



Energy Update Issue 9
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1. Greenpeace High Court Victory exposes 'seriously flawed' nuclear consultation

The Government has been forced to hold a second consultation on its nuclear power plans after a successful legal challenge in the High Court by Greenpeace. In February 2007 Mr Justice Sullivan said that the Government's energy review was not the "fullest public consultation" promised in the 2003 Energy White Paper, adding that it was "seriously flawed" and the process "manifestly inadequate and unfair." It was also described as "misleading" and "procedurally unfair" because insufficient information had been made available for consultees to make an "intelligent response". The Government failed to present clear proposals and information on key issues such as dealing with radioactive waste and financial costs. Greenpeace and other groups were also denied the opportunity to comment on relevant documents which the government failed to disclose. (1)

In response, Tony Blair claimed the decision would not derail the new build process, saying, "this won't affect the policy at all". (2) Secretary of State for Trade and Industry, Alistair Darling, told parliament the Energy White Paper, which he had hoped to publish in March, would be postponed until May and a final decision on whether to build a new generation of reactors put back from July until the autumn. The White Paper will be published alongside a new consultation, "endeavouring to meet the court's requirements". (3) This will bring together the evidence and analysis collected since the energy review began in November 2005. (4) Planning and licensing reforms to accelerate the construction of new plants would go ahead as planned. Mr. Darling said that "counter views" would be taken into consideration but, given the government was backing new nuclear plants, it was not possible for it to "stand back and say 'we don't have any views'." (5) The view within Whitehall was that a further consultation, while a setback, need not lead to big delays. (6)

Greenpeace has written to Alistair Darling calling for a comprehensive public consultation over a long time scale. It has drawn his attention to a briefing paper on public engagement on nuclear power by the Sustainable Development Commission (SDC), which sets out very clear guidelines for a comprehensive consultation programme. (7) These outline the importance of providing information at the appropriate level to enable the public to understand issues such as nuclear power, climate change and energy security. The consultation must elicit genuine and informed responses from the broader public as well as traditional stakeholders. The failure to do so would not only leave the Government vulnerable to legal challenge but lead in all probability to widespread hostility and mistrust of any policy decision made on future energy policy.

(1) Greenpeace 15 Feb 2007 <http://www.greenpeace.org.uk/media/press-releases/governments-nuclear-plans-declared-unlawful-by-high-court>

(2) BBC 15 Feb 2007 http://news.bbc.co.uk/1/hi/uk_politics/6364281.stm

(3) Independent 23 Feb 2007 <http://news.independent.co.uk/business/news/article2296891.ece>

BBC 22 Feb 2007 http://news.bbc.co.uk/1/hi/uk_politics/6387063.stm

(4) FT 22 Feb 2007 <http://www.ft.com/cms/s/b1d11dd4-c268-11db-9e1c-000b5df10621.html>

(5) FT 15 Feb 2007 http://www.ft.com/cms/s/76c6d25c-bce5-11db-90ae-0000779e2340_i_rssPage=34c8a8a6-2f7b-11da-8b51-00000e2511c8.html

(6) FT 15 Feb 2007 <http://www.ft.com/cms/s/3416de94-bd34-11db-b5bd-0000779e2340.html>

(7) *Public Engagement and Nuclear Power*. Sustainable Development Commission, 4 March 2007 http://www.sd-commission.org.uk/publications/downloads/Nuclear_public_engagement-briefing.pdf

2. Nuclear reactor sites liable to flooding

A Met Office report on the risks to British Energy sites of climate change-induced flooding has concluded that future power plants will need to be further inland and may need added protection because of rising sea-levels, increased wave height and increased storm surge height. (1) Rather oddly, British Energy issued a press release about the report in January but did not publish the report until March. (2)

Greenpeace also commissioned the Flood Hazard Research Centre at Middlesex University to examine the risk of sea level rise on four existing nuclear sites in England considered likely to be earmarked for new reactors. The report concluded that the sites at Hinkley Point in Somerset, Dungeness in Kent, Sizewell in Suffolk and Bradwell in Essex are at risk from significant sea level rises and storm surges in the future, and therefore are not suitable locations for new reactors. (3)

