

My main points relate to the economics of the UK nuclear industry.

1. The UK has a diminishing experience of PWR reactor construction and no hands-on experience of BWR. Can we afford the luxury of competition between designs at this stage? The early history of attempts to create a diverse UK industry suggests that this could be an expensive route. Prima donnas were expensive and competitors expired due to lack of work!

2. I understand that Hitachi, via Horizon, intends to fulfil the roles of designer, constructor and operator. In this situation there is not an independent customer able to challenge the constructor on operational and safety matters, for which he is ultimately responsible. A compliant customer in the supplier's pocket is a recipe for disaster, because the diversity of approach necessary for successful safety analysis is missing.

EDF has a long history of challenging French suppliers and Commissariat Energie Atomique on technical and operational matters and can be expected to continue to do so; it also has laboratories to explore topics especially relevant to a utility. EDF is unlikely to buy a BWR.

3. Our licensor has no hands-on experience of BWR and a shortage of teachers.

4. If the UK ABWR is to be a first of a kind it should be avoided. There are plenty of PWRs that have been replicated a number of times. Experience with construction of the European PWR design in Finland and France does not encourage one to take on the role of innovator or buyer of a first of a kind product in our situation – short of capital and competence.

5. Economic prudence dictates that we should either replicate Sizewell B or a minimally modified version, if we still have a constructor, or buy a proven French reactor until we have sufficient continuous generating capacity to be able to afford novelty. This means avoiding the current large European PWR until one or more have been built to time and cost. There is nothing wrong with buying last year's model if it works.

6. In EDF we have a competent utility customer with an established relationship with suppliers. Pity they are significantly owned by the French government who probably still owns much of the French supply chain. Does this compromise the government's view on security of supply?

7. The public investment needed to establish a UK BWR infrastructure should be channelled into evolving PWR, perhaps in collaboration with Westinghouse and active European suppliers, and developing a fast reactor, which is essential for a sustainable nuclear power industry. I would not envisage introducing competition until a number of PWR's are operating successfully in UK. I can see that one could say that we have been doing this. The problem is that the product of years of collaboration does not seem to be buildable.

8. I would not object to Horizon becoming a proper utility that buys Hitachi plant, preferably from a UK based holder of a Hitachi licence. From the description of Horizon offered on its website I can envisage financial opaqueness that allows conveniently set fees for use of Hitachi technology to ensure that Horizon never makes a profit and therefore never pays UK tax. The financial regulator will therefore have an interesting life. The safety regulator will be unable to separate the roles of constructor and operator convincingly if something goes wrong.

To summarise: UK is not a competent buyer or licensor of BWR technology; UK does not have sufficient qualified and experienced manpower to launch two technologies simultaneously; Horizon as a 100% owned subsidiary of a privately owned foreign plant supplier should not be acceptable as an electricity utility. Their situation is not analogous to that of EDF, who is a long established utility in its own right.

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