



Newsletter

June 2016

EDF postpones Hinkley C decision until next year

A report in the Independent says that the EDF Board of Directors has agreed to undertake discussions with the company consultative council before taking a decision, a process which is likely to take a long time ie until next year.

However this could well be a cover for the numerous problems facing the project, not least EDF's own parlous financial position and the fact that it needs the French Government to bail it out even without going ahead with the Hinkley C project.

There has been a game of 'pass the decision' to abandon a project that no independent financial consultant would come within a light year of recommending for the go-ahead.

The French Government has been faced with what seems to many to be the ludicrous prospect of heavily subsidising a power station to supply the British with electricity. This is despite the fact that the British themselves have promised to pay EDF around £100 per MWh in current prices for 35 years with the British Treasury agreeing to guarantee a £17 billion loan for the project! It is not as if even such a project could be a 'loss leader' for the French.

Two versions of the same (EPR) plant design have been spectacular construction disasters already in Finland and France. Various engineers and managers, company unions and employee shareholders have pleaded for the project to be abandoned or put in deep freeze, and last month the Chief Financial Officer of EDF resigned in protest at the apparent determination of the EDF leadership to proceed with the project.

Earlier today Greenpeace announced a legal opinion which said that the French Government would need to apply to the European Commission for state aid for the billions of euros of money that they would need to throw down a probable Hinkley black hole. The Commission consented to the British state aid request in 2013, but a further consent could not be taken for granted - indeed, under the circumstances it would seem a bizarre request. In any even such an application (if it was ever made) would take a year or more to be resolved.

Certainly many nuclear experts have, in any case, been scratching their heads wondering how on

Earth EDF could take a 'final investment decision' before the results of the safety tests being conducted on dodgy-looking EPR reactor vessels by the French safety regulators, the ASN, were known (they will not be known until next year).

The suspicion must be that the directors of EDF, the French Government and the British Government are just stringing out the death-knell of a project that they know is not going ahead in the hope that a different member of this troika than themselves will take the blame. Who knows, maybe the troika have decided that they can take the matter to the Commission in the hope that they will refuse the state aid request and everybody can blame the EU! - As often happens for decisions that other people do not want to take themselves!

Independent piece; See

<http://www.independent.co.uk/news/uk/18bn-hinkley-point-nuclear-power-station-plan-could-be-coming-to-a-grinding-halt-a6997131.html>



The Plymouth Herald, April 25

Molly Scott-Cato, the Green Party MEP for the South West, said: "Waiting for Hinkley is a bit like waiting for a delayed train. Just as you think it might arrive, the time of arrival is put back again.

"Well this particular train has hit the buffers. In fact the project is completely derailed as EDF cannot build Hinkley without state aid. But getting the project back on track with government subsidy would breach EU state aid rules," said Dr Scott Cato, who has repeatedly attacked the project. "I expect this will be the last delay announcement and that the project will be shelved in September."

Read more:

<http://www.plymouthherald.co.uk/Hinkley-nuclear-power-station-hit-new-delay/story-29172447-detail/story.html#ixzz4A8rl6U3v>

Hinkley Point costs could rise to £21bn, EDF admits

The Telegraph, 12 May

The cost of the Hinkley Point C nuclear plant could reach almost £21bn, nearly £3bn more than planned, EDF has admitted, as it published a construction timetable suggesting first power could be delayed until 2026.

EDF said in October that the twin-reactor plant in Somerset would start generating in 2025 and cost £18bn, with the French state-backed energy giant providing £12bn equity and Chinese partners CGN providing £6bn.

But it disclosed that the partners had committed to provide a further £2.7bn "if necessary" in "extreme scenarios".

"The partners' equity commitment includes a contingency margin and could reach a total of £13.8bn for the EDF Group and £6.9bn to CGN" it said.

In a document published ahead of its shareholder meeting, EDF also disclosed that the schedule for Hinkley "anticipates a 115 month construction period after the final investment decision until commissioning of the first reactor".

The company had said in October that it expected a final investment decision within weeks but that decision has now been delayed as the company struggles to shore up its finances.

If the construction schedule remains at 9 years 7 months from the point of final investment decision, that suggests first power would now not be due until the first half of 2026.

In a blow to EDF, Moody's last night downgraded EDF's credit rating from A1 to A2 and put it on negative outlook, warning it could be downgraded further if it proceeded with Hinkley.

Moody's said that EDF's plans to improve its finances would "not be sufficient to fully offset the pressures resulting from a low power price environment combined with a significant investment programme" and noted the "incremental risks associated with" Hinkley.