(1) BBC 24th Jan 2007 <http://news.bbc.co.uk/1/hi/sci/tech/6292973.stm>

(2) *Review of medium to long term coastal risks associated with British Energy sites: Climate Change Effects*. M. Gallani, Met Office for British Energy, 22 Feb 2007

http://british-energy.com/documents/energyEnvironment/BE_2006_siteclimate_v1.12_final.pdf

(3) *The impacts of climate change on nuclear power stations sites*. Middlesex University Flood Hazard Research Centre, 12 Mar 2007 <http://www.greenpeace.org.uk/media/reports/the-impacts-of-climate-change-on-nuclear-power-station-sites>

3. Nuclear utilities carry on regardless

Despite the High Court judgement setback, behind the scenes the world's largest energy companies are jostling for position ahead of publication of the delayed Energy White Paper in late May. British Energy (BE) says it is continuing to look for partners to help build new reactors. (1) The Company says it is willing to partner fellow energy groups, construction companies, even businesses with a high demand for electricity, (2) and that it has received a good response to its invitation – some from companies you would expect, some you wouldn't. (3) All existing sites are strong contenders for new nuclear build, because of existing links to the electricity grid and a local community dependent on the jobs. (4) BE is evaluating all its sites, (5) but Hinkley and Sizewell are probably favourites. (6) However, as recent flood risk reports show, serious flood risks at these and other sites mean they may not be suitable locations for new reactors.

EDF Energy, a subsidiary of the mainly French government owned Electricite de France, and owners of London Electricity, Eastern Electricity, and South East Electricity, has probably been the most enthusiastic supporter of new reactor building. CEO Vincent de Rivaz said in October 2006 the Company is moving from being "*investors in waiting*" to "*investors in action*", and has set up a UK nuclear project team. (7) EDF Energy hopes to put in a pre-licensing application to the NII in early 2007, and begin pouring concrete in 2012, with an operating ceremony by 2017. (8)

Two German companies, Eon, owners of Powergen, and RWE, owners of nPower, have expressed interest in helping build Britain's new reactors, but have only supported construction "in principle". The German utilities are particularly interested in the UK market because their home country has strong anti-nuclear sentiment. (9) Paul Golby, chief executive of Eon UK, told a conference in March the Government should continue developing new arrangements for pre-licensing of reactors, despite the need for further consultation following Greenpeace's High Court victory. He also stressed the importance of streamlining planning to ensure that the next generation of power stations, can be built swiftly. (10)

The Business magazine reported in February that Eon and RWE were on the point of striking a deal with Westinghouse (sold by BNFL to Japan's Toshiba last year), to work together on new reactors, and submit a joint application for a licence for the AP1000 reactor design. (11) Westinghouse later described this report as speculation and said it was working with all interested utilities. (12) Also preparing to wade into the competition are the other main nuclear reactor builders, Areva, the French nuclear company, and General Electric of the US, and perhaps even Atomic Energy of Canada Ltd (AECL). Scottish & Southern Energy and Centrica, owners of British Gas, are also understood to have held discussions with British Energy. (13)

