

Meeting:	NuLeAF Steering Group, 29 January 2008
Agenda Item:	9
Subject:	Future of Nuclear Power
Author:	Fred Barker
Purpose:	To outline the Governments proposals, particularly as they impact on waste management and decommissioning

Introduction

The Government has published its response to the consultation "The Future of Nuclear Power". On launching the response, the Secretary of State confirmed that in the face of the double challenge of addressing climate change and ensuring security of supply, the Government believes it is in the country's interest that nuclear power should play a role in providing "clean, secure and affordable energy". He therefore invited energy companies to bring forward plans to build and operate new nuclear power stations.

The Government's response, "Meeting the Energy Challenge: a White Paper on nuclear power", is available at: <http://www.berr.gov.uk/files/file43006.pdf>. The Government has also published an analysis of the responses to the consultation and an impact assessment of its proposals ([Meeting the energy challenge: a white paper on nuclear power - BERR](#)).

This report summarises the statements in the White Paper of relevance to NuLeAF's remit on waste management and decommissioning. It also outlines the NDA response to the White Paper.

Recommendation

That the Steering Group:

- 1 Continue to monitor developments relating to new build, with a view to seeking to ensure that associated plans for radioactive waste management and decommissioning do not prejudice effective management of the nuclear legacy; and
- 2 Consider a report at its next meeting on the consultation on waste and decommissioning funding provisions guidance.

1 Statements in the White Paper on Waste Management and Decommissioning

Geological Disposal

It would be technically possible and desirable to dispose of both new and legacy waste in the same geological repository and this should be explored through the MRWS process (para 47).

The NDA will nonetheless review alternative waste management options and, if deemed necessary, will undertake further research into these options (para 2.144).

The fact that we have not begun repository construction allows us to build in any necessary engineering features to accommodate particular types of waste if that proves necessary and publicly acceptable and the required safety case can be made (para 2.151).

Interim Storage

Given the ability of interim stores to hold waste safely and securely we are satisfied that it is reasonable to proceed with allowing energy companies the option of investing in new nuclear power stations in advance of a geological repository being available (para 50).

Operators of new nuclear power stations will be required to pay for and ensure that interim storage is available for waste until we expect a geological repository to be able to accept waste from new nuclear power stations and beyond that date to provide adequate contingency (para 52).

The NDA is undertaking a UK-wide review of existing storage facilities. Once that is complete, the NDA will consider what may additionally be required to fulfil the Government's commitment to ensure robust interim storage (para 2.158).

MRWS Programme

We are satisfied that the MRWS programme provides a feasible mechanism for identifying a suitable site for a geological repository (para 51).

We recognise the importance of being able to give as much clarity as possible to communities on the likely increases in both volume and the level of radioactivity of the waste inventory that would arise (para 2.150).

The Government believes that nothing has emerged from the MRWS consultation that alters our view on either geological disposal or on an approach based on voluntarism as a means of securing a repository site (para 2.153).

Reprocessing of Spent fuel

Our view remains that in the absence of any proposals from industry, new nuclear power stations built in the UK should proceed on the basis that spent fuel will not be reprocessed (para 65).

We are not currently expecting any proposals. Should such proposals come forward, they would need to be considered on their merits at the time and Government would expect to consult on them (p31).

Funding of Waste Management and Decommissioning

The Government will put in place a framework through the Energy Bill to ensure that energy companies set aside sufficient funds to cover their decommissioning costs and their full share of waste management costs in a secure way (para 54).

Independent funds outside the control of nuclear operators should be created. These independent funds would be insulated against the commercial fortunes of the operator (para 3.49).

The arrangements will be designed to deliver sufficient funds to cover costs in a number of different scenarios (para 3.46).

Operators would be required to ensure that they have adequate financial safeguard mechanisms in place to top up an insufficient fund (para 3.57).

If the protections we are putting in place through the Energy Bill prove insufficient, in “extreme circumstances” the Government may be called upon to meet the costs (para 3.52).

The funding arrangements should ensure that the prospect of the operator’s liabilities having to be met in whole or in part from public funds is remote at all times (para 3.58).

The funding arrangements should ensure that the process of accumulating and protecting funds is clear to the public (para 3.61).

The Government has embarked on a programme to determine robust estimates of costs (para 3.64).

We have decided to create a Nuclear Liabilities Financing Assurance Board to help ensure that the private sector adequately provides for waste and decommissioning costs (para 82).

Price for Geological Disposal

We are modelling the financial impact of adding waste from new nuclear power stations to a repository. We will ensure the price the operators pay for disposal reflects “the full share of costs”, including a proportion of the fixed costs of building the repository. The Government will set out further detail alongside the consultation on waste and decommissioning funding provisions guidance (para 3.71).

Energy companies have indicated that they would be prepared to pay a significant risk premium, over and above the expected costs of disposing of waste, in return for having the certainty of a fixed upper price range. The Government intends to use the exercise on waste cost modelling to set a fixed price or upper limit for nuclear operators (para 3.74).

2 Indicative Timetable

The SG will also wish to note that the Government’s “indicative pathway to possible new nuclear power stations” includes the following dates:

- 2008: Consultation on waste and decommissioning funding provisions guidance
- 2009: National Policy Statement and Strategic Siting Assessment
- 2010: Site specific applications
- 2011/13: Planning application process
- 2011/12: Licensing

- 2013/18: Building new stations.

3 NDA Statement

The NDA has published the following statement in response to the White Paper:

The Government's announcement on a new programme of nuclear power stations raises some important questions for the Nuclear Decommissioning Authority.

The NDA owns 11 nuclear power station sites of which two, [Wylfa](#) in Anglesey and [Oldbury](#) in Gloucestershire, are still operating.

The NDA's primary function is to safely and cost-effectively oversee the decommissioning and clean-up of all the sites under its ownership, as well as to deal effectively with large stocks of nuclear materials and wastes.

The NDA also has a responsibility to maximise the commercial value of its assets on behalf of the UK taxpayer in order to offset the costs of the decommissioning programme. This could be through making land available to utilities and other organisations, or exploring the potential value of the stocks of nuclear materials in its possession.

We know from the extensive consultation we have conducted with our communities on their preferred end state for each of our sites that, for example, the communities around Sellafield and Wylfa have a considerable interest in maintaining economic prosperity through new nuclear build.

We also know from contact with the energy industry that there is considerable interest in how the NDA's assets could play a role in a new build programme.

The Government has set out in the White Paper that it will be carrying out a Strategy Siting Assessment (SSA) to assess the suitability of sites for new nuclear build. This is expected to commence soon and, we understand, will take around 18 months to complete. Without prejudging the outcome of the SSA, the NDA, in order to decide upon the strategy for future use of its sites and land around its sites, will in due course invite proposals which meet its strategic objectives and maximise value for money for the UK taxpayer.

The NDA will be detailing its process and timescales on this website in the near future.