



# Has the Landscape Changed?

A view of the current scene and new nuclear progress post-Review

A large, stylized logo consisting of the letters 'BBE' in a bold, sans-serif font. The letters are filled with a pattern of horizontal lines, giving them a textured appearance. The logo is positioned on the right side of the slide, partially overlapping a background image of a worker in a hard hat and safety gear working on industrial machinery.

BBE

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18 October 2006

- 1 The case for new nuclear in the UK
- 2 Developments around the world
- 3 Critical questions for developers
- 4 What the Review needs to deliver now
- 5 Conclusions

# Climate Change, Competitiveness and Security of Supply

## Carbon Emissions

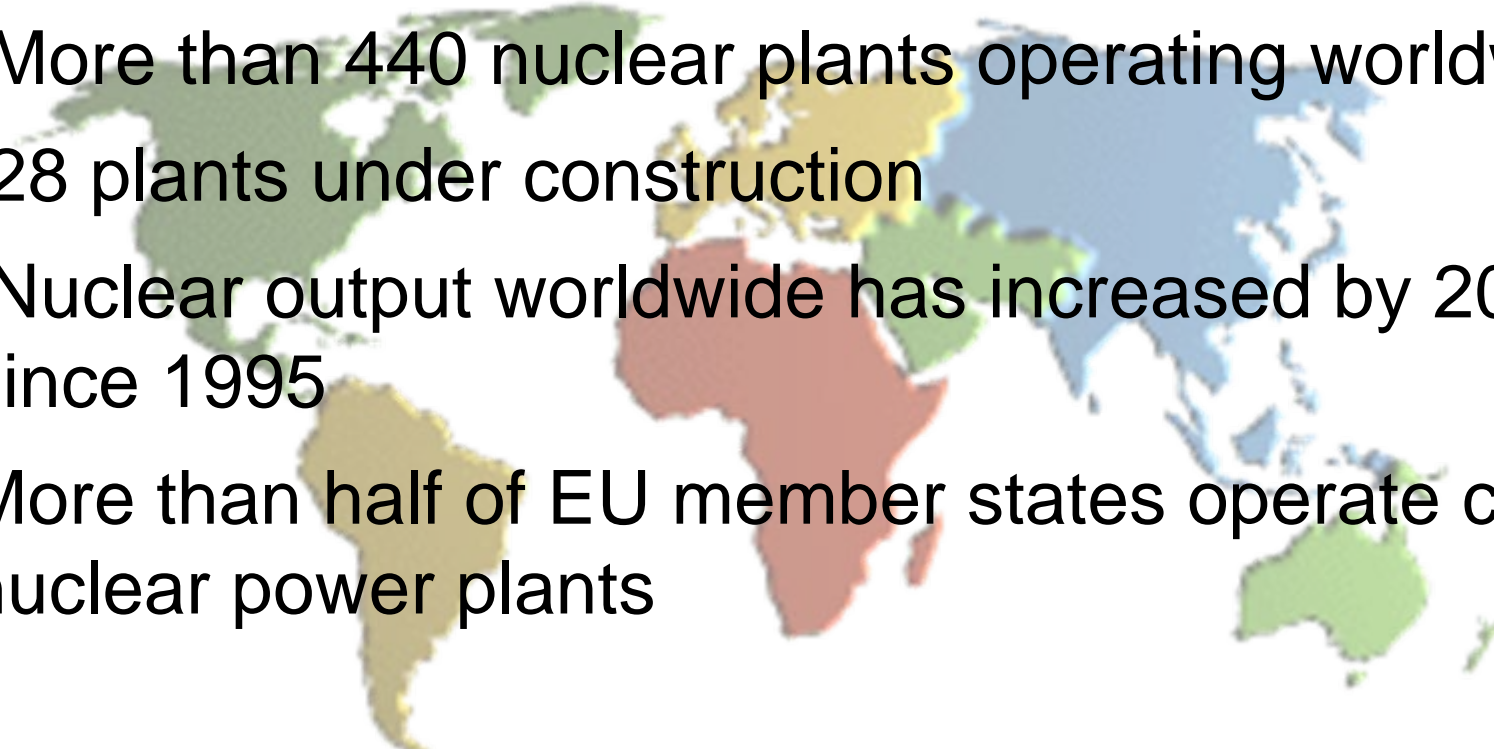
- ◆ Nuclear has near-zero carbon emissions
- ◆ It provides cost effective carbon abatement