Separately, the Department of Energy and Climate Change denied that there was a Chinese proposal to build two reactors on the site after Lord Howell of Guildford, the former energy secretary, told the House of Lords China could do so "quicker than the present Hinkley C plans".

Amber Rudd, the energy secretary, declined to comment on the potential cost increase when asked by Labour's Lisa Nandy in parliament, but insisted that the project would go ahead.

Read More:

<http://www.telegraph.co.uk/business/2016/05/12/hinkley-point-costs-could-rise-to-21bn-edf-admits/>

England couldn't cope with a nuclear accident at Hinkley Point

The Spectator, 11 May

An EDF board meeting today could spell the end of the wretched Hinkley Point C nuclear power station and its hugely over-priced electricity. EDF's finance director Thomas Piquemal resigned in March claiming that the project could put the entire future of the company at risk.

The UN's Economic and Social Council has put its own boot into the project, saying that the UK has failed to consult with neighbouring countries over the risk of a nuclear accident. And the government has failed to take into account the economic consequences of a nuclear accident on local populations.

Since the first nuclear power stations were built, we now know much more about the management of nuclear accidents – which will inevitably happen, however safe the plants are. The point about nuclear disasters is not that they kill large numbers of people. The UN put the death toll of Chernobyl at 30. Even if you add on the 39 deaths alleged in a letter to The Spectator last week, the death toll is considerably less than that of many plane, train or mining disasters.

The crushing problem with nuclear accidents is the economic cost of having to evacuate large areas. At Chernobyl, a 30 km exclusion zone still applies. The Fukushima disaster was also followed by the evacuation of residents up to a 30 km radius. A 20 km exclusion zone remains in place.

If such an accident were to occur (if not a tsunami, the Severn Estuary is nevertheless prone to tidal surges – and there are plenty of possible causes of a nuclear accident other than flooding) the following areas could require evacuation:

- 10 km: Burnham-on-Sea (population 20,000)
- 20 km: Bridgwater (41,000) and the southern half of Weston-Super-Mare (76,000)
- 30 km: Taunton (109,883 with surrounding villages)

In addition the M5 might have to be abandoned, along with the main railway line to the West Country, as the latter falls into the 30km zone and the former the 10km zone. Has the government assessed the economic costs of an accident on this scale? If it has, perhaps it would care to publish its assessment. The blunt reality is that nuclear power might be a risk worth taking in lightly-populated areas. The experience of the world's two major nuclear disasters to date suggests that it is a risk too high in crowded southern England.

<http://blogs.spectator.co.uk/2016/05/could-england-cope-after-a-nuclear-accident-at-hinkley-point/>

Hinkley Point C – A Tale of Nuclear Dreams!

Allan Jeffery, SH Assistant Co-ordinator

Some dreams come true; others turn into nightmares. Hinkley Point C nuclear power station has been a dream to many politicians, is it about to come true?

Mrs Thatcher was one of the first to dream of building Hinkley C. It was to be the second of 10 nuclear power stations she would build to rescue the country from the menace of those socialist, coal dependent generators, providing most of the UK's electricity and too often holding the country to blackout ransom.

Her dream started well! At the yearlong public inquiry at Cannington in 1988/89, despite the hundreds of people and organisations arguing against the build, finally Mr Barnes, the Inquiry Inspector, gave her permission to build Hinkley C!

But her dream turned sour as she realised that her privatisation of the nation's nuclear electricity production just led to bankruptcy of British Nuclear Energy, and the government having to bail out the privatised company. Even worse, the world's largest nuclear accident at Chernobyl occurred and the radioactive pollution spread over many countries in Europe.

After these events Mrs Thatcher gave up on her nuclear dream. Nuclear was too risky and dangerous and too expensive! The nuclear dream then passed on to the French National government. The dream was to sell all around the world, hundreds of a new generation nuclear reactor of French design, the EPR. Areva, designed the reactor and confidently offered the first one to a group of energy hungry companies in Finland. It would be built in 4 years and cost 3 billion euros.

The dream continued well, the French government were going to build another two EPR's in France, China said they would build two and many other countries showed interest, even the UK! The French government then sold the dream to Labour's prime minister, Tony Blair, and his chancellor, Gordon Brown, convincing them that building the EPR nuclear reactors would solve all the UK's energy problems .

So Tony and Gordon started a new nuclear renaissance dream, though this time there would be no long public inquiries! New National energy policy papers would make sure there would be no planning holdups to a new nuclear future, and let EDF build the first two EPR reactors at Hinkley Point C in Somerset.

