



## **Energy Review Update Issue 8.** **17<sup>th</sup> July 2006**

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### **1. The jury still out on whether nukes will actually be built**

Speaking at the sidelines of an Institute of Directors energy conference, the energy minister Malcolm Wicks said, as if trying to convince himself, that he was "very encouraged" by the response from companies to the energy review. *"I think there will be new nuclear power stations. The people coming forward will be very large-scale companies and not ones that have all their eggs in the nuclear basket."* (1)

But the energy review received a mixed reaction. A number of industry speakers at the Conference said the pricing environment would need to be clarified. Michael Parker, chief executive of British Nuclear Fuels Ltd, said he was convinced that new nuclear "is viable" but much would depend on the carbon pricing mechanism. The Association of Electricity Producers said if they were going to invest they needed action not "frothy" words. (2)

The nuclear lobby claims that a streamlined and shortened planning and licensing regime is all that is needed to make a new construction programme viable. But City experts, according to *The Independent* believe it will require government guarantees before any private investors will put money into the industry. (3) The newspaper said the report on the energy review was desperately short on the practicalities. Beyond the planning proposals, there is no convincing set of policy initiatives suggested that would ensure new reactors are built. Instead, the Government seems blithely to assume that the market will somehow provide. (4) *The Financial Times* said, in contrast to the UK, other countries – even those that are the very embodiment of the free market – are looking to subsidies or guaranteed prices to help deliver the next generation of nuclear power stations. (5)

Among the companies at the forefront of the drive to nuclear is the French reactor builder, Areva. However, only two days after the review was published, Areva admitted that the problems at Europe's only nuclear construction project, Olkiluoto 3 in Finland, will have a major impact on the company's results. Finnish energy company TVO said on Tuesday that construction of Olkiluoto 3 by a consortium of Areva and Siemens AG has fallen a year behind schedule. (6)

*The (Scottish) Herald* highlights a cost-benefit analysis carried out for the Energy Review testing the case for new nuclear power generation. This suggests there is only "scope for adding a relatively small amount of nuclear capacity in the period to 2025" – around six gigawatts, with none on stream before 2021. The analysis envisages an eight-year pre-development period for a public inquiry, licensing, etc, starting in 2007, and a six-year construction phase – altogether longer than Sizewell B. (7)

Other nuclear experts warn that hopes of a nuclear future could be wrecked by skills shortages. The UK's small pool of home-grown talent is mainly tied up with the Nuclear Decommissioning Authority and the output of suitably qualified graduates from universities has been dwindling for years. As a result, more than 70 per cent of companies in the nuclear industry already have skills gaps. (8)

*The Business* says if you suspect you live near the site of one of the planned next-generation new nuclear power stations and you want to block it, you now have just four months to make your case – so long as you want to use the "economics" or "necessity" of nuclear power in your argument. From 31 October, the government will consider both these arguments to be resolved. But the sites will not be chosen until after a review which starts in January next year. (9) *The Business* says far from fudging the nuclear issue, as some have claimed, the government is moving with uncharacteristic speed. Once it has published a "statement of need" in a White Paper at the turn of the year, the necessity or economics of individual nuclear power stations will not form part of any local enquiry. Not that you'd know it from the announcement. You had to get to page 161 to find out the government had effectively launched the planning enquiry process.

The first stages of a separate enquiry into the safety of nuclear power could begin this year, although the process, known as justification, will eventually involve a public consultation. The licensing of the most likely reactor designs could start this year and once the sites are decided, local planning enquiries will not be able to question whether there are more suitable locations, or whether a particular reactor is safe.

The question is whether the energy review has done enough to encourage generating companies to invest. The problem is that decisions on investment for many of the companies are now taken overseas. For instance, E.ON and RWE are facing similar pressures to invest in security of supply and generating capacity in their home markets of Germany. *The Times* says despite the Energy Review's fine words, the chances are that energy prices over the next few years will climb steadily higher. That, coupled with the Government's commitment to remove planning hurdles, will enable generating companies to embark on a period of investment, the like of which has not been seen since the nationalised industry's Sixties heyday. (10)

The Energy Challenge Document is available at: <http://www.dti.gov.uk/energy/review/index.html>

(1) Guardian website 13th July 2006 <http://business.guardian.co.uk/story/0,,1819991,00.html>

(2) Guardian 12th July 2006 <http://www.guardian.co.uk/nuclear/article/0,,1818476,00.html>

(3) Independent 12th July 2006

[http://news.independent.co.uk/business/analysis\\_and\\_features/article1173249.ece](http://news.independent.co.uk/business/analysis_and_features/article1173249.ece)

(4) Independent 12th July 2006

<http://news.independent.co.uk/business/comment/article1173256.ece>

(5) FT 11th July 2006

<https://registration.ft.com/registration/barrier?referer=&location=http%3A//www.ft.com/cms/s/d86cb700-103e-11db-8f6f-0000779e2340.html>