- (1) Interactive Investor 15 Feb 2007 <http://www.iii.co.uk/news/?type=afxnews&articleid=5978245&subject=economic&action=article>
- (2) Independent 14 Feb 2007 http://news.independent.co.uk/business/analysis_and_features/article2268122.ece
- (3) Reuters 5 Mar 2007 http://investing.reuters.co.uk/news/articleinvesting.aspx?type=allBreakingNews&storyID=2007-03-05T124838Z_01_L05642875_RTRIDST_0_BRITISHENERGY-PARTNERS.XML
- (4) Bloomberg 30 Jan 2007 http://www.bloomberg.com/apps/news?pid=20601072&sid=aGsaadDCU_5l&refer=energy and Independent 11 Feb 2007 <http://news.independent.co.uk/business/news/article2258766.ece>
- (5) Telegraph 8 March 2007 <http://www.telegraph.co.uk/money/main.jhtml?xml=/money/2007/03/08/cxbloom08.xml>
- (6) Guardian Feb 14 2007 <http://business.guardian.co.uk/story/0,,2012400,00.html?qusrc=ticker-103704>
- (7) *UK's climate, energy policies encourage EDF investment. Nucleonics Week*, Vol.47, No. 44, November 2, 2006
- (8) Business 22 Nov 2006 <http://thebusinessonline.com/Document.aspx?id=9747C514-58F6-4119-9607-FF15380F0E13>
- (9) Telegraph 2 April 2007 <http://www.telegraph.co.uk/money/main.jhtml?xml=/money/2007/04/02/cnpower02.xml>
- (10) Guardian 28 March 2007 <http://environment.guardian.co.uk/energy/story/0,,2044406,00.html>
- (11) Business 21 February 2007 <http://www.thebusinessonline.com/Document.aspx?id=D15F0182-2990-4426-A78D-8E9C06A21D3F>
- (12) Platts Nuclear News Flashes 22nd February 2007
- (13) Telegraph 26 March 2007 <http://www.telegraph.co.uk/money/main.jhtml?xml=/money/2007/03/25/cnenergy25.xml>

4. Scottish Political Consensus against Nuclear and for Decentralised Energy – Labour isolated on Nuclear

The new Scottish Parliament, elected on May 3rd, contains a majority opposed to new nuclear energy. The Parliament is led by an SNP minority Government with a co-operation agreement with the Greens, who announced in the first point of their joint agreement that they would not support new nuclear power in Scotland. With the Scottish Lib Dems also opposing new nuclear in Scotland several Scottish sites favoured by the Government in Westminster are therefore likely to be off-limits. Aside from the practical difficulty of finding suitable sites for new reactors if Scotland is excluded, it is looking very difficult for a certain Gordon Brown, MP for Kirkcaldy & Cowdenbeath, to push nuclear power in his home patch where both the Executive and the population are opposed.

Aside from the opposition within the Labour Party, and a Scottish Parliament with both the power and the political will to block new nuclear power plants, Brown will also have to contend with a Scottish public firmly opposed to new nuclear reactors in Scotland. Just before Scotland went to the polls an opinion poll commissioned by Greenpeace showed that less than a quarter of Scots support building new reactors in Scotland. Almost three quarters would prefer to use more renewable energy than energy from new nuclear plants. (1)

Whilst the nuclear argument becomes ever more discredited in Scotland, a Scottish political consensus has emerged that renewable energy should play a greater role and that decentralised energy should be an important part of future energy strategy. In addition, nearly 70% of Scottish voters say that climate change will be an important issue when deciding how to vote.

In their election manifesto the SNP (2) & Greens (3) supported a wide range of policy measures to decentralise generation capacity down to a household and community basis, with the development of community energy companies, local micro-grids and micro-generation planning and funding reforms, combined with efforts to improve building regulations and energy efficiency.

In addition, the possibility remains of a broader coalition Government being formed in Scotland. Should the issue of independence, for whatever reason, no longer be an impediment, then the Scottish LibDems could elect to join the SNP/Green alliance. Not only are the LibDems firmly against nuclear power but they have a clear vision of a decentralised energy future for Scotland.

The LibDems say the forthcoming closure of power plants in Scotland is a strategic opportunity to remodel our electricity system on a more decentralised basis. The LibDems propose that Scotland should follow the lead set out in the report 'Powering Edinburgh into the 21st century' prepared by PB Power for Greenpeace, WWF Scotland and the City of Edinburgh Council on decentralised energy. (4) A new Greenpeace report 'Decentralising Scottish Energy' applies this decentralised vision to the whole of Scotland. (5)

Scotland now has both the opportunity and the legislative power to lead the way in showing the rest of the UK that a low-carbon, non-nuclear, secure energy future can be implemented today with existing technologies. Combining the huge potentials of decentralised energy, renewable energy and energy efficiency can deliver an energy scenario that is clean and sustainable, doubling the efficiency of our power stations, slashing carbon emissions and reducing our reliance on foreign gas.

