Department for Energy Security & Net Zero Minutes

#### NGO Forum – 31st March 2025

Date:Monday 31st MarchTime:11:30 – 13:30Location:Hybrid: DESNZ Head office - 55 Whitehall and onlineCo-Chairs:Chris Heffer (DESNZ) & Paul Collins (NGO members)

	Welcomes	Chairs
	A moment to honour Pete Wilkinson	Andy Blowers
1	National Policy Statement	Sam White
2	Regulatory Review	H Davies
3	Plutonium Disposition	
		Henry Hirsch
4	Sizewell C	SZC Team
5	Ministerial Engagement – Lord Hunt	Co-Chairs
	Lord Hunt to take questions from members.	
	Meeting Close	Co-Chairs

Attendees:

#### **DESNZ Senior Officials**

Chris Heffer (Co-Chair)

J. Sutton (Secretariat)

Sam White (National Policy Statement item)

Henry Hirsch (Plutonium Disposition item)

H. Davies (Regulatory Taskforce item)

D. Kapadia, H. Williams, M. Lindsay (Sizewell C item)

#### NGO Forum Members who spoke:

Paul Collins (Co-Chair) Prof Andy Blowers BANNG Katy Attwater, Stop Hinkley Jill Sutcliffe Katy Attwater, Stop Hinkley Ian Ralls Friends of the Earth Bradwell B Action Plan



### Tribute to Pete

Andy Blowers led a tribute to Forum member Pete Wilkinson, who sadly passed away recently. Meeting attendees acknowledged his contribution to the campaign across many years.

### National Policy Statement (NPS)

SW: On 6 February DESNZ published the draft of a new National Policy Statement for Nuclear Energy Generation (EN-7) for consultation. The consultation closes on 3 April.

The proposed draft EN-7, provides a clear and robust set of criteria, high safety and security standards whilst minimising the environmental impact.

Unlike EN-6, EN-7 covers Small and Advanced Modular Reactors as well as gigawatt scale nuclear, it has no expiry date and does not include a list of potentially suitable sites to encourage developers to identify and assess potentially suitable sites for their projects.

EN-7 is currently undergoing Parliamentary Scrutiny until June/July time 2025 and DESNZ intend to designate the new NPS before the end of 2025.

NGO members asked what would happen to EN-6 once EN-7 is designated.

EN-6 will remain a relevant document for projects, such as Hinkley Point C, which were granted development consent prior to 2025. Once designated EN-7 will become the live policy for new nuclear projects seeking development consent.

NGO members then asked about EN-6 listed sites and the status of them under EN-7.

SW confirmed that EN-7 does not designate any sites, including those listed in EN-6, as being potentially suitable for new nuclear development. EN-7 does however, acknowledge that the sites listed in EN-6 are likely to remain attractive for nuclear developers. There has been no siting assessment to inform EN-7 as government would like developers to identify and assess their own sites.

NGO members suggested that the Semi-Urban Population Density criterion shouldn't be updated for unproven technologies like Small Modular Reactors.

SW: Government has been clear that it remains open to further updates to the Semi-Urban Population Density criterion providing evidence is available that advanced nuclear technologies present a different risk profile. We recognise that advanced nuclear designs have and will continue to change, which may mean that criteria like the Semi-Urban Population Density Criterion need updating. We will continue to work with regulators and industry to understand the risk profile of new reactor designs.



Increased significance of impact on climate change in EN-7 was noted by NGO members as a positive change.

### **Regulatory Review**

HD: Nuclear Regulation Taskforce set up to ensure regulation functions as intended.

Announcement on the person leading the taskforce is imminent. Group will include experts from nuclear industry, and the aim is to provide some recommendations over the summer, then a report in 6 months' time.

Small team of civil servants supporting them, work starts next week (w/c 7<sup>th</sup> April)

NGO members asked what the taskforce will be looking at?

HD: Terms of reference broad deliberately, this will allow us to look at current practices, best way of fulfilling regulatory requirements, look at decision making processes, relationships withing regulatory community, what guidance currently exists and also look at EN 7.

NGO Members asked if they would have the opportunity to input?

HD: Yes, the review is looking for a wide range of views, those from within industry, those who wish to become part of the industry, civil society, regulators etc.

Details of how to engage will emerge when the task force lead is announced. Contact will be provided in due course.

nucleaarregulatorytaskforce@energysecurity.gov.uk

#### <u>Plutonium</u>

HH: DESNZ (and previously BEIS) have been working closely with the NDA to establish a long-term solution for UK's plutonium stockpile.

The UK has a stockpile of 141 tonnes of civil separated plutonium, which has mostly arisen from reprocessing of spent fuel from nuclear reactors.

In 2011, an HMG indicative decision was made to eliminate this material by reusing it as nuclear fuel, though noting that further work was required to enable this.

Since this time, the Department and NDA have carried out analysis over a number of years to evaluate different options for a long-term solution for the plutonium. This work found that immobilisation, which converts the material into a safer form, is more likely to achieve the programme's objectives sooner and with greatest delivery confidence.