(6) Interactive Investor 13th July 2006

<http://www.iii.co.uk/news/?type=afxnews&articleid=5712147&subject=markets&action=article>

Guardian 17th July 2006 <http://business.guardian.co.uk/story/0,,1822104,00.html>

(7) Herald 13th July 2006 <http://www.theherald.co.uk/business/65826-print.shtml>

The Cost Benefit Analysis is available at <http://www.dti.gov.uk/files/file31938.pdf>

(8) Independent 13th July 2006

<http://comment.independent.co.uk/letters/article1174066.ece>

(9) The Business 16th July 2006

<http://www.thebusinessonline.com/Stories.aspx?Nuclear%20power%20is%20on%20site%20and%20back%20on%20the%20agenda&StoryID=86766F03-EC32-4177-BB08-70CE2DA6692D&SectionID=8099C021-87B0-48CA-A5F1-6335FDE21694>

(10) Times 15th July 2006 <http://business.timesonline.co.uk/article/0,,8211-2271389,00.html>

## 2. Nuclear Reactions – Blair’s lack of imagination

*The New Statesman* accuses Blair of a lack of imagination. This is not the same as a lack of boldness. Blair mistakes a readiness to grasp the nettle for a genuine vision of Britain's future. The Energy Review, according to the magazine, is an exercise in short sightedness. Like many commentators, the *Statesman* applauds many of the measures proposed but finds it hard not to see them as a sop to the environmental lobby, softening the blow of a nuclear renewal programme. It remains a great disappointment that Wicks was not prepared at least to outline an alternative scenario for a nuclear-free future. The review still leaves too many questions unanswered. A similar exercise in 2003 decided that the economic case for nuclear had not been made. What has really changed since then, except that the nuclear industry's PR machine has got its act together?

*“A pattern is emerging. There is something repellent about allowing radioactive waste to lie around until future generations invent the technology to deal with it. But, as in the case of those other toxic legacies (from Trident to tuition fees), our children and grandchildren will be the ones to suffer from this government's failure to think big.”*(1)

Even by 2020, the most optimistic assumption is that one new nuclear power plant could be operating, delivering perhaps just over one million tonnes of carbon saving. In contrast, energy efficiency *"could save around 25 million tonnes of carbon through cost-effective energy efficiency measures"* by then. Andrew Warren of the Association for the Conservation of Energy says these cost-effective energy savings still have to be realised. By 2020 the Germans will be three-quarters of the way to completing their systematic programme of upgrading all pre-1978 housing to contemporary energy saving levels. Berlin is now offering grants and tax incentives for home energy improvements worth more than €1.3bn per year. In contrast, our own low-carbon buildings programme runs at just £10m pa. (2)

Conservation group WWF has lent its weight to the criticism directed at the Government over the recent Energy Review, calling announcements over an energy gap ‘fantastic spin’, designed to usher in new nuclear energy facilities. The group also called the new generation of nuclear power stations a ‘red herring’ that would divert resources away from renewable development and uptake. (3)

Dr Kevin Anderson, director of the Tyndall Centre for Climate Change Research's energy programme, said *"the Energy Review has a highly disproportionate focus on electricity supply as opposed to heat and transport - neglecting the other 82% of UK energy use. It has the traditional over-emphasis on large, centralised and big power supply using conventional engineering thinking. There is no real action proposed to realise the substantial potential of*

*alternative means of generating low-carbon power, such as micro-generation of electricity at the community-level and the widespread implementation of combined heat and power."* (4)

What will not be spelt out, according to some experts, will be the way that the lion's share of government assistance to the energy sector will go towards building a new nuclear fleet. Bridget Woodman of Warwick Business School said: "*We will be moving towards a very large scale, centralised electricity generating system which could be set in stone for the next 50 years. There will be twiddly little bits of renewable development - but it will never be a mainstream option. It could be a pretty bleak day for renewables.*" (5)

"*The Government has blown it*", said Jeremy Leggett of Solar Century, "*every pound spent on new nuclear is a pound less for renewable energy schemes. How we deal with the dangerous legacies of nuclear power remains unanswered in this particular dodgy dossier.*" (6)

David King, the Government's Chief Scientific Officer, says we need everything in the armoury: energy-efficiency; renewables; decarbonising the transport sector; nuclear energy; distributed energy generation with combined heat and power; microgeneration; and carbon capture and storage. He appears to suggest that we have unlimited resources to develop every option. (7)

(1) New Statesman Leader 17th July 2006 <http://www.newstatesman.com/200607170002>

(2) Guardian 13th July 2006 <http://politics.guardian.co.uk/green/story/0,,1819253,00.html>