(1) Greenpeace Press Release 24th April 2007

<http://www.greenpeace.org.uk/media/press-releases/nuclear-power-massively-unpopular-with-scottish-voters>

(2) SNP 12 April 2007 <http://snp.org/policies>

(3) Scottish Greens http://www.scottishgreens.org.uk/site/id/5709/title/SGP_Manifesto_2007.html

(4) *Powering Edinburgh into the 21st Century*. PB Power for Greenpeace, WWF Scotland and the City of Edinburgh Council, November 2006

<http://www.greenpeace.org.uk/MultimediaFiles/Live/FullReport/8056.pdf?CFID=712028&CFTOKEN=90306941>

(5) *Decentralising Scottish energy: cleaner, cheaper, more secure energy for the 21st Century. Application of the WADE economic model to Scotland*. WADE and Greenpeace, March 2007 www.greenpeace.org.uk/wadescotland

5. Finnish Reactor – over budget and behind schedule

Construction of the fifth Finnish nuclear reactor - Olkiluoto 3 – is already € 700 million over budget and has now fallen more than 18 months behind schedule, despite construction having only started in Sept 2005. Its original target date for completion was 2009, so there is now a real danger that it will not be available in time to contribute to meeting Finland's Kyoto target. The decision to go nuclear in Finland appears to be undermining alternative low carbon energy strategies - after falling in 2001 and 2002, Finland's carbon emissions are now rising. Measures, promised in a 2001 climate report, such as energy taxation, have not been implemented.

According to Finland's former environment minister, Satu Hassi MEP, once the decision was made to build the fifth reactor, the country lost interest in alternative energy sources. The International Energy Agency highlights the risk to Finland of relying on carbon dioxide reductions coming from the operation of the new reactor. It says this may inhibit Finland's ability to meet its greenhouse gas reduction targets under Kyoto, if the operation of the plant is in any way delayed - which now seems inevitable.

The lack of political will leading to the displacement of investment in non-nuclear, decentralised and renewable energy solutions that could effectively and swiftly deliver carbon reductions in Finland is an object lesson for the UK. Credible, effective, non-nuclear decentralised technologies are being implemented widely, delivering cuts in carbon emissions now, without the safety, liability, delay, investment and costs risks embedded in building new nuclear plants.

6. Energy White Paper set for 23rd May launch

The Energy White Paper is now expected to be launched on 23rd May, according to the Financial Times, along with a new consultation document, which will provide answers to specific questions along with more information on nuclear economics. It will be a bizarre juggling act, especially as it is well known that Tony Blair is convinced nuclear is the only way of meeting future energy challenges.

Obviously, because of the High Court nuclear consultation ruling, the new White Paper will be unable to make a clear commitment to a framework for encouraging private sector investment in new reactors. Instead it will probably outline how a new generation of nuclear reactors could be built - for example outlining which sites could be used and how decommissioning and clean-up costs could be paid for - but it will have to leave open the question of whether they should be built at all. It is expected to give guidance on how the Government would like to see new reactors built, but at the same time stressing that it is all subject to the outcome of the consultation. The initial findings of Tim Stone, the Government's new 'nuclear tsar', (see story 10 below) on meeting the costs of decommissioning, clean-up and managing radioactive waste are expected to form the backbone of the nuclear consultation document.

The decision on whether new nuclear stations should be built or not will be left until the autumn. By then, Trade and Industry Secretary Alistair Darling may be in a new job, and energy may have been moved to a new beefed up Department of Environment. The White Paper, however, will stress the need for energy efficiency and renewable energy. The renewables obligation is expected to be tweaked to give more support for offshore wind and biomass co-firing in coal-fired stations. The energy performance commitment, creating an emissions trading scheme for businesses such as banks and shops that are not energy intensive is expected to get the go-ahead.

