



GREENPEACE



Association for the
Conservation of
Energy



The Energy Bill

No subsidies for nuclear power

December 2012

With new nuclear projects continuing to see costs escalate, there are fears that a large proportion of the money Treasury has determined is to be spent supporting low-carbon generation (under the Levy Control Framework – either this stage or the one beyond) could be diverted into nuclear power and away from renewable energy, which is cheaper and faster to build.

The need for transparency

It is therefore essential that UK energy policy is determined by a transparent, evidence-based process that maximises investor and public confidence. Nuclear is at risk of not only being given a large subsidy in violation of the Coalition Agreement, but having this subsidy set by bargaining behind closed doors in a bespoke set of contracts with risks for consumers¹, with more money than has ever been spent on a renewable energy project. If the appearance is that a great deal of the LCF finance is to be swallowed up in nuclear projects, renewable investors will be deterred from coming to the UK.

Many people argue that the significant lifetime costs and hazards associated with nuclear power are not worth the benefits, especially in UK where we have abundant renewable resources. However the cost argument at least can be resolved by the market as long as:

- Evidence for the proposed prices for nuclear is in the public domain, in advance of the contracts being agreed.
- All terms and conditions of the contracts for new nuclear power are in the public domain before agreement (with the same applying to renewables and other low carbon generation).
- There is an expert review panel meeting in public for prices, terms and conditions of nuclear contracts.
- There is a transparent cap on public liability for insurance and waste disposal

We also believe the Secretary of State should stick to the Coalition promises not to subsidise new nuclear power and refuse to sign contracts with new nuclear power providers which are above the market rate for power.

With new nuclear projects continuing to see costs escalate, there are fears that a large proportion of the amount of money Treasury has determined is to be spent supporting low-carbon generation (under the Levy Control Framework), could be diverted into nuclear power and away from renewable energy, which is cheaper and faster to build.

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¹ [Norton Rose - FID Enabling process and investment contracts - an update on key aspects, December 2012](#)