



# Newsletter July 2008

## EDF set to buy British Energy

**Campaigners have railed at the news that French government owned EDF is set to buy British Energy who own Hinkley Point B and seven other UK nuclear power stations.**

It was reported as we go to print that energy giant EDF (Electricite de France), looks set to increase its bid in partnership with British Gas owners, Centrica from £10 billion two months ago to £12 billion. Stop Hinkley campaigners are concerned about poor maintenance at nuclear plants operated jointly by EDF and their sister company Areva, which this week led to one hundred EDF nuclear workers becoming contaminated at a reactor near Avignon. The same site four weeks ago leaked uranium from an underground pipe forcing water usage bans including swimming in the area. Two other safety events have occurred in other French plants in the last month.

Hinkley B is plagued with internal corrosion problems which could be dangerously exacerbated with similar maintenance short-cuts. Hinkley's reactor core corrosion levels are over 25 percent in the worst areas according to safety inspectors, nearby boiler tubes were found to have extensive weld faults, the reactor support struts were found to be suffering from too much radiation and alarmingly the reactor's last shut-down system was never fitted.

EDF was recently the target of anti-nuclear demonstrations at its partly built new reactor at Flamanville in northern France. Protestors, appalled at safety regulators' reports of badly mixed concrete in the reactor's foundations

blockaded local quarries preventing sand deliveries to the plant for 30 hours.

The EDF move will bring Hinkley Point C and possibly Hinkley D a step nearer. EDF recently bought up land adjoining the Hinkley site. Acquiring the additional British Energy land would probably give EDF room to build two European Pressurised Reactors (EPRs). The land acquisition controversially included several fields earmarked for a nine turbine wind-farm plus some more from a neighbouring land-owner. The site is now being tested by EDF for suitability for nuclear new build.

### Government stake

The £4 billion profit the UK government will make as a 35% shareholder in British Energy will probably go to the Nuclear Liabilities Fund (NFL) but be held in government bonds until needed for decommissioning. The NFL will require about £15 billion to decommission the ageing British Energy reactors but currently only has £2 billion.

While the Government is over-borrowing it may help its books look better by insisting that the NFL allows it to hold the £4 billion. Government loan bonds are considered a low performing stock so BBC business correspondent Robert Peston has said there is 'zero chance' the sums will ever add make a dent in the decommissioning costs and the taxpayer will be left to stump up the difference. This is reflected by other observers.

This fund is separate from that of the Nuclear Decommissioning Authority who are cleaning up Sellafield and the older Magnox stations (like Hinkley A) at a spiraling cost of £83 billion updated this month from £73 billion. The new figure is about the same as the Apollo Moon landings!

The Government took a third share of British Energy in 2003 as part of a rescue deal when the company almost became bankrupt, just seven years after its privatisation. British Energy had bought eight nuclear power stations for the price of just one in the Thatcher-driven sell off in 1996.

## **How the sums might add up for EDF**

One analyst who advises our group has suggested that £12 billion seems too much for a company that has £15 billion worth of liabilities and a fleet of age-defective reactors which will soon become massive liabilities. Even with an income stream from sales of electricity which for the first time can be sold direct to consumers, the sums do not automatically add up. So there is a question of whether deals have been done to 'externalise' some of the costs EDF/Centrica should incur.

One option could be to ensure the Government will pay for decommissioning costs above those held in the Nuclear Legacy Fund. This could come about for instance if EDF simply lease or operate the reactors while the Government maintains ownership through the Nuclear Decommissioning Authority.

Another sleight of hand would be to demand the removal of insurance liability in the event of an accident. Currently this liability stands at £140 million for each accident, small enough if Somerset residents were forced to abandon their homes or incur fatal illnesses. Switzerland makes nuclear operators insure for \$1 billion against such an

event. But a consortium of French, US and UK companies taking a £11 billion contract to decommission Sellafield while operating its MOX and Thorp reprocessing plants has succeeded in removing insurance liability from the contract. EDF will have noted this and is likely to ask for a similar favour in operating the decrepit British Energy reactors and for its new build project.

## **Site Strategy**

EDF will plan to build six to eight reactors in order to achieve best unit costs. Other competitors such as Westinghouse would also want to achieve this but as EDF will have a strangle-hold on the 'plum' sites surrounding the epi-centre of electricity consumption, Slough in Berkshire, competitors will be squeezed out. British Energy owns the sites at Hinkley, Dungeness, Sizewell, Bradwell (recently acquired), Harlepool and Heysham. The Scottish government wisely will not allow new nuclear build on the BE sites at Torness and Hunterston which leaves only Nuclear Decommissioning Sites at Oldbury, Sellafield and Wylfa on Anglesey for competitors to try and develop.

## **Staff losses?**

The Western Daily Press has raised concerns that the take-over may jeopardise the 1,500 jobs at British Energy's administration centre at Barnwood in Gloucestershire and 440 jobs at Hinkley. EDF may well have an eye on cut-backs but they may then face the nuclear regulator who blasted British Energy in 2001 for its swathing job cuts. The Nuclear Installations Inspectorate forced BE to restore its staffing to acceptable, safer levels.