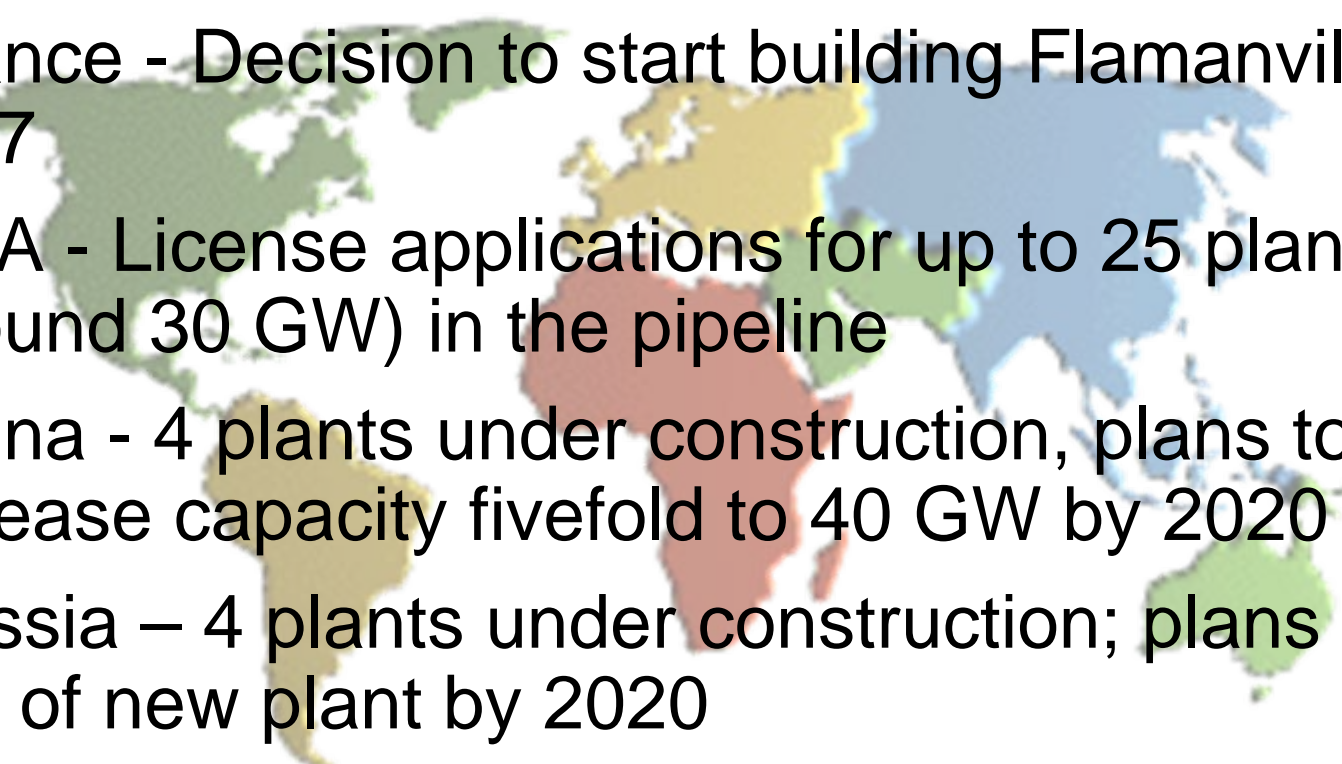
## Stability of Prices

- ◆ Nuclear can make a valuable contribution to long-run price stability
- ◆ Benefits domestic customers and UK competitiveness