(3) Green Consumer Guide 14th July 2006

<http://www.greenconsumerguide.com/index.php?news=3193>

(4) Environment Times 13th July 2006

Bridget Woodman of Warwick Business School makes similar complaints in a letter to *The Times* 14th July 2006 <http://www.timesonline.co.uk/article/0,,59-2269181,00.html>

(5) Guardian 10th July 2006 <http://politics.guardian.co.uk/economics/story/0,,1817110,00.html>

(6) Solar Century Press Release 11<sup>th</sup> July 2006

[http://www.solarcentury.com/news/micropower\\_politics/energy\\_review\\_fails\\_renewables](http://www.solarcentury.com/news/micropower_politics/energy_review_fails_renewables)

(7) Independent 13th July 2006

<http://comment.independent.co.uk/commentators/article1174055.ece>

### **3. Review has been 'a sham'**

Stephen Hale, who until a few weeks ago was special adviser to the then Environment Secretary, Margaret Beckett, writing in *The Observer* says Blair "*refused to consider the alternatives*" to nuclear energy. "*The depressing truth is that the review was undertaken primarily to act as a springboard to formally initiate the government's nuclear position,*" says Hale, who is now director of the Green Alliance think-tank. (1)

Hale says the "*costly and misguided commitment*" to nuclear power won't deal with climate change. When the Sustainable Development Commission published its comprehensive analysis on a nuclear-free low-carbon economy, the Prime Minister rejected it only 24 hours later at Prime Minister's Questions. The nuclear industry never asks for subsidies and bailouts up front - they come later, so it is imperative that Blair and his government are cured of their nuclear obsession. (2)

Hale points out that a replacement programme of nuclear power stations would save only 6.7 million tonnes of carbon annually by 2030. Alistair Darling's Aviation White Paper gave the green light to the aviation industry to produce up to three times that volume of emissions by the same date. A rethink of the Aviation White Paper would be a far more effective way for Labour to tackle climate change. (3)

Sir Jonathon Porritt, chair of the UK Sustainable Development Commission, writing in *The Guardian*, says the government's determination to press ahead with nuclear power is seriously diverting attention from the hard decisions required to solve the UK's energy challenges. Despite the prime minister's attempt to position nuclear as a kind of "tough but necessary" solution, it may simply be an easy way out of these tough decisions. Porritt also complains about the growing carbon emissions from the transport sector. (4)

(1) Observer 9th July 2006

<http://politics.guardian.co.uk/homeaffairs/story/0,,1816301,00.html>

(2) Observer 9th July 2006

<http://politics.guardian.co.uk/comment/story/0,,1816067,00.html>

(3) For more comment on transport emissions see letters Guardian 30th June 2006

<http://www.guardian.co.uk/letters/story/0,,1809299,00.html>

(4) Guardian 5th July 2006

<http://society.guardian.co.uk/societyguardian/story/0,,1812324,00.html>

#### **4. MPs want full assessment, rather than hasty review**

The Government is at risk of rushing into hasty decisions regarding the future of the UK's energy supply, according to the House of Commons Trade and Industry Committee. The MPs say the Review's outcome was determined before adequate consideration of important evidence has taken place. Instead there should be 'a full and proper assessment of projected future generating capacity should be conducted to inform debate.' The MPs suggest that fears of an imminent 'energy gap' may have been overstated.

The Committee's report concludes that, for new nuclear build to take place, the Government would have to address some of the disadvantages that face both nuclear and other low-carbon technologies, but it should be for the market to decide whether new nuclear power stations would provide an adequate return for investors. Given nuclear's high capital costs and long lead times the report concludes '*that some form of stable long-term carbon pricing is the only means by which new nuclear build could be funded ... a technology-neutral form of long-term carbon pricing is essential if the Government is to achieve its objectives of reducing carbon emissions...*' The Committee also maintains that there will have to be a broad national, cross-party consensus and a continuing dialogue. 'The Energy Review statement cannot be the Government's final word'.

Trade and Industry Select Committee Press Release 10<sup>th</sup> July 2006

[http://www.parliament.uk/parliamentary\\_committees/trade\\_and\\_industry/tisc\\_pn45\\_0506.cfm](http://www.parliament.uk/parliamentary_committees/trade_and_industry/tisc_pn45_0506.cfm)

Telegraph 10th July 2006

<http://www.telegraph.co.uk/news/main.jhtml?xml=/news/2006/07/10/nuke10.xml&sSheet=/news/2006/07/10/ixuknews.html>

#### **5. Carbon Contracts**

In response to the Energy Review, Catherine Mitchell and Bridget Woodman of Warwick Business School have said that it is vital for the long-term development of the electricity industry and its environmental performance that its financial framework supports a diverse and sustainable mix of technologies. (1)

One of the front-runners for a future low carbon support mechanism is a system of carbon contracts. These would supposedly be designed to provide long-term price stability for the price of carbon, given the volatility and uncertainty attached to its market price in the EU Emissions Trading Scheme (ETS). But it is not clear how this would support new technologies. There is also a danger that, because of, for example transaction costs, carbon contracts might be biased in support of large projects, like nuclear power.