7. British Energy's cracked reactor bits

The Nuclear Installations Inspectorate (NII) had still not given British Energy permission to restart its Hinkley Point power plant by Easter 2007. Hinkley Point has been shut for about six months for boiler repairs, but BE is trying to convince the NII that it can safely run the reactors at 70% of capacity until further work is carried out next year. The company had hoped to get at least one of the two affected reactors going by the end of March 2007. (1) Hunterston B in Scotland has also been shut since October 2006, but BE had already said the pipe repairs at Hunterston will take a little longer and other work on reserve feed water tanks was already planned for April this year so this will be brought forward to avoid a "double outage". (2)

(1) Reuters 3 April 2007 http://investing.reuters.co.uk/news/articleinvesting.aspx?type=allBreakingNews&storyID=2007-04-03T151343Z_01_L0348124_RTRIDST_0_BRITISH-ENERGY-HINKLEY.XML

(2) Herald 14 Feb 2007 <http://www.theherald.co.uk/business/news/display.var.1190783.0.0.php>

8. Green Energy Blueprint

Half of the world's energy needs in 2050 could be met by renewables and improved efficiency, according to 'energy [r]evolution', a new study commissioned by Greenpeace. It said alternative energy sources, such as wind and solar, could provide nearly 70% of the world's electricity and 65% of global heat demand. Following a "business as usual" scenario would see demand for energy double by 2050, the authors warned. (1)

Meanwhile, in Germany nuclear utilities appear to be ganging up against the nuclear phase-out law. Both RWE and EnBW have applied for permission to transfer the right to generate kilowatt-hours from their newest reactors to their oldest in a blatant attempt to extend the life of reactors due to close before the next federal election, due in late 2009, in the hope that a government willing to scrap the nuclear phase-out is elected. (2) Yet Germany could abandon nuclear energy more quickly than planned and still achieve a 40% cut in carbon dioxide emissions, according to a study prepared for Greenpeace by the EUtech institute, based in the western German city of Aachen. If all nuclear power stations were closed by 2015, instead of the planned date of 2020, Germany could still reduce its CO2 emissions by 40%. (3)

(1) BBC 25 Jan 2007 <http://news.bbc.co.uk/1/hi/sci/tech/6298467.stm> To download the report go to <http://www.energyblueprint.info/>

(2) *German utilities establishing basis for phase-out lawsuits*, Nucleonics Week, Volume 48, Number 10, 8 March, 2007.

(3) Yahoo 22 March 2007 http://news.yahoo.com/s/afp/20070322/sc_afp/germanyclimate and Greenpeace Finland briefing <http://www.olkiluoto.info/en/19/3/92/>

9. Still no waste solution

The International Energy Agency says Britain must not go ahead with a new generation of nuclear power stations until it has a "*clear and robust*" plan in place for dealing with the twin problems of decommissioning and waste treatment. It said the Government's current proposals for dealing with issues such as long-term waste management were "too vague to provide the required certainty". (1) The Committee on Radioactive Waste Management (CoRWM) is due to deliver further advice to the Government, on various areas connected with communities volunteering to host a nuclear waste dump. The Government has requested this advice prior to publishing its own consultation in the summer.

Mr Justice Sullivan, in his High Court Judgement, (2) said that the Government's Energy Review consultation document was "*seriously misleading as to CoRWM's position on waste from nuclear new build*". Consultees were told the Committee had confirmed that waste from a new build programme could be technically accommodated by the options it was considering. But this was not "*a fair summary of CoRWM's true position*". In fact CoRWM had said that future Government decisions on new build should be subject to their own public assessment process, including consideration of waste, because such decisions raise different political and ethical issues when compared with the consideration of wastes which already exist. The Committee also warned that a new nuclear programme might undermine support for CoRWM from some stakeholders and citizens and make it more difficult to achieve public confidence. Mr. Justice Sullivan concluded that:

"When dealing with the issue of waste, the information given in the 2006 Consultation Document was not merely wholly inadequate, it was also seriously misleading as to CoRWM's position on new nuclear waste."

