Nuclear / energy policy developments of interest to Irish local authorities

Sean Morris, NFLA Secretary
April 2014
What I’m going to look at:

- OSPAR and Irish Sea radioactive discharges
- Hinkley Point strike price deal and NFLA submission to European Commission
- NFLA submission to ABWR Wylfa justification process
- NFLA briefing on marine nuclear transport concerns
- Mayors for Peace reaches 6,000 members – please join!
- Conclusions
OSPAR RSC – Irish Sea discharges

- OSPAR Treaty commitment – ‘close to zero’ marine radiation discharges by 2020
- Sellafield Thorp plant may remain open till at least 2018
- Magnox reprocessing plant open till 2028!
- NFLA / KIMO – if not closed by 2015 discharges will not have decreased enough by 2020
- UK Gov’t 2002 commitment - all would be closed by 2012!
- PAC / KPMG / NAO reports on Sellafield – damning list of criticisms
- Radionuclides are still being dumped into Irish Sea
EDF, EPR and Hinkley Point

- Npower / E-on consortium for Wylfa / Oldbury pulled out 2012
- Little action with Sellafield till Toshiba investment in late 2013
- EDF leading new build player – Hinkley, Sizewell, possibly Bradwell, Hartlepool and Heysham
- EDF French Government owned
- Passed design process with 724 outstanding actions
- Initial planning approval April ‘13
- Centrica pulled out – not a good investment
- Investment decision delayed till July ‘14
UK Government – EDF ‘strike price’ deal

• UK Government wants new nuclear but without ‘public subsidy’
• 1 year long negotiation with EDF for financial and contract guarantees
• Announced a ‘strike price’ of £92 MWh for electricity for Hinkley C
• 35 year index linked contract giving EDF 5% annual profit
• Strike price over double existing price for nuclear power
• Calculates Hinkley C costing £16 bn – the world’s most expensive new nuclear project
• Chinese State Nuclear Power Corporation 45% funding partner
European Commission inquiry

- Under EU law deal has to be ratified by European Commission
- Is it a legal form of state aid?
- Does it distort the electricity market?
- Is it anti-competitive to other energy producers?
- A EU precedent – determine new build across Europe
- January & March EC view – concerned it could be illegal state aid and anti-competitive
- One month public consultation – Irish Government view?
NFLA / CNFE / Stop Hinkley submission (1)

- NFLA joined up with Cities for a Nuclear Free Europe (CNFE) & Stop Hinkley to develop joint submission

- Key conclusions of submission:

  1. Nuclear power is a mature technology that should not need public subsidy
  2. Hinkley Point C v unlikely to go ahead without a public subsidy
  3. Renewable technologies will be unfairly constrained as bulk of Government support over next 40 years will go to Hinkley C
  4. Britain’s solar industry has potential to deliver same amount of electricity every year as Hinkley in just 24 months time on current projections

http://www.nuclearpolicy.info – New Nuclear Monitor Issue Number 34
Key conclusions of submission (continued):

5. Medium sized solar projects likely to reach grid parity in many countries, and not require subsidies. Such projects unfairly treated by Hinkley C deal.

6. Dramatic reduction in UK Government’s ambition for offshore wind – down from 32GW to 10GW by 2020 – probably as a result of this deal as wind prices coming down.

7. Hinkley C will use it large majority of Levy Control Framework Gap and unfairly affect solar and wind attempts to reduce strike prices.

8. Hinkley C will not required for energy security or climate change targets, not cost effective and clearly unfair to the free market.

9. EC should declare deal as illegal state aid.
What happens next – Irish legal challenge

- Commission will make its decision summer / autumn 2014
- A ‘no’ to deal will severely affect all nuclear new build projects as:
  - the UK Government will have to rethink whole funding model
  - EDF and Chinese will have to reassess financing model
  - Reduces international investment for ALL UK new nuclear
  - Would have an impact on Hitachi and Toshiba’s investment decision for Wylfa, Oldbury and Sellafield
- Irish National Trust has appealed legal challenge on Hinkley C
- UN has accused UK of ‘suspicious actions’ over Hinkley C deal and not adequately informed neighbours under Aarhus and Espoo Conventions
- A pivotal decision for UK and wider European new nuclear build
DECC / NIA justification for ABWR design

- Under UK / EU law nuclear reactor designs have to be ‘justified’ so that the benefits of the new design outweigh health risks
- NIA has put forward Hitachi’s Advanced Boling Water Reactor (ABWR)
- DECC consultation closes 13th May
- ABWR also going through ONR GDA process and Horizon local plan consultation with Anglesey residents
NFLA ABWR submission key points

- International health studies (e.g. KIKK study) found a statistically significant 37% increase in childhood leukaemias near nuclear power stations

- Nuclear power is one of slowest and most expensive methods of reducing carbon emissions

- Operation of the UK Government Levy Control Framework means allocated funds will go mainly to new nuclear and crowd out renewables and energy efficiency, even if they are cheaper

- UK needing new nuclear power for baseload is an obsolete idea

- The international experience of ABWRs built elsewhere show them to be an unreliable technology

http://www.nuclearpolicy.info – New Nuclear Monitor Issue No. 35
NFLA briefing on marine nuclear transports

- NFLA briefing found major concern with ‘RORO’ vessels transporting mixed shipments
- Atlantic Cartier fire – contained uranium hexafluoride (yellow cake), explosive materials, cars and dangerous chemicals
- Major radiation incident narrowly averted
- Vessel had many identified safety failings
- Similar ship had safety incident recently in Canada
- What would happen if by UK or Irish port?
- Safety improvements urgently recommended
Mayors for Peace reaches 6,000 members

- Mayors for Peace led by Hiroshima and Nagasaki
- Seek nuclear free world through UN and national government lobbying
- NFLA close partner in the UK & Ireland – shared aims, Manchester VP
- Reached the 6,000 member milestone April 1st 2014
- 56 of its newest members from Iran
- 78 UK members and 12 Republic of Ireland members
- All major cities – Dublin, Belfast, London, Cardiff, Edinburgh
- Free to join with organisation representing over 1 BILLION people
Conclusions

• OSPAR Treaty commitment unlikely to be met by 2020 for one of the most radioactive seas in the world

• Where is Irish Government (north and south) voice on UK new nuclear?

• European Commission deal puts new build on a knife-edge

• New nuclear reactors are not the answer to our energy needs – a renewable energy mix, a energy efficiency programme and increased levels of community microgeneration can work

• Serious safety concerns exist on a number of marine nuclear transports

• Essential for Irish Councils to be NFLA and Mayors for Peace members - otherwise local government has no voice of concern on nuclear issues
Thank you for listening.

Questions can be asked in the panel discussion.