The scenarios used in the Energy Review, according to *The Observer*, are based on the continuation of high gas prices, and the emergence of a reliable and long-term market to place a 'charge' on carbon. Dr Jim Watson, of the Sussex Energy Group, says the market won't fund nuclear power if there is uncertainty on energy and carbon prices. The Government's strategy depends on the establishment of a stable and predictable price for carbon, which will penalise gas and other fossil fuels. The energy review report makes clear that this means overhauling the European Emissions Trading Scheme, which sets caps on CO2 emissions permitted by each European nation, with penalties for those that exceed them. Investors will need some persuading, after the price of carbon fell by 70 per cent earlier this year because some EU countries, particularly Germany, set generous caps on their industries. So the Government is going to have to tell other EU states that they must crack down on their industry to make our nuclear plants pay for themselves. (2)

(1) Caution needed on carbon contracts, by Catherine Mitchell and Bridget Woodman, Power UK, Issue 148, June 2006.

(2) Observer 9th July 2006

<http://observer.guardian.co.uk/business/story/0,,1815874,00.html>

## **6. Government failing to meet renewable targets**

Renewable generation in Britain rose 16% last year, according to annual data from the DTI. Britain generated 16,919 GWh in 2005, 2,748 GWh more than the year before, providing 4.2% of total generation, up from 3.6% in 2004. (1)

But the Carbon Trust (2) says renewables will only meet 10% of the UK's electricity needs by 2020, half the Government's aim, because of a failure of official policies. Targets are being missed and the cost of installing renewable energy is higher than necessary. The trust called for a renewed push to promote renewable. Offshore wind in particular offers "significant potential". (3)

The current system directs nearly all the Government's subsidies into the cheapest technology - onshore wind power but also rewards co-firing and methane capture which are not long-term options for renewable energy. A better support framework is needed to bring down the costs of other technologies. The Trust's report says that if the UK gave wave energy better support it could develop an export industry worth up to £4 billion a year by 2050. Offshore wind power, which becomes much more cost-effective with economies of scale, receives next to no subsidies under the current system to help it reach a viable size.

Onshore wind power has not grown as fast as the Government had hoped because of delays in wind farms obtaining planning permission and getting connected to the electricity transmission network. The slower development has blown the Government off course in meeting its renewable targets. (4)

Meanwhile, energy minister Malcolm Wicks has given the go-ahead to plans to build two giant wind turbines in the Moray Firth possibly paving the way for the eventual development of the world's largest offshore wind farm. The £24 million project, is a joint venture between Talisman Energy and Scottish and Southern Energy, to test the technical and economic feasibility of deepwater wind farms. (5)

Energy companies could get incentives to sell energy saving, rather than more energy, in the Energy Review. The Secretary of State for Trade and Industry, Alistair Darling, told the Scottish Herald that current policy is predicated on 27 million households saving energy, but it would be far easier to incentivise the six main energy providers to help householders reduce consumption. (6)

(1) Re-focus News 6th July 2006

<http://www.sparksdata.co.uk/refocus/redesign/showdoc.asp?docid=87769717&accnum=1>

(2) Policy Frameworks for Renewables, Carbon Trust, 6<sup>th</sup> July 2006

<http://www.carbontrust.co.uk/Publications/CTC610.pdf>

See also British Wind Energy Association's Response 6<sup>th</sup> July 2006

<http://www.bwea.com/media/news/060706.html>

(3) Guardian website 6th July 2006 <http://www.guardian.co.uk/uklatest/story/0,,-5933314,00.html>

(4) Telegraph 6th July 2006

<http://www.telegraph.co.uk/money/main.jhtml;jsessionid=JR1W31BXRKIQZQFIQMFCFFOAVCBQYIV0?xml=/money/2006/07/06/cnenergy06.xml&menuId=242&sSheet=/money/2006/07/06/ixcity.html>

(5) Scotsman 6th July 2006

<http://thescotsman.scotsman.com/scotland.cfm?id=983752006>

(6) Herald 6th July 2006

<http://www.theherald.co.uk/news/65429-print.shtml>

## 7. Planning changes to drive nukes

The Energy Review has, in effect, launched a consultation on proposed fast-track planning laws which would be introduced to speed the development of energy developments including nuclear power stations. (1) People living near proposed nuclear plants will lose the right to question their necessity or general safety, as planning inquiries are limited to considering local issues for projects of national importance. (2) A group of back-bench Labour MPs have pledged to fight proposals to streamline the planning system. (3)

The Government is now seeking public comment by 31 October 2006 on the proposal to establish a policy framework for new nuclear build which would include a nuclear "Statement of Need" and set out that national strategic and regulatory issues are most appropriately discussed through processes other than the planning inquiry.