Following the High Court's conclusions, CoRWM has re-stated its position. In no sense, CoRWM says, should its position be read as providing any solution to the long-term management of any wastes arising from a new build programme.(3) "*CoRWM is concerned that its proposals are being interpreted as providing a solution to the long-term management of new build wastes in*

advance of the forthcoming White Paper on Energy ... The judicial review has confirmed that such an interpretation is seriously misleading. We trust that it will be made clear that CoRWM's proposals apply only to committed wastes and that it will be accepted that a new process will be required to examine and justify any proposals for the management of wastes arising from new build".

For existing waste, CoRWM recommended deep geological disposal, but also stressed the vital role of interim storage, because of the uncertainties involved with deep dumps. This is another heavily qualified aspect of CoRWM's recommendations which the Government appears to be ignoring. The deep disposal concept is certainly not proven for the many thousands of years that containment and isolation of wastes would be required. The Environment Agency in its November 2005 review of Nirex's phased geological disposal concept, lists 10 'key technical challenges' "...where further work is needed before an acceptable repository safety case could be generated." (4) CoRWM called for an intensified research programme to resolve these questions but DEFRA commit only to 'ongoing' research.

The Government's announcement that Nirex would be merged with the NDA also ran counter to the ethos of openness and transparency established by CoRWM. There was no consultation about whether the NDA is the most appropriate body to take forward long-term policy implementation, and there is a potential conflict of interest because the NDA is itself a waste producer. CoRWM also recommended the establishment of a body to independently oversee the policy implementation process, but the Government has only committed to a reconstituted CoRWM as an advisory body. Members of CoRWM have "*substantial misgivings*" about these plans, which they fear could undermine public trust. (5)

(1) Independent 2 March 2007 <http://news.independent.co.uk/business/news/article2318799.ece>

(2) Greenpeace 15 Feb 2007

<http://www.greenpeace.org.uk/media/press-releases/governments-nuclear-plans-declared-unlawful-by-high-court>

(3) CoRWM March 2007

<http://www.corwm.org.uk/pdf/2162%20-%20Judicial%20Review%20on%20Energy%20Review.pdf>

(4) CoRWM November 2005

[http://www.corwm.org/pdf/1529%20-%20nwat%20\(ea\)%20review%20of%20nirex%20viability%20report%20\(1\).pdf](http://www.corwm.org/pdf/1529%20-%20nwat%20(ea)%20review%20of%20nirex%20viability%20report%20(1).pdf)

(5) Rob Edwards December 2006 http://www.robedwards.com/2006/12/conflict_of_int.htm

10. Nuclear Tsar appointed - negotiations undermine consultation

The government has chosen one of the UK's top public and private finance experts, KPMG director Dr Tim Stone, as a senior advisor - a role some have termed the "nuclear tsar". He will be leading the development of arrangements to ensure the private sector meets the full decommissioning and waste management costs associated with potential nuclear new build. (1) Stone is widely regarded as one of the pioneers of the private finance initiative. Stone is also expected, according to the *Sunday Times* to comment on whether government action to set a price for carbon could make nuclear power price-competitive against fossil fuels.

Following the appointment negotiations began between the Government, British Energy, Edf and other utilities such as RWE and Eon, about setting up a decommissioning liabilities fund to pay for decommissioning and the storage of waste from new reactors. The *Independent on Sunday* said pressing ahead with detailed planning in this way reinforces the impression that consultations are a sham. (2)

(1) Whitehall pages 22 January 2007

<http://www.whitehallpages.net/modules.php?op=modload&name=News&file=article&sid=15636&mode=thread&order=0&hold=0>

(2) Independent 18 March 2007 <http://news.independent.co.uk/business/news/article2368883.ece>