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This deal is worrying for many reasons. Hinkley B's age related problems mean it should shut down now but the new

owners are likely to keep milking it with an ever increasing risk of an accident. EdF's recent accident record offers no confidence. If their errors are repeated, the local shorelines could become more radioactive affecting populations from Minehead to Burnham-on-Sea with possible swimming bans like those enforced near Avignon.

Reports of their substandard new construction work which might apply to Hinkley C or D if they get the go-ahead are also extremely concerning. Nuclear is not a safe option, leaving us with a toxic legacy and will not help solve climate change. The government should press ahead with its promises for clean renewable energy, potentially giving us three times the electricity we now get from nuclear.

## **Planning laws will restrict public say on new reactors**

**New planning laws currently going through parliament will restrict the public's voice on proposed new reactors such as at Hinkley and Oldbury.**

The Planning Reform Bill is now with the House of Lords following a Commons vote contested by 68 Labour rebels and the Liberal Democrats. The Government wants to replace and speed up the existing public inquiry process for large infrastructure projects such as power stations but has been criticised for doing this at the expense of democracy and public involvement.

A new unelected quango, the Infrastructure Planning Commission, will replace public inquiries, which the Government argues are too lengthy. Its remit will be set by the Government to include only a narrow range of environmental issues such as traffic, roads and local pollution. The bigger issues of nuclear safety, nuclear waste,

climate change, the need for nuclear power or its alternatives will be dismissed as they will have been centrally decided in advance.

It is not clear even whether the health effects of radioactive discharges will be considered a local issue as Government may argue that radioactive emission levels are endorsed by other Government departments.

With the current inquiry system a recommendation is made by the inquiry inspector and a final decision made by an accountable minister. This last process of accountability will also be removed.

The inquiry approach also allows objectors to call expert witnesses and cross-examine government and industry representatives. This thorough approach led, in the Sizewell B inquiry, to extra safety systems being designed in to the reactor. At the Hinkley C inquiry, which took fourteen months (1988-89), insights into actual nuclear build costs were revealed which later led the Government to halt further nuclear development.

In place of reading out individual submissions, calling witnesses and cross-examining industry experts, the commission will simply allow a short open floor session for the public at the end of their deliberations.

Friends of the Earth has said the new law may infringe UK Common Law rights and the European Convention on Human Rights as those affected by planning proposals should have their views heard before a decision is made.

Although the fast-track process will speed up nuclear power stations as well as motorways and airports, smaller scale wind-farms under 50 megawatts (such as the once proposed West Hinkley wind-farm) will be left to languish in the existing slow-motion local planning system.

The new law is a charter for big business and does not promote the public interest. The new quango will simply rubber stamp decisions taken at Whitehall while the

public sits at the back of a hall with no right to press for answers either on serious nuclear matters or changes to the nature of its local area. This is nowhere near good enough for a 21st century democratic Britain.

The topic was debated on the Points West 'Politics Show' on Sunday 13<sup>th</sup> July, where Stop Hinkley spokesman David Taylor argued our case.

## **New breast cancer data available following Lords' ruling**

The House of Lords has ruled that data on childhood leukaemia and other cancers can be released at electoral ward level so long as the individuals cannot be identified. The ruling follows a campaign to 'out' suspected high leukaemia figures near Chapel Cross nuclear power station in Dumfries.

Unfortunately the incidence of childhood leukaemia is relatively rare with single figures or nil per ward so a statistical device known as Barnardisation will be applied to maintain confidentiality. Because this process adds extra numbers to the statistics it is impossible to use to examine environmental health impacts at a local level.

However it can be used to examine breast cancer incidence statistics which *Stop Hinkley* has been calling for since we commissioned a study showing high rates of breast cancer mortality in Burnham-on-Sea in 2000. As breast cancer is more common it is not affected by the Barnardisation part of the ruling. Consequently we have applied to the South West Public Health Observatory for breast cancer data for the whole of Somerset over a recent six year period.

**New campaigners** Following our advert in the last newsletter we had four applications for the post of Assistant Coordinator. At the AGM we decided to adopt three campaigners in differing roles.

A new TV spokesman post was accepted by David Taylor who has much media experience as a Euro- candidate and other roles in the Green Party. He recently took part in a panel debate on the new Planning Reform Bill.

Former Bridgwater physics teacher, Alan Jeffery accepted the role of Assistant Coordinator through which he has had letters published in local newspapers and spoken at the Site Stakeholder Group.

Bath resident and FoE activist, Richard Carder took the new post of North Somerset Representative. He will give talks to SERA the Labour Environment Campaign and Bristol Friends of the Earth (14<sup>th</sup> Aug). Both he and Alan gave evidence at the Hinkley C inquiry.

### **Events**

#### **Stop Hinkley Meeting**

7.30 pm Tuesday 5<sup>th</sup> August  
West Bow House  
Turn right after the Squib pub on West Street, Bridgwater

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