The Nuclear Free Local Authorities (NFLAs) say consultation on this proposal is virtually meaningless because it is so shorn of any detail, but the object is plain: to confine public inquiries to local impacts. NFLA Legal Adviser, Jamie Woolley, said "*What is clear is that the object of the proposal is to silence local objectors and their local authority at a public inquiry on the matters that really worry the majority of the population: the possibility of accidents, the impact of radiation, what is to be done with the radioactive waste that would be produced, what it will all cost, where it is to be placed for the huge periods of time during which it will remain radioactive, who will bear responsibility for decommissioning the plant, whether the huge sums of money involved will undermine the growth in renewables, combined heat and power and energy efficiency and so on*".

Henry Oliver of Campaign for the Protection of Rural England (CPRE), in a letter to *The Guardian*, accuses Darling of talking rubbish about the planning system. In targeting "the problems of drawn-out planning inquiries", Darling is parroting a familiar mantra of No 10 and the Treasury, one driven by their well-known dislike of the accountable way we make decisions. There are few facts, however, to support this obsession with planning delays. Between 1984 and 2002 fewer than a dozen public inquiries into national-scale construction projects lasted more than three months. (4)

(1) Telegraph 12th July 2006

<http://www.telegraph.co.uk/news/main.jhtml?xml=/news/2006/07/12/nener12.xml&sSheet=/news/2006/07/12/ixuknews.html>

See Consultation on the Policy Framework for New Nuclear Build:

<http://www.dti.gov.uk/files/file31931.pdf>

(2) Times 12th July 2006

<http://www.timesonline.co.uk/article/0,,2-2266158,00.html>

(3) Independent 12th July 2006  
<http://news.independent.co.uk/environment/article1173232.ece>

(4) Guardian 30th June 2006  
<http://www.guardian.co.uk/letters/story/0,,1809299,00.html>

## **8. Tories thirst for local green energy revolution**

The Conservatives have published the interim findings of their Energy Review. Speaking to the Local Government Association conference in Bournemouth David Cameron said there would be no special favours or subsidies for nuclear power. *“Where the Government see nuclear power as the first choice, under our framework it would be a last resort. Where the Liberal Democrats rule out nuclear power, we rule out subsidies and special favours for nuclear power. That is the strong and responsible position to take.”*

Mr Cameron also wants unreasonable obstacles to investment in renewable and decentralised energy removed, for example by making it easier for local generators to sell any spare electricity they generate back to the National Grid. Cameron emphasised the role of local government in delivering a low carbon future. He said we need to waste less energy; to generate more locally, and from renewable sources. Local authorities can make it happen. Decentralised energy - electricity generated in smaller, more local units like neighbourhood combined heat and power schemes - could make a huge contribution. Decentralised energy offers an exciting vision of 21<sup>st</sup> century energy supply, re-engineering the system and opening it up to new, smaller technologies and more local participants. (1) The Independent said that the Tories Energy review would disappoint environmentalists, but that Cameron has in fact come out as more of a sceptic on nuclear power than Blair. (2)

Environment Secretary, David Milliband, also told the LGA Conference about the importance of Decentralised Energy and the role of local government. He said we could see the same transformation in energy production that we have seen in computers over the past generation. Over the next year the Government will be looking at how local energy policy, ranging from housing investment, planning, and procurement can help foster more local decentralised energy production and energy efficiency. Perhaps there is an emerging consensus on DE. (3)

(1) Conservative Party Press Release 6<sup>th</sup> July 2006  
[http://www.conservatives.com/tile.do?def=news.story.page&obj\\_id=130788](http://www.conservatives.com/tile.do?def=news.story.page&obj_id=130788)

(2) Independent 6th July 2006  
<http://news.independent.co.uk/uk/politics/article1162839.ece>  
BBC 6th July 2006  
[http://news.bbc.co.uk/1/hi/uk\\_politics/5152410.stm](http://news.bbc.co.uk/1/hi/uk_politics/5152410.stm)

Independent Editorial 8th July 2006  
[http://comment.independent.co.uk/leading\\_articles/article1166500.ece](http://comment.independent.co.uk/leading_articles/article1166500.ece)

(3) Public Technology 7<sup>th</sup> July 2007  
<http://www.publictechnology.net/modules.php?op=modload&name=News&file=article&sid=5379&mode=thread&order=0&thold=0>

## **9. New nukes will need waste sorted**

A wider adoption of nuclear energy will not succeed without greater effort to convince the public that radioactive waste will be safely disposed of, according to the House of Lords EU committee, and nuclear power cannot be justified without improving public perceptions of its environmental implications. Meanwhile, a Spinwatch investigation has uncovered documents that seriously question the independence of CoRWM, and questions the role of AMEC-NNC in running the programme team for the Committee. (1)

