Nuclear Free Local Authorities Steering Committee

NFLA Media release - for immediate release, 14th May 2013
Centrica and SSE’s concerns on EDF’s new nuclear build project – surely proof that it should be stopped before more public money is wasted?

The Nuclear Free Local Authorities (NFLA) note public comments made by the Chairman and Chief Executive of Centrica at its AGM yesterday, which highlight a number of concerns that the NFLA has consistently raised with the proposed building of new nuclear reactors in England and Wales.

Until a couple of months ago Centrica (owner of British Gas) were EDF’s joint partner in a consortium to build new nuclear power stations at Hinkley Point in Somerset and Sizewell in Suffolk. It pulled out of the project and EDF has no alternative funding partner for this highly expensive development. EDF is currently in protracted talks with the UK Government over long-term contracts and financial price guarantees to build the first new nuclear power station in Hinkley.

At the AGM Sir Roger Carr, Centrica chairman, told shareholders that since it first considered being involved in the construction of new nuclear reactors the price had “rocketed hugely”. He added: “Nuclear is not a cheap option.”

Centrica’s chief executive, Sam Laidlaw said: “Not only had the cost increased but also the schedule had lengthened very considerably. So instead of taking four to five years to build, EDF were telling us that it was going to take nine to ten years to build. That is a long time to be writing out a cheque for this project.”

Mr Laidlaw added: “EDF’s agenda is different to ours. They are 85% owned by the French government, they are using French technology and they see nuclear as a core part of their strategy going forward. Our strategy is to have customers at our core and provide the lowest cost low-carbon energy for our customers.” (1)

This follows on from comments made by the outgoing Chief Executive of Scottish and Southern Electric (SSE) Ian Marchant, who told the BBC: "We can’t afford as a country to wait. There is a lot of interesting technology development in nuclear going on - both in Asia, where they are building to time and budget...and in the US where they are looking at...smaller reactors, easier and quicker to build, and I think the UK should say, we'll wait, we should invest in gas, renewables and demand side management - and that buys us to 2025." (2)

The NFLA believe such public comments need to be considered closely by the UK Government. It is imperative that it does not spend billions of public money in propping up EDF with an inflexible technology like the new nuclear power stations proposed for Hinkley Point and Sizewell. EDF’s current new nuclear construction at Olkiluoto in Finland and Flamanville in France are both considerably over budget and years behind schedule, so Mr Laidlaw’s comments fit in with the likely experience in the UK if the Government backs down to EDF’s financial demands (3).

The NFLA does not agree with Mr Marchant about new nuclear technology in the next decade, but it concurs that in the next 10 years the priority has to be on ramping up a wide renewable energy mix, microgeneration and energy efficiency. It can fill the energy gap and does not have any of the inherent risks of new nuclear build.
NFLA Chair, Councillor Mark Hackett said: “Comments made by the leaders of Centrica and SSE confirm to me that the energy industry has little confidence that EDF can build new nuclear projects to time and to budget. With the inherent safety and health risks and the huge levels of new radioactive waste that new nuclear will generate at a time when there is no long-term solution for dealing with it now is the time for the UK Government to wash its hands of new nuclear and develop a clean, sustainable and more cost effective renewable energy projects in conjunction with a local authority led energy efficiency programme. Nuclear has had its day and it looks like EDF and the Government are the only ones who have not accepted that. It is time they did.”

Ends

Further information - Sean Morris, NFLA Secretary - 0161 234 3244 or 07771 930196.

Notes to editors:
(1) Daily Telegraph 13th May 2013
(2) Carbon Brief 13th May 2013
http://www.carbonbrief.org/blog/2013/05/bbc-interview-with-ian-marchant
(3) YLE Uutiset 13th December 2012
http://yle.fi/uutiset/tvo_unperturbed_by_nuclear_reactors_spiralling_costs_estimates/6415992