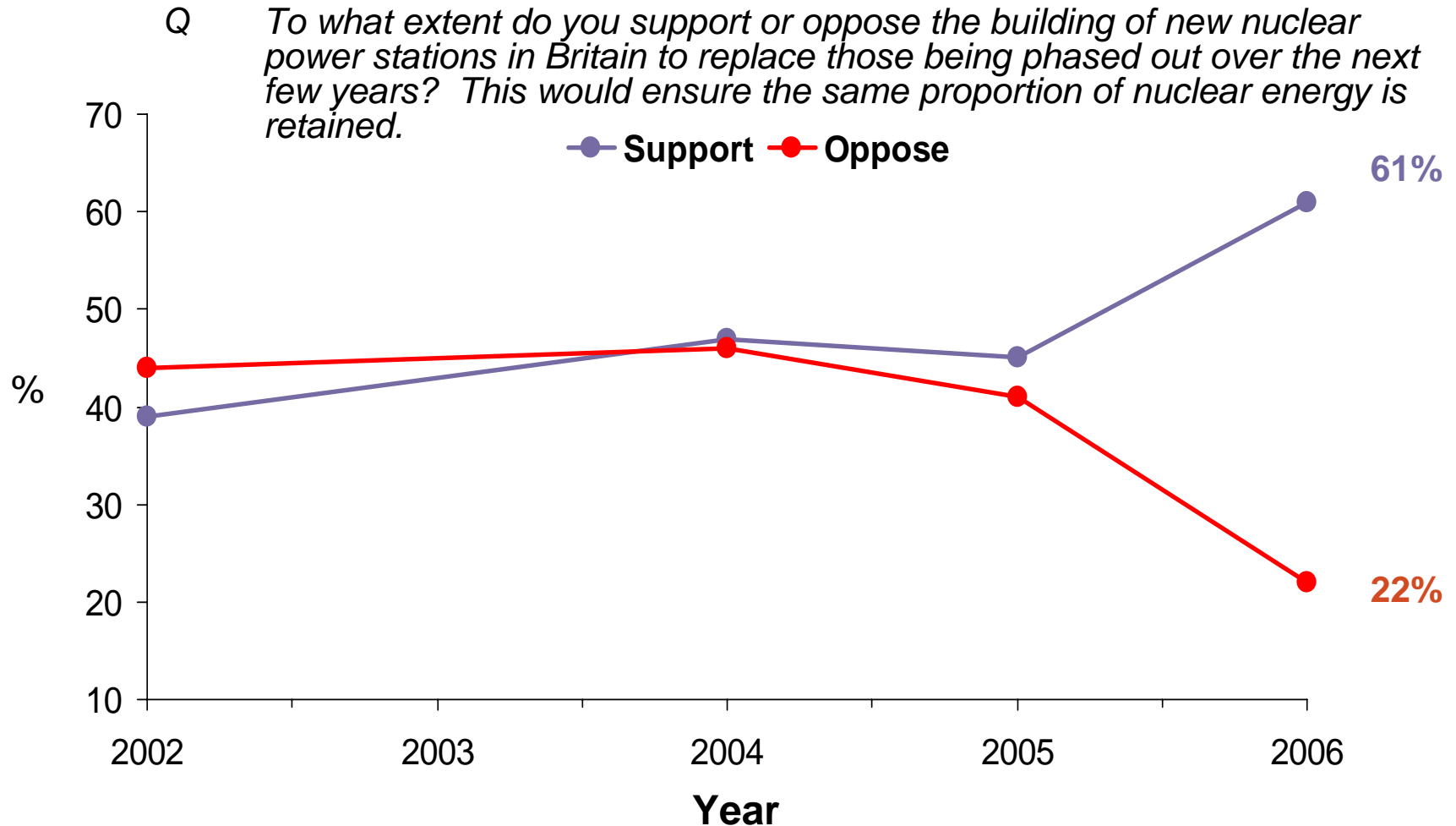
## Security of Supply

- ◆ Without new nuclear, imported gas will dominate
- ◆ Supplies of uranium are abundant and diverse, and can be easily stored

- ◆ 16% of world electricity is from nuclear
  - ◆ More than 440 nuclear plants operating worldwide
  - ◆ 28 plants under construction
  - ◆ Nuclear output worldwide has increased by 20% since 1995
  - ◆ More than half of EU member states operate civil nuclear power plants
- 
- A world map with various countries shaded in different colors: North America (green), South America (yellow), Europe (yellow), Africa (red), Asia (blue), and Australia (green). The map is positioned behind the list of bullet points.

- 
- ◆ Finland - Olkiluoto 3 under construction
  - ◆ France - Decision to start building Flamanville 3 in 2007
  - ◆ USA - License applications for up to 25 plants (around 30 GW) in the pipeline
  - ◆ China - 4 plants under construction, plans to increase capacity fivefold to 40 GW by 2020
  - ◆ Russia – 4 plants under construction; plans for 31 GW of new plant by 2020

# Improving Political Attitudes to New build



Source : Survey of Britain's Members of Parliament by Ipsos MORI for NIA, September 2006

# What did the Energy Review conclude?

*“Any new nuclear power stations would be proposed, developed, constructed and operated by the private sector, who would also meet full decommissioning costs and their full share of long-term waste management costs.”*

*“...the economics of nuclear now look more positive than at the time of the 2003 White Paper. However, it will be for the private sector to make commercial decisions on investment in nuclear.”*

# How will the market assess the opportunity?

- ◆ What is the opportunity – how big and when?
- ◆ How achievable is it?
- ◆ Is it “financeable”?

- ◆ **Policy Framework for New Nuclear**
- ◆ **Licensing of new designs**
- ◆ **Planning**
- ◆ **Waste and Decommissioning**
- ◆ **Carbon price signal**

- ◆ Closing date for consultation is 31 October 2006
- ◆ Key piece of the jigsaw which needs to:
  - Provide clarity on Government policy
  - Create “Joined up” policy framework
  - Speed up approval processes
- ◆ Stakeholder involvement at all stages
  - Industry
  - Public
  - Local interests

## ◆ Government

- Robust process
- Enduring statement of need for new nuclear in White Paper
- Practical guidance for applicants from Nuclear Installations Inspectorate and Environment Agency/SEPA
- Measures to clarify back end position
- Progress on planning reform

## ◆ Industry

- Engage with Government and Regulators
- Prepare to submit designs to the pre-licensing process
- Progress work on potential sites

- ◆ Nuclear power has benefits for emissions reductions, security of supply and competitiveness
- ◆ Interest in new nuclear growing rapidly worldwide
- ◆ Financing new plants in the UK will require concerted effort
- ◆ The Energy Review Report has set a course – but more work is now needed by Government *and* potential developers



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