The peers' report on proposed EU legislation outlining timetables for waste disposal, warns that the UK, together with other EU member states, is failing to educate its citizens about the



impact of nuclear power, and new nuclear stations will be difficult to justify in the EU without allaying the public's anxieties. Chairman, Lord Renton, welcomed the interim recommendations of the Committee on Radioactive Waste Management (CoRWM) but said they were "*long overdue*". (2)

The Committee's report examines proposed EU legislation to harmonise the management of nuclear safety and waste across the EU. The EC presented revised proposals on this in 2004, but these were rejected by Member States, including the UK. The Lords conclude that national safety standards operate satisfactorily within the framework of the International Atomic Energy Agency (IAEA) Convention on Nuclear Safety, but parties to the Convention need to ensure that where peer reviews highlight a failure to comply information on remedial actions and their verification is made publicly available. (3) (4)

(1) Spinwatch 5th July 2006

<http://www.spinwatch.org/modules.php?name=Content&pa=showpage&pid=508>

(2) View London 6th July 2006

[http://news.viewlondon.co.uk/Lords\\_sound\\_nuclear\\_waste\\_warning\\_17283111.html](http://news.viewlondon.co.uk/Lords_sound_nuclear_waste_warning_17283111.html)

(3) House of Lords EU Select Committee (sub-committee D) Press Release 6<sup>th</sup> July 2006

[http://www.parliament.uk/parliamentary\\_committees/lords\\_press\\_notices/pn060706d.cfm](http://www.parliament.uk/parliamentary_committees/lords_press_notices/pn060706d.cfm)

(4) Managing nuclear safety and waste in the EU. House of Lords EU Select Committee, 6<sup>th</sup> July 2006

<http://www.publications.parliament.uk/pa/ld200506/ldselect/ldeucom/211/211i.pdf>

## 10. Nuclear power cracks up

Government nuclear inspectors have raised serious questions over the safety of Britain's ageing atomic power stations, some of which have developed major cracks in their reactor cores. (1) Documents obtained by Greenpeace through the Freedom of Information Act reveal that British Energy does not know the extent of the cracks, cannot monitor their deterioration and does not fully understand why cracking has occurred. (2)

The Nuclear Installations Inspectorate's (NII) most recent safety assessment of Hinkley B carried out in April warns that continued operation could increase the risk of an accident. The NII has now demanded that British Energy carry out more frequent checks. The extra inspections might involve reactors closing down more frequently. (3) Several of British Energy reactors are physically deteriorating, and may be close to being uneconomic to run. According to British Energy's figures, the three oldest, at Hinkley, Hartlepool and Heysham, are barely operating 50% of the time, partly because they need to be inspected more frequently.

The Documents reveal that the NII says the damaged graphite bricks are unlikely to cause a serious nuclear accident, but a minor incident, in which fuel or control rods - used to rein in the chain reaction - are unable to move properly, was "inevitable" without more frequent inspections. Widespread cracks in these bricks could cause the core to distort, overheat and leak radiation. (4)

The documents also reveal that in June 2005, the NII said it was faced with "*significant regulatory issues ... for all operating AGR reactors*". British Energy is keen to extend the life of its AGR reactors but the papers, obtained by Greenpeace suggest that unless British Energy improves safety checks, the plants might have to be closed.

*The Guardian* commented that what Tony Blair does not need at this moment are revelations that suggest conflict at the heart of the nuclear industry about the safety of the country's ageing fleet of reactors. (5) Mike Weightman, Chief Inspector of Nuclear Installations, responded by letter, saying the cracking of graphite bricks at the core of reactors is not a new issue - but the HSE required increased graphite inspections by British Energy to ensure close

monitoring. “We would not allow the reactors to continue operating if we were not confident in their safety”. (6)

Meanwhile, the other bad news, which had been expected on 7<sup>th</sup> July, appears to have been postponed. The Health & Safety Executive's (HSE) Carlisle Crown Court prosecution against British Nuclear Group (BNG) for the THORP leakage accident in April 2004 has been put back to the end of August at the earliest. Also postponed is the restart date for the THORP reprocessing plant at Sellafield. BNG has confirmed that the plant, originally expected to re-start this summer will not now restart until the autumn. (7)

(1) Guardian 5th July 2006

<http://www.guardian.co.uk/nuclear/article/0,,1812795,00.html>

Guardian 5th July 2006

<http://www.guardian.co.uk/nuclear/article/0,,1812870,00.html>

(2) Greenpeace release 5th July 2006 with links to the documents obtained under FoI and comment by Nuclear Engineer, John Large:

<http://www.greenpeace.org.uk/climate/climate.cfm?CFID=5143211&CFTOKEN=91461491&UCIDParam=20060705083925>

