

Annex F: Response form for the consultation document on a Fixed Unit Price methodology and updated cost estimates

You may respond to this consultation by email or by post.

Please note that if you accessing this document electronically you will only be able to enter text in the response fields.

Respondent Details	
Name:	Mike Franks
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Address:	
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County/ Postcode:	
Telephone:	
E-mail:	
Fax:	

Please return by 18th June 2010 to:

Fixed Unit Price methodology and updated
cost estimates consultation
Office for Nuclear Development
Department of Energy and Climate Change
Area 3D
3 Whitehall Place
London
SW1A 2AW

You can also submit this form by email:
decomguidance@decc.gsi.gov.uk

Tick this box if you are requesting non-disclosure of your response. ☐

No.	Question
Chapter 3: The methodology to determine a Fixed Unit Price	
1	Do you agree or disagree that prospective operators of new nuclear power stations should be given the option to defer the setting of their Fixed Unit Price? If so, do you agree that this deferral should be limited to 10 years after the nuclear power station has commenced operation? Do you have any comments on the way the Government proposes to determine an expected Fixed Unit Price as the basis for an operator's interim provision in the event that they choose to defer the setting of their Fixed Unit Price?
Response	We disagree with the proposals for both FUP and eFUP. If the industry wishes to build a new generation of nuclear plants, any FUP must include full clean up and waste management costs covering millennia.. Anything less implies a subsidy to the nuclear industry - which has been ruled out by (this and the previous) Government. Additionally we consider that the nuclear industry must establish a fund to cover all potential liabilities from future claims against the industry for illness caused due to proximity to new and existing nuclear plants (see the 2008 KIKK report).
2	Do you agree or disagree with the proposal that the Schedule for the Government to take title to and liability for an operator's waste should be set in relation to the predicted end of the decommissioning of the nuclear power station? Do you have any comments on the way the Government proposes to recoup the additional costs it will incur in this case?
Response	We disagree and expect Government to reject the proposal. Operators must be held financially responsible for wastes created and their management over millennia. As stated above, anything less implies a subsidy to the nuclear industry, which has been ruled out by Government.
3	Do you agree or disagree that the proposed methodology to determine a Fixed Unit Price strikes the right balance in protecting the taxpayer, by taking a prudent and conservative approach to cost estimation, while facilitating new nuclear build by providing certainty to operators? What are your reasons?
Response	It is not possible to determine whether the methodology proposed for the FUP is sufficiently robust. However, it is clear from answers given above that the taxpayer is not adequately safeguarded against potential escalating costs of managing nuclear wastes for millennia and possible compensation claims against the nuclear industry for illnesses caused due to proximity to future or existing nuclear plants. Without assurances that these elements have been included in the FUP it can only be concluded that Government intends to subsidise the industry, breaking its own pledges to the contrary.
4	Do you agree or disagree with the proposed approach to determining an operator's contribution to the fixed costs of constructing a Geological Disposal Facility? What are your reasons?

No.	Question
Response	We disagree with the proposed approach to the operator's contribution to construction of a GDF. Many uncertainties remain over the GDF, as made clear in the consultation document. These uncertainties include geological, social, political, financial and technical issues. For example no mention is made of the fact that although volumes of waste from new plants may be lower than heretofore, the NDA itself acknowledges that levels of radioactivity (and hence health risks) will be higher.
5	Do you agree or disagree with the proposal that the units to be used for the Fixed Unit Price are pence per kWh for spent fuel and cubic metres of packaged volume for intermediate level waste? What are your reasons?
Response	We disagree with the proposal, since without safeguards for the taxpayer and for public health described above no FUP could be set that meets Government's stated aim that no subsidy will be given to the nuclear industry. Such safeguards have to be made transparent and the calculations used must be made available for public scrutiny.
Chapter 5: Updated estimates of the costs for decommissioning, waste management and waste disposal	
6	Do the updated cost estimates represent a credible range of estimates of the likely costs for decommissioning, waste management and waste disposal for a new nuclear power station?
Response	There remain too many unknowns for the public and Parliament to be satisfied that Government and the industry can agree that current estimates represent a credible range of likely costs. I refer you back to earlier answers where we have pointed to the likelihood of claims for compensation for ill health caused by proximity to nuclear plants (see the 2008 KIKK report) and also managing nuclear wastes safely for millennia are but two additional items not yet factored into the likely costs.

Please select the category below which best describes who you are responding on behalf of.

- ☐ Business representative organisation/trade body
- ☐ Central Government
- ☐ Charity or social enterprise
- ☐ Individual
- ☐ Large business (over 250 staff)
- ☐ Legal representative
- ☐ Local Government
- ☐ Medium business (50 to 250 staff)
- ☐ Small business (10 to 49 staff)
- ☐ Micro business (up to 9 staff)
- ☐ Trade union or staff association
- ☒ Other (please describe):

Thank you for taking the time to let us have your views. The Government does not intend to acknowledge receipt of individual responses unless you tick the box. ☐

Department of Energy and Climate Change
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