

NEW NUCLEAR

Situation Report for the Nuclear Development Forum

Mark Higson

Chief Executive, Office for Nuclear Development

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Overview since the last NDF



•EMR

- The White Paper published in July set out the package of reforms necessary to transform the power sector so that it is secure, low carbon and affordable.

•NPS

- The Energy NPSs were endorsed by Parliament and designated in July 2011.

•ONR

- The Interim Office for Nuclear Regulation has been established.

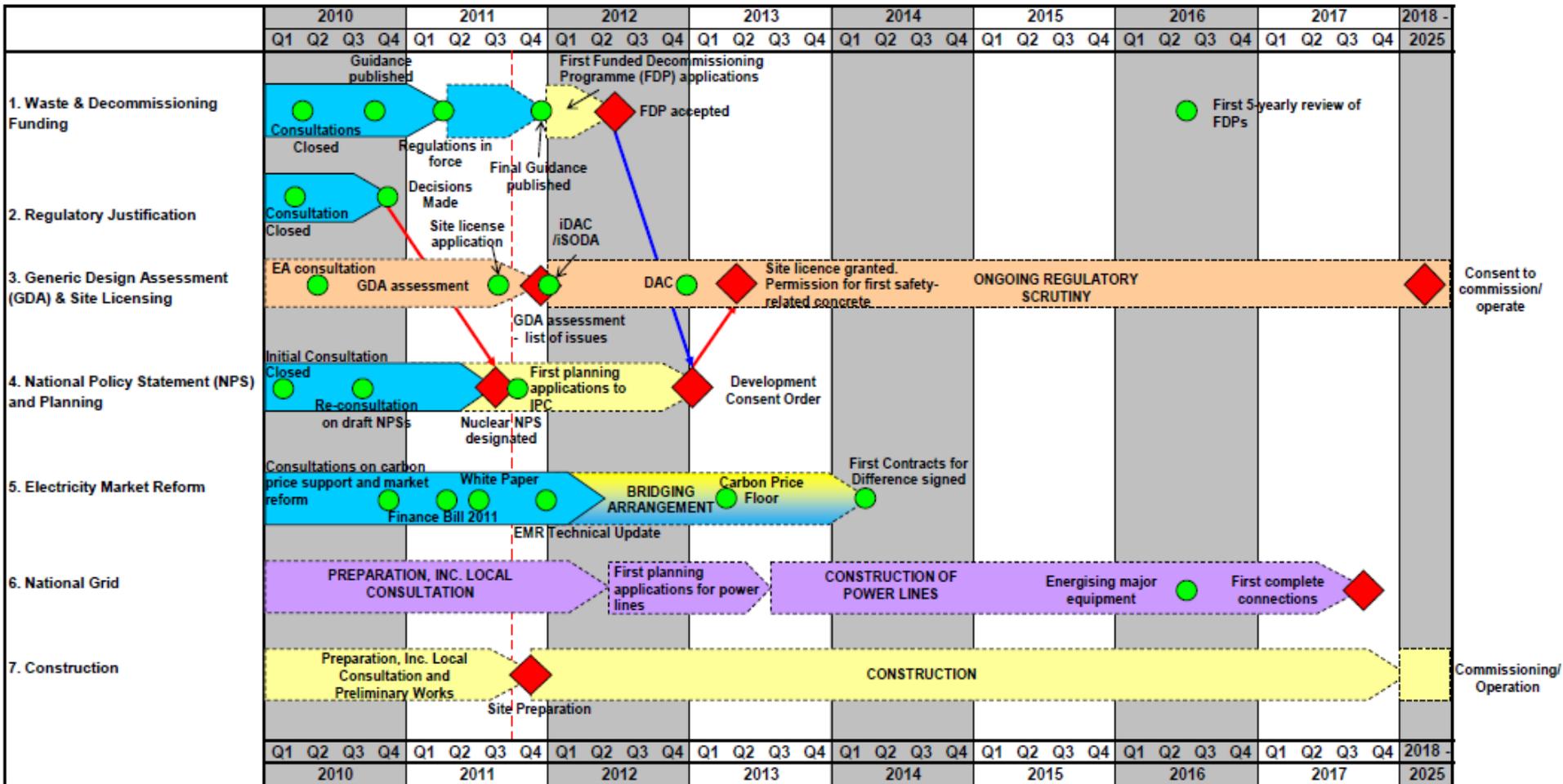
•Waste and Decommissioning Financing

- Energy Bill 2011 received royal assent to ensure greater certainty on financing arrangements

•Fukushima

- Weightman interim and final reports on lessons learnt from Fukushima published.

