4. The Chancellor of the Exchequer recently announced a government guarantee HPC (21 September 2015). The initial deal is set to be worth around £2 billion and will pave the way for a final investment decision.
5. Parliament will be notified of the detail of the Waste Transfer Contract (WTC) and the Contract for Difference (CfD) prior to signature.
6. NLFAB Board members may be approached to make comment on the FDP. Once the FDP and advice is published, members will be able to respond to queries.
7. There is usually a three-month period after publication of a decision for judicial review to be brought.

Future of NLFAB

8. Current NLFAB membership expires at the end of October, however the Board will be engaged in a lessons learnt exercise.
9. NLFAB have been invaluable to this process and it has been recommended that a new Board will be assembled going forward for future FDP agreements.

Finalisation of NLFAB advice

10. The Board are satisfied that the Funding Arrangement Plan (FAP) submitted by NNB for Hinkley Point C makes prudent provision for the financing of the designated technical matters and meets the Objective and Guiding Factors set out in the Department of Energy & Climate Change's Funded Decommissioning Programme Guidance for New Nuclear Power Stations (2011). The NLFAB advice to Ministers outlines the judgements, observations and assumptions made in reaching this outcome.

Finalisation of NLFAB minutes

11. The Board agree minutes, subject to suggested changes.