

17 June 2010

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

Dear Sir or Madam

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

I am responding on behalf of the members of Suffolk Coastal Green Party (membership 150).

We are not requesting non-disclosure.

Chapter 3: The methodology to determine a Fixed Unit Price.

1. We are not in favour of either a Fixed Unit Price or an estimated price. We have been promised that any new nuclear build will be privately funded. It is not acceptable that any of the cost of decommissioning or waste disposal should be picked up by the tax payer. Companies who wish to build nuclear power stations in the UK must be liable for all clean-up costs.

In our view it is in any case impossible to assess, in advance, any such costs. Previous attempts have been shown to have been inaccurate. This consultation, having been initiated by the Labour government, should therefore now be abandoned.

Contracts need to be drawn up to ensure that companies take total financial responsibility for the safe disposal of all intermediate level waste and spent fuel at the very time that they are created. Any payments of dividends to shareholders must only be made after all such wastes have been accounted for. There must be no assumption that the stock market will continue to grow and that interest from invested funds will be available to contribute to waste management. Such money cannot be relied upon.

2. The government should under no circumstances take title to and liability for an operator's waste either at the predicted end of the decommissioning of the nuclear power station or at any other time. The operator must remain financially and legally liable for all waste until it can be safely disposed of.

The taxpayer should not have to subsidise any on-going storage or indeed other unforeseen costs should there be, for example, some kind of leakage causing contamination.

3. We cannot say whether the methodology is correct as we have not been given sufficient information to make such an assessment. We request that all such calculations be made totally transparent. It is obvious that the previous government was simply attempting to make new nuclear build easier for prospective operators.

We do not agree that the government is in a better position to manage cost risks on account of the long time scales. Whatever the length of time, companies should remain responsible.

We are not at all confident that the tax payer will be protected by the proposed means.

4. There are too many assumptions and uncertainties here to be able to make any kind of reasonable estimate of the costs of constructing and maintaining a Geological Disposal Facility. After decades of nuclear power, the government is no nearer to finding a solution to the location of such a facility or exactly how or where such a store will be constructed. Even if the community in Cumbria is finally persuaded to take such a facility, they may want to impose certain restrictions on the amount or type of waste they are willing to have in their locality. It is not clear who rewards them for being hosts to such an unwelcome repository. For all new build, it is our view that operators and not tax-payers must be financially responsible here.

Moreover some of the proposed new reactors are different from past and existing ones and it seems likely that they will produce extra amounts of radioactive waste.

It is our opinion that any geological store that will be required to take wastes from new nuclear reactors should be entirely paid for by operators. It is not at all acceptable that taxpayers should be made to pick up the bill, or any part of it.

5. The UK government has a very poor record for effective financial management and budgeting, as the recent crash shows all too well. We therefore have no confidence at all in the proposals. What happens if the estimates have been too low? Who then picks up the bill? We can only reiterate that operators must be totally financially responsible for all radioactive waste.

6. No. Experience has shown that any past estimates for decommissioning, waste management and disposal have always been too low. Who is responsible if the company has financial problems? Currently Sizewell B is off-stream for many months, and losing millions of pounds. What if there is an accident? Who then pays for the clean-up? The tax payer has already bailed out British Energy after it nearly went bankrupt.

The only answer is not to go ahead with any more nuclear power stations. There are far too many financial and other uncertainties. Please, let us put these billions of pounds into safe renewables, which will provide us with the

energy we need without the serious problems of the safe storage of highly dangerous radioactive waste.

Kindly acknowledge safe receipt of this response.

Yours faithfully

Rachel Fulcher

Vice-Chair, Suffolk Coastal Green Party