

PRESS RELEASE

Nuclear power threat to the UK – as energy security handed over to the French while British taxpayers pick up the bill

Embargoed until 13 March 2012 00:00

Today, four of the UK's leading environmentalists [1] will warn that the government is about to hand over control of Britain's future energy and climate security to the French government.

The French will only build new nuclear reactors in the UK if the financial risks involved are transferred from France to British households and businesses – leaving UK taxpayers to pick up the bill to protect the French nuclear industry.

Delivering on a high-profile commitment to a new nuclear programme will require British consumers to bear heavy additional costs to ensure favourable decisions are taken in Paris. Should the French subsequently decide not to proceed, the UK would be faced with a humiliating policy melt-down. This is an invitation to EDF [2] to bargain very aggressively for an agreement that transfers the lion's share of the financial risk of new nuclear to British taxpayers and consumers. EDF will have us over a barrel.

What's more, the nuclear plans proposed by the Department for Energy and Climate Change (DECC) and EDF are based on a type of reactor that France has been advised to abandon. EDF intends to construct four European Pressurised Reactors (EPRs) at Hinkley and Sizewell, yet the French National Audit Office has recommended abandonment of the EPR as too complex and expensive. François Roussey, the former head of EDF, also advised President Sarkozy that EPRs should be abandoned. Experience with constructing two EPRs in Finland and France has been woeful – both are already four years late and costs are running twice as high as originally projected.

Tom Burke said, *"It is shocking that the government is willing to turn over control of our energy and climate security to France in pursuit of a nuclear mirage. British householders and businesses will be compelled to pay for a French nuclear loser. To do so we will turn an admired liberal electricity market back into the centrally planned nightmare that Mrs Thatcher rescued us from."*

In a letter to the Prime Minister – sent just days after the 1st anniversary of Japan's worst nuclear disaster, Fukushima [3] – Jonathon Porritt, Tony Juniper, Charles Secrett and Tom Burke, all former directors of Friends of the Earth, caution David Cameron that he is being badly advised by DECC on nuclear power. The UK is clearly out of step with other countries on nuclear power. Japan is set to substantially reduce its current nuclear use, and countries such as Germany and Italy are confident they can meet their energy and climate security needs with no reliance on nuclear power.

The letter and accompanying note set out a range of political and economic risks that the four former directors of Friends of the Earth believe have not yet featured in advice to the Prime Minister [4].

Commenting on the letter, Jonathon Porritt said, *"The fixation of the current political establishment with nuclear power beggars belief. The entire energy system in the UK is about to be rigged in order to support nuclear power, through the Electricity Market Reform, at great cost to UK consumers, UK businesses and the long-term interests of the entire nation. Given its historical opposition to nuclear power, the Lib Dems should be feeling*

particularly uncomfortable at the analysis surfaced in our note to the Prime Minister – and the Coalition Government’s continuing pledge that any new nuclear programme will not get any additional public subsidy is now palpably dishonest.”

Continuing with the present policy will seriously distort our electricity market for decades to come, reduce the competitiveness of British businesses, add to fuel poverty, and suppress innovation and investment in industries where Britain has real competitive advantage.

Tony Juniper added, *“Ministers have been well and truly led up the garden path by the nuclear lobby. Our analysis of nuclear energy provides a timely reminder as to the danger posed by campaigns against sustainable energy sources, such as wind power. If the not-in-my-backyard anti-anything-anywhere brigade prevail, and nuclear becomes the default option, then that could cost us a great deal of money. The Prime Minister needs to step in and make sure that energy policy is truly working in the public interest, rather than to the agenda of a massive vested interest.”*

Charles Secrett concluded, *“Our analysis shows that building new nukes will be a massive rip-off of the British tax-payer. How on earth can the Prime Minister justify paying billions of pounds of subsidy to French power companies when the Chancellor is slashing welfare budgets for poor people in Britain and there are a million young people unemployed? This is austerity economics gone mad. The money should be supporting British renewables and energy efficiency, and creating British jobs”.*

[Ends]

For more information and to arrange interviews please contact:

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Please find the letter and note to the Prime Minister attached

Twitter: Use #UKenergysecurity in your tweets to get involved in the discussion

Website: The letter and note to the Prime Minister will be available online from 13 March at:

jonathonporritt.com

tomburke.co.uk

Notes to Editors

[1] Signatories to the note to the Prime Minister:

Jonathon Porritt, former chair of the Sustainable Development Commission and founder director of Forum for the Future

Tony Juniper, environmental advisor, campaigner and writer

Charles Secrett, co-founder of The Robertsbridge Group

Tom Burke, founder director of E3G.

All four are available for interview.

[2] EDF is 85% owned by the French state. It has been the most committed supporter of new nuclear build in Britain. Its project is the most advanced and preparatory site clearance will begin shortly at Hinkley. However, until they order the major reactor components there is no guarantee that they will actually proceed to construction.

[3] The Fukushima Daiichi nuclear disaster followed the Tōhoku earthquake and tsunami on 11 March 2011

[4] Their reasoning is set out in the attached letter and note which has been sent to:

- David Cameron, Prime Minister
- Nick Clegg, Deputy Prime Minister
- George Osborne, Chancellor of the Exchequer
- Edward Davey, Secretary of State for Energy and Climate Change
- Vince Cable, Business Secretary.
- Sir Jeremy Heywood, Cabinet Secretary

Ministers will receive the letter and note by email (12 March) and recorded postal delivery (13 March)

The letter warns:

- That the government is effectively in the process of handing over control of Britain's future energy and climate security to the government of France.
- That the French will only proceed if the large financial risks of new nuclear build are transferred from France to British households and businesses.
- That the policy measures needed to guarantee investment in new nuclear require the replacement of our liberalised electricity market with a centrally planned system – effectively undoing Mrs Thatcher's privatisation.
- That there is no reason to expect that Areva (designers of the European Pressurised Reactor: www.areva.com) will be able to construct new reactors on time and to budget. Two reactors currently under construction by Areva are four years late and cost twice as much as projected. The four previous reactors they built took an average of 17.5 years from the start of construction to the delivery of the first electricity.
- That there is a growing risk that Centrica (A British energy company who has an option to take 20% of the new build at Hinkley and Sizewell) will not take up its 20% option leaving two French companies – Areva and EDF as the primary beneficiaries of large subsidies from Britain's householders and businesses.
- That the French have been advised by their own National Audit Office and the former head of EDF, Francois Rousseley, to abandon the type of reactor they are proposing to build here as too complex and expensive.
- That the case that we must accept these risks on energy security grounds has collapsed.
- That while the costs of our present policy are concrete, immediate and will escalate over time, the benefits are intangible, remote and will almost certainly prove illusory.
- That viable options are available to meet our energy and climate security needs at much lower economic and political risk and will create predominantly British jobs and growth.

[5] A series of briefings to the Prime Minister will follow over the next six weeks

covering:

1. Market reform
2. Investor issues
3. Energy industry issues
4. Wider economic issues
5. Sustainability issues
6. Political issues

[6] This note to the Prime Minister is fully supported by Friends of the Earth.

Friends of the Earth's executive director Andy Atkins said: "This report is spot on – Britain must meet its energy needs while keeping to its legally-binding climate targets, but

gambling on a massive nuclear building programme to achieve it is far too risky. Investing in clean British energy by developing the UK's huge wind, wave and solar potential and slashing energy waste will keep the lights on and create thousands of new jobs."