As such, a policy change to immobilise the UK-owned civil separated plutonium was announced by the Department in January 2025.

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Implementing this solution for the plutonium is essential to dealing with the UK's nuclear legacy and leaving the environment safer for future generations. The immobilisation programme will put the material into an inherently safer, more secure and stable form which simplifies storage.

The multidecade programme is also expected to support thousands of skilled jobs in Cumbria and in the wider supply chain.

While work continues on long term immobilisation, the NDA is ensuring the continued safe and secure storage of plutonium in the UK.

NGO - this is a long process. Will it be safe in this form? Will you hold some back against a possibility of reuse and recycling? How much will be declared waste?

HH: Effectively completely safe, could be kept above ground and would still be safe. This is the point of immobilisation.

HMG will keep an open mind regarding new technology and research. Will start the programme of immobilisation, which will take years to get through the whole stock pile, so we'll continue to take account of wider factors as we move forward.

#### Sizewell C

NGO asked whether further awards have been made under the £5.5bn FID subsidy scheme since the £1.2bn in September 2024 and asked what the current status of this scheme is given it was due to last until June 2026 but the £2.7bn allocated in the Autumn Statement is not part of this scheme.

DESNZ offered that details of awards made under the scheme will be uploaded to the subsidy transparency database in line with the requirements of the Subsidy Control Act.

NGO responded that is no answer given it took 3 months for the database to be updated last time [TO NOTE: this is in line with the subsidy Control Act, which states details of the subsidy and/or scheme must be uploaded by within a 3-month period from the date the decision to give the subsidy is confirmed.].

NGO asked what will determine whether the remaining £4.3bn of the £5.5bn August provision or the £2.7bn provision will be used, and what plans there are to disburse the £2.7bn Departmental allocation for FY 2025/26 early in the new financial year.

DESNZ clarified that the £2.7bn announced at the budget is to support project costs throughout the 2025/26 year. How this is made available is dependent on the timing of FID – if it is made available before FID, it is awarded under the Devex scheme, and after FID through the FID scheme. The two schemes share a budget and any funds spent under the devex scheme will not be available under the FID scheme.

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There was some confusion at this response, which appeared to contradict correspondence received from the Department. DESNZ clarified the letter he believed they were referring to was regarding spending authority from the department, as opposed to subsidy awarded given at the time the subsidy had not been awarded. DESNZ reiterated that subsidy awarded ahead of a FID is under the Devex scheme.

NGO asked whether the £1.2bn has wholly been paid to the company. Officials reiterated this will be completed via a schedule that is commercially sensitive.

Questioned whether the £2.7bn form part of UK PLC's investment into SZC for the purposes of RAB funding (i.e. will the £2.7bn attract a return in line with other investors into the project?). Officials noted HMG has published guidance on how they will assess costs prior to the RAB being implemented and offered to share this document.

NGO asked what estimate HMG has made of the cost to consumers of meeting Sizewell C's Allowed Revenue as compared to HPC's difference payments. Officials noted that the details of the RAB levies are subject to the outcome of the equity raise process and other approvals, but reiterated their confidence that, for a generic largescale nuclear power station, they expect RAB levies to add on average approximately £1 a month on a typical household bill during construction, and this will offer better VfM than the Contract for Difference.

NGO queried when the £1.4bn first of a kind payment will be added to the asset base. Clarified a 'know how' payment would be payable by SZC to HPC if SZC proceeds. Subject to a positive FID, it would be added to the SZC asset base at Revenue Commencement and so be considered a cost of the project. At this point, the HPC strike price will be confirmed as being £89.50/MWh, representing a £3/MWh discount on the headline price of £92.50/MWh. The exact cost of the payment depends on when it is added to the cost base.

NGO asked, if the original promoter and intended developer of the project [EDF] may only take a 10% stake, subject to a financial cap and a minimum rate of return, how do the UK government justify taking a larger stake in SZC Ltd, increasing bills for UK consumers and risking £ billions of taxpayer funds.

DESNZ clarified they do not consider EDF the 'intended developer' of the project, rather, Sizewell C Ltd is the lead developer in the project. Explained HMG expect to deliver VfM by reducing cost of UK electricity system and improving security of supply.

NGO requested confirmation that the most up to date SZC Business Case is still based on a maximum workforce of 7900. Officials confirmed the 7900 is consistent with SZC plans and estimates that form part of the FBC. Agreed with the need to learn lessons from HPC and their workforce estimates, and acknowledged there will be fluctuations in the workforce.