(3) Guardian 6th July 2006

<http://www.guardian.co.uk/science/story/0,,1813609,00.html>

(4) New Scientist Article 26th March 2006:

[http://www.robedwards.com/2005/03/cracks\\_may\\_forc.html](http://www.robedwards.com/2005/03/cracks_may_forc.html)

(5) Guardian 5th July 2006

<http://www.guardian.co.uk/nuclear/article/0,,1812840,00.html>

(6) Guardian 10th July 2006

<http://politics.guardian.co.uk/green/comment/0,,1816668,00.html>

(7) Guardian 4th July 2006

<http://business.guardian.co.uk/story/0,,1811975,00.html>

## 11. Cracks in Scottish policy?

In Energy Review Update No.7 we reported that the Scottish Executive's submission to the Energy Review had reiterated its current opposition to the development of nuclear power “while waste management issues remain unresolved”. The BBC reports that Scottish Labour leaders are becoming increasingly confident that no new nuclear power stations will have to be built north of the border. Instead, there would be a large rise in the generation of renewable energy such as offshore wind and marine. But the Executive would support extending the list of Scotland's two AGR stations. (1)

*The Scotsman* reported that these life extensions were now thrown into doubt, after it emerged that cracks had appeared at Hunterston B in Ayrshire – but this claim was rejected by British Energy. This, the newspaper said, “could fatally undermine the compromise offered to Westminster by Jack McConnell, the First Minister, to extend the life-cycle of the reactors only until renewable energy sources can take their place”. (2)

Should the Scottish Executive be reconsidering its position that Scotland does not need new nuclear stations, it should read two papers published this year which both show that Scotland can cope without new nuclear reactors, even without life extensions. (3) (4)

*The Scotsman* decided that because proposals to streamline the planning process to fast-track the development of new nuclear stations would only happen in England, this would make new reactors less likely in Scotland. (5) Meanwhile, SNP leader, Alex Salmond published the Party's environmental proposals, vowing never to allow more nuclear power stations in Scotland. (6)

(1) BBC 27th June 2006

<http://news.bbc.co.uk/1/hi/scotland/5118600.stm>

(2) Scotsman 6th July 2006

<http://news.scotsman.com/politics.cfm?id=982832006>

(3) Commissioned by Nuclear Free Local Authorities Scottish Forum from consultants Garrad Hassan

[http://www.nuclearpolicy.info/docs/consultations/NFLA\\_Scot\\_EnergyReview06.pdf](http://www.nuclearpolicy.info/docs/consultations/NFLA_Scot_EnergyReview06.pdf)

(4) Power of Scotland - produced by RSPB Scotland, WWF Scotland and FoE Scotland.

[http://www.rspb.org.uk/Images/cuttingcarbon\\_tcm5-98881.pdf](http://www.rspb.org.uk/Images/cuttingcarbon_tcm5-98881.pdf)

(5) Scotsman 7th July 2006

<http://thescotsman.scotsman.com/scotland.cfm?id=989202006>

(6) Scotsman 8th July 2006

<http://news.scotsman.com/politics.cfm?id=996412006>

## 12. Will there be enough uranium?

As the use of nuclear power expands, it will become increasingly ineffective at combating global warming, warns a report by the Oxford Research Group. (1) A report by the Dutch nuclear expert Jan Willem Storm van Leeuwen (2) says that, after 2034, the grade of uranium ore being dug out of the ground will fall dramatically. This will cause nuclear power to become increasingly inefficient and expensive, leading to an increase in carbon dioxide emissions, because more energy will be required to extract and process the uranium.

A similar point is made tomorrow by the Scottish National Party (SNP) in its energy review. (3) It has been written for the party by leading energy experts Stephen Salter, Kerr MacGregor and Clifford Jones. The SNP review argues that within 50 years or less carbon dioxide emissions from nuclear power could be as high as those from gas-fired power stations. The Party also says the value of nuclear power as a weapon against climate change might have been exaggerated.

(1) Sunday Herald 9th July 2006 <http://www.sundayherald.com/56616>

[http://www.robedwards.com/2006/07/nuclear\\_power\\_i.html](http://www.robedwards.com/2006/07/nuclear_power_i.html)

Oxford Research Group, Secure Energy Factsheet Number 4, Energy Security and Uranium Reserves.

<http://www.oxfordresearchgroup.org.uk/publications/briefings/factsheets.htm#factsheet4>

(2) <http://www.stormsmith.nl/>

(3) Scottish Energy Review <http://www.snp.org/homepagelatest/policy/energyreview>

## 13. World leaders plan to proliferate-8

Early drafts of the G8 Statement suggested plans for a massive expansion of nuclear power in both the G8 countries and across the developing world. An action plan for “global energy security” discussed at the St Petersburg on the weekend of 15<sup>th</sup> and 16<sup>th</sup> July envisaged a network of nuclear fuel plants in G8 countries combined with the widespread sale of reactors to developing countries – as long as they promise not to use them for making nuclear bombs.