Indicative timeline for first new nuclear power stations - revised



INDICATIVE TIMELINE FOR NEW NUCLEAR

IMPORTANT
 All timings are indicative only
 Current as of: 10th October 2011

National Grid
 Operators
 Government
 Regulators
 Milestone
 Key Goals

Report on lessons learnt from Fukushima



- Final report published 11th Oct, re-iterates and strengthens the findings of the interim report.
- Government, regulators and industry will now take recommendations forward.
- Government aim to provide an interim response to Dr Weightman's recommendations by the end of the year setting out what we will do and what we have already done.

- **National Policy Statements** – NPSs endorsed by Parliament and designated July 2011. Judicial Review Application from Greenpeace.
- **Regulatory Justification** - Application for Judicial Review withdrawn this week. Process of challenge now complete and decisions confirmed.
- **Generic Design Assessment** – Regulators on track to take final iDAC decisions by end of the year.
- **Waste and Decommissioning Financing** – Final Waste Transfer Pricing Methodology and FDP Guidance to be published by end of 2011.

Skills

- Nuclear Energy Skills Alliance: critical in ensuring effective co-ordination across all sectors to deliver nuclear new build programme.
- OND commissioned Cogent to develop a model to provide robust and detailed skills requirement analysis for new build including a robust gap analysis.
- The National Skills Academy for Nuclear – requires ongoing support from industry to ensure delivery of its programme.

Supply Chain

- OND is seeking to increase engagement with UK supply chain companies in understanding barriers that need removing to ensure maximum UK contribution to new build.
- Critical for operators, vendors and supply companies to provide us with information on job creation and business expansions.

Financing

- We are taking forward activities to help enable investment in the first new nuclear plants through our facilitative actions and work on EMR / CfDs
- It is also important to horizon scan the barriers there might be with attracting different sources of investment and financial models in the future, e.g. refinancing operational plant

- Growth Review will identify nationally significant infrastructure programmes and projects and action necessary to bring them forward.
- Matches OND's existing activity of working to ensure that
 - new planning regime works in practice
 - consenting bodies work effectively together
 - community benefit schemes benefit communities without discouraging investment

- Extensive EU and international response to Fukushima
- A role for OND in influencing activity to strengthen the international nuclear safety framework. Need to ensure can learn lessons where needed, whilst being proportionate.
- **Current activities:**
 - EU Stress Test
 - Adopted IAEA Action Plan on nuclear safety
- **Future challenges remain**
 - EU Commission review of EU Nuclear Safety Directive
 - Implementation of IAEA Action Plan and review of Convention on Nuclear Safety

Paris and Brussels Conventions

- Consultation closed on 28 April. Aim to publish Government response by end of the year and to lay Order in Parliament by very early next year, subject to Parliamentary business.
- We are continuing to work with operators on how they can meet the financial security requirement. The revised legislation will come into force when the Conventions are ratified by all Contracting Parties (the EU members jointly) and insurance issues have been resolved. This could be as early as mid 2012, but we suspect it will more likely be Jan 2013.

Geological Disposal

- 1st Annual Report to Parliament on the MRWS programme.
- Consultation on the identification and assessment of potential candidate sites.
- Engagement with west Cumbria continuing. Potential for a ‘decision to participate’ in Q2 2012.
- Ministerial ‘challenge’ to NDA to consider options for accelerating the timetable

Management of the UK’s civil plutonium

- Response to consultation on the long term options for dealing with the stocks of UK plutonium to be published shortly.

- The White Paper published in July set out the package of reforms necessary to transform the power sector so that it is secure, low carbon and affordable.
- We will publish a technical update to the white paper, around the turn of the year. The technical update will set out, at a high-level, the institutional framework for the delivery of the package of reforms. It will also respond to the consultation on a capacity mechanism to ensure the security of our electricity supplies.
- To legislate for the package of measures, we intend to introduce the Energy Bill into Parliament in Spring 2012 and aim to achieve Royal Assent by Summer 2013.
- We are developing criteria and processes to structure future discussion with relevant parties to enable early investment decisions ahead of implementation of the Feed-in Tariffs with Contracts for Difference.

Key Risks and Mitigations –

Risk	Mitigation
Planning	Where appropriate, facilitate resolution of local issues with developers, local authorities and other statutory consultees
Delay to GDA	Ensure ONR equipped for the job and fit for purpose
Economics	Electricity Market Reform and carbon price underpin
Other countries more attractive	EMR – get the framework right, deliver the facilitative actions.
Waste Management	Visible, substantive and orderly progress
Supply chain capacity	Vigilance and addressing blockages. Supply Chain programme successfully launched
Legal challenge	Vigilance and readiness
HMG commitment	Continued delivery of the facilitative actions

Next phase for new nuclear

- 2008-2011: White Paper facilitative actions
- 2011 onwards: Delivering new nuclear
- **Twin challenges:**
 - First stations in operation from earliest date possible
 - Realisation of an ongoing new nuclear programme
- **Areas of activity**
 - EMR and other key dependency projects
 - Skills
 - Supply chain
 - Investment
 - Planning
 - Monitoring the need for future facilitative actions
 - Flexibility to meet new challenges