

No subsidies for nuclear power



GREENPEACE



Association for the
Conservation of
Energy



Update on Commons Committee stage

The costs of new nuclear projects continue to escalate, which presents risks to consumers and tax payers, and will have knock-on effects on other investors in the energy sector. There needs to be more transparency and scrutiny of nuclear comparable to all other forms of low carbon generation. Nuclear does not deserve special treatment.

Who pays for nuclear power?

We 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 electricity, or above the rates for other low carbon generators.

We are also concerned that a large proportion of the money the Treasury has determined is to be spent supporting low-carbon generation (under the Levy Control Framework – either this stage or the next) could be diverted into nuclear power and away from renewable energy, which is cheaper and faster to build. Furthermore, energy investors – particularly in renewable technologies – will be deterred from coming to the UK if they perceive that nuclear projects are swallowing up a great deal of the Levy Control Framework finance. It could also mean that consumers and taxpayers take on risks and costs of nuclear without the public or Parliament being aware of it.

The need for transparency

UK energy policy should be determined by a transparent, evidence-based process that maximises investor and public confidence. Nuclear power risks not only being given a large subsidy in violation of the Coalition Agreement, but having this subsidy set by behind closed doors in a bespoke set of contracts. These contracts could put excessive risk on to the taxpayer and consumers for sums far greater than any expenditure on renewable energy projects.

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 at least the cost argument can be decided transparently as long as:

- all evidence for the proposed prices for nuclear is in the public domain before the contracts are agreed
- all terms and conditions of the contracts for new nuclear power, including risks and costs being borne by bill payers and taxpayers, are in the public domain before agreement (the same should apply to renewables and other forms of low carbon generation)
- an expert review panel meets in public to analyse the prices, terms and conditions of nuclear contracts
- there is a transparent cap on public liability for insurance and nuclear waste disposal
- Parliament is able to vote on whether the proposed contract is value for money: the current proposal is that once the agreement has been struck, Parliament can scrutinise but not change or vote down the agreement, whatever the costs for consumers.

These issues were discussed at Committee and the Government promised to look further at them. Amendments 8 and 9 have been tabled for Report Stage would provide much greater transparency.

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