Commenting on the draft statement Shaun Burnie of Greenpeace International said “*We’ve come to expect double standards and dangerous hypocrisy from the G8 but this year they are set to surpass themselves. On the one hand we have the endorsement and promotion of the most dangerous nuclear technology ever conceived – plutonium fast breeder reactors and reprocessing – while at the same time condemning the nuclear proliferation threat from Iran and North Korea.*” (1)

In the event the issue became one of several openly acknowledged differences between the world leaders with Blair embracing the energy source but Germany committed to phasing it out by the 2020s. “*We recognise that G8 members pursue different ways to achieve energy security and the goals of climate protection,*” the document said. But the statement did back a plan from Moscow to set up international centres in Russia to produce nuclear fuel for countries with atomic power plants and a US plan to create a multilateral nuclear fuel bank.

All of these would be under the supervision of the UN nuclear watchdog. The ideas were brought forward to counter Iran's claim that it needed its own enrichment programme to guarantee a fuel supply for its civil nuclear industry.

Tobias Muenchmeyer, of Greenpeace, said acknowledgement of a split did not change the fact that the statement is strongly pro-nuclear. Apart from Germany and Italy, "*Bush and Putin and the rest are committed to expanding nuclear technology that at the same time gives countries the nuclear weapons option.*" (3)

(1) Sunday Herald 9th July 2006: <http://www.sundayherald.com/56617>

Leaked documents available to download: [http://www.robbedwards.com/2006/07/revealed\\_g8\\_pla.html](http://www.robbedwards.com/2006/07/revealed_g8_pla.html)

(2) Independent 17<sup>th</sup> July 2006

<http://news.independent.co.uk/business/news/article1181698.ece>

(3) Reuters 16th July 2006

[http://today.reuters.co.uk/news/newsarticle.aspx?type=worldNews&storyid=2006-07-16T174806Z\\_01\\_L16708040\\_RTRUKOC\\_0\\_UK-GROUP-NUCLEAR-ENERGY.xml&src=rss](http://today.reuters.co.uk/news/newsarticle.aspx?type=worldNews&storyid=2006-07-16T174806Z_01_L16708040_RTRUKOC_0_UK-GROUP-NUCLEAR-ENERGY.xml&src=rss)

#### 14. Pre-licensing

HSE has published its response to the energy review. The report covers, amongst other things, the potential role of pre-licensing assessments of reactor designs. (1) It says new reactors could receive approval in about half the time it took to gain consent for Sizewell B. The process of licensing a new series of nuclear stations could take three to four years. This compares with the six and a half years it took to gain a licence for Sizewell B, which opened in 1995 after a mammoth public inquiry. The Nuclear Installations Inspectorate will take a two-phase approach. The first phase would concentrate on a generic reactor design and the second phase would be development of "a generic site envelope," which would reflect conditions found at likely sites for new nuclear construction (2)

Nevertheless it could still take up to seven years before the first new nuclear power station gains approval. An HSE spokesman said phase one could take nearly four years and phase two only a little less time. (3)

Meanwhile, the government is considering taking ownership of British Energy's nuclear sites to make it easier for other companies to build new reactors. (4)

(1) HSE 28th June 2006

<http://www.hse.gov.uk/consult/condocs/energyreview.htm>

(2) Independent 28th June 2006

<http://news.independent.co.uk/business/news/article1116623.ece>

Times 28th June 2006

<http://www.timesonline.co.uk/newspaper/0,,172-2246528,00.html>

(3) Evening Gazette (Teesside) 13th July 2006

[http://icteesside.icnetwork.co.uk/0400business/0004tod/tm\\_objectid=17378345%26method=full%26siteid=109975%26headline=years%2dto%2dwait%2dfor%2dapproval-name\\_page.html](http://icteesside.icnetwork.co.uk/0400business/0004tod/tm_objectid=17378345%26method=full%26siteid=109975%26headline=years%2dto%2dwait%2dfor%2dapproval-name_page.html)

(4) Interactive Investor 10th July 2006

<http://www.iii.co.uk/news/?type=afxnews&articleid=5706549&subject=companies&action=article>

FT 10th July 2006

[https://registration.ft.com/registration/barrier?referer=&location=http%3A//www.ft.com/cms/s/a1697fe2-0fb0-11db-ad3d+-0000779e2340\\_i\\_rssPage=34c8a8a6-2f7b-11da-8b51-00000e2511c8.html](https://registration.ft.com/registration/barrier?referer=&location=http%3A//www.ft.com/cms/s/a1697fe2-0fb0-11db-ad3d+-0000779e2340_i_rssPage=34c8a8a6-2f7b-11da-8b51-00000e2511c8.html)