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NGO asked for HMG's view on FL3 being offline for 76 of its first 100 days. Officials shared that first of a kind projects in their respective countries often encounter unique issues and challenges. Sizewell C will be able to take on learnings from FL3 (as well as the reactors at Olkiluoto and Taishan) to mitigate against the risk of similar challenges developing. Clarified F3 hasn't yet reached Commercial Operations and is still undergoing Commissioning – First Criticality was achieved in September 2024, with Grid Connection in December 2024. While electricity generated in the final phase will exported to the grid, 100% power output isn't expected until Summer 2025. Therefore, the plant's Lifetime Availability won't be affected by such outages until after this point. The department will assess the full commissioning sequence at F3 once it has been completed to ensure that lessons are incorporated into the equivalent phase for the UK EPRs.

NGOs raised concerns about workforce in the context of a SZB outage, where approximately 2000 surge staff come to the area. Reported they raised this with SZB themselves in a meeting, where they reported sharing concerns.

### Lord Hunt Engagement Session.

LH started with a tribute to the impact and contribution of the late Pete Wilkinson.

Q1: How can keeping headline cost of SZC confidential (bearing in mind EDF gave an estimate in May 2020 with planning documents?) be justified? Numbers on site, accommodation issues.

LH: Discussed the accommodation issues highlighted by NGO members and reported in the news recently, raised that Sizewell Company is discussing the issue with the local authority, and committed to reiterate message in next meeting.

Q2: Why does HMG "not recognise" the £40bn figure when it is supported by Centrica's advisors, UBS?

LH: Stated that this is a speculative figure, and that he was not prepared to comment on speculation.

Q3 Risk and FID: Can the Minister explain the financial and operational risks involved should government make a final investment decision before the ONR complete their approval of SZC Ltd's First Safety Related Structure report covering all of the ONR's platform height observations? (NB Financial and operational risks have increased due to SZC Ltd finally admitting that spent fuel will remain on site until 2160 therefore requiring a 20yr extension to the site lifetime.)

LH: Explained that given the scale, complexity and duration of the construction of Sizewell C, a key priority for HMG is ensuring SZC has clear risk identification, management and mitigation arrangements in place across the full life cycle of the project and supported by robust assurance practices.

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In addition to holding the Company to account for delivery, HMG also works proactively alongside the regulators – including ONR – to ensure that regulatory arrangements are proceeding effectively.

Outlined that SZC maintains a good and productive relationship with its regulators, and through the use of its 4D site modelling, is able to demonstrate the construction sequence and mitigate any issues in advance.

Reassured that the ONR – as our independent nuclear regulator – would not allow a project to be developed on a site or to operate if they believed it was unsafe to do so.

Q4: Can DESNZ confirm that EDF have sufficient resources to meet the £8-£13bn needed to complete HPC's construction? And confirm that the UK government will not be funding any of HPC's costs?

LH: Answered that HPC (Hinkley Point C) is not a government project, with EDF being the lead investor in the project. EDF is continuing to fund the project but is looking for other investors and sources of funding. The UK Government is not contributing funding to the project.

Q5: We are pleased that EDF have announced publicly that they are going to install an AFD at Hinkley C, instead of the various salt marsh mitigations, but we do still have concerns. Last time we spoke to you in December about the AFD you were unable to comment because it was part of an application for a number of material changes to the Development Consent Order (DCO.) Are you able to talk about this now?

LH: Stated that EDF have not yet submitted an application to remove the AFD (acoustic fish deterrent) from their DCO. They have recently become aware of a new type of AFD which if effective, may potentially mean that the material change planning application may no longer feature the removal of an AFD system or proposals for environmental compensation. Installation of AFD is now EDF's preferred option, but as they are still evaluating the effectiveness of this technology, they have not ruled out applications to change the DCO for this area in the future – for those reasons DESNZ would not be able to engage in discussions on the AFD.

Q6: Will DESNZ be responsible for monitoring the design of the AFD to ensure that it complies with the specification in the DCO?

LH: Explained that DESNZ will not be responsible for monitoring the design of the AFD to ensure its compliance with DCO specifications. MMO (Marine Management Organisation) are responsible for monitoring and approving the location and design of any AFD system prior to installation.

Q7: 'Vulcan, which is a submarine reactor testing facility co-located with Dounreay, is listed in the NDA's latest draft Business Plan as expected to transfer to the NDA in future, along with Hunterston B (in spring 2026) and Torness.



But unlike these last two, MoD sites do not have a decommissioning fund to pay for decommissioning.

There is already concern that the budget the UK Government has allocated to the NDA for this year is not enough to cover the work it needs to do, particularly at Europe's most dangerous nuclear site at Sellafield in Cumbria.

Will the Minister please request of the Secretary of State for Defence that the Ministry of Defence budget includes an appropriate ongoing allocation of funding to NDA to provide for the work that is necessary when responsibility for decommissioning Vulcan is transferred to the NDA?'

LH: Spoke about how the MOD operates and maintains their submarine reactor testing facility at Vulcan and is responsible for securing funding for the Vulcan establishment for the duration of this Spending period.

As a UK public sector liability, it is important to ensure that it continues to be managed safely and securely to optimise taxpayer value for money.

Committed that DESNZ will continue to work with MOD, HMT and NDA to ensure there is clarity on how the full decommissioning programme will be funded.