In Somerset the local councillors were sold on the dream of thousands of jobs and the huge amounts of investment money that was going to be spent in the local economy. EDF ploughed on as quickly

as it could, delays would increase costs! Local residents would not be allowed to question the dangers of nuclear power.

The councillors started to notice the local environmental problems of such a gigantic building project. Lacking the power to challenge the project, they encouraged local firms to prepare for the good economic future, and young people a dream future in Hinkley apprenticeships.

Problems then started to occur with the building of this untried and untested new design of reactor. First at Olkiluoto in Finland and then at Flamanville in France, construction problems multiplied, causing long delays and causing financial costs to double, and then treble.

Energy companies in Italy, America and the UK pulled out from investing in this disastrous reactor. Further still, Western banks and investment funds all started to advise their clients not to invest in Hinkley C. They realised that the costs of renewables are falling rapidly; the costs of nuclear are rising fast!

The nightmare of problems for the funding of the most expensive power station on earth continued. The UK government, lacking Western private investments, reluctantly accepted that Hinkley has to be subsidised by the government. Whether, this financing arrangement is legal under European free market rules is being strongly challenged in the European Courts.

EDF cannot fund its share of the building cost of Hinkley C, so the Chinese government is providing a third of the investment building costs. EDF has large financial debts along with huge cost commitments of its own.

Will EDF finally agree to finance the building of Hinkley C? Increasingly, the growing number of problems of building Hinkley C is beginning to change the dream into a nightmare.

The nuclear dreams of many people will turn to disaster, whatever EDF decide on the final investment decision. If the decision is YES, France could lose its national electricity generator and the French taxpayers will rue the day when they tried to follow the nuclear dream. If EDF say NO to the investment, the UK's energy policy is in tatters! Leaving the hopes and dreams of politicians, local councillors, aspiring businesses and some British trade unions regretting the day they put all their eggs into one nuclear basket.

By the way, my dreams are coming true! All around the world I see rapidly growing investment into a decentralised, renewable, truly sustainable future for our children.

Stop Hinkley were invited to give an update on Hinkley C to the Mid Somerset CND and Peace Group following their AGM on 23rd May in Glastonbury.

Allan Jeffery gave a colourful PowerPoint presentation explaining all the problems we see to date causing the uncertainty of the build, acknowledged by many. The multitude of issues, including constructional, technical, legal, political and financial of this most expensive building project in the world, were discussed at length.

The talk gave new angles on the current situation and the delivery gave humour and raised interesting questions and discussion afterwards.

Stop Hinkley is available to give presentations to interested groups. Contact admin@stophinkley.org or Allan Jeffery.

A Modern Shakespearean Tragedy!

Allan Jeffery, SH Assistant Co-ordinator

The saga continues with yet another delay, as to when EDF will make a final investment decision, into the farce that is the Hinkley C, nuclear project.

In this notable anniversary year how would the Bard have described what has happened?

Would he quote "Hinkley, Hinkley wherefore art thou Hinkley?", or perhaps, "To C, or not to C: that is the question".

Tony Blair and Gordon Brown rekindled the idea of this nuclear dream, is this now "Love's Labour's Lost"

The on-going constructional, technical, financial and legal problematic history, in the building of this EPR reactor in Finland and France, might be described as a "Comedy of errors".

Vincent de Rivaz, the 'second hand nuclear salesman' for the French nuclear industry, continues to make optimistic predictions, the latest was, a decision by May, this now looks like a "Mid Summers Night's Dream", but "Alas poor Rivaz!" that seems to have been, "Much ado about nothing". He might reply, "The course of true love never did run smooth!"



As I leave you with another line from the bard - "Delays have dangerous ends!" In September we could see EDF walking away from this financial doom laden project and the government adopting plan B, moving on to a sustainable energy

future, based on the vast amounts of renewable energy available in the South West' Perhaps then, "All's Well that ends Well!"

Events

Stop Hinkley meetings
Mondays 20 June & 18 July at 7pm
West Bow House, Milton Place
Off West Street, Bridgwater TA6 7RT

Green Scythe Fair
Sunday 12 June 11am – 11pm
Thorney Lakes, Muchelney TA10 0DW
This is a one day environmental fair in a beautiful setting on the Somerset Levels run entirely by volunteers on wind, sun and muscle power.
Support Jo and her team at the Stop Hinkley Stall

Witch Watch
4th Anniversary Full Moon Vigil
Come and Join us at the Layby nearest to
Hinkley Point
5pm onwards on Sunday 19th June
If you wish to
Bring Something to sit on, Something to share
and a Log for the Fire
Contact: Katy 07980731896 for more details

Future dates for Witch Watch Vigils 2016:
19th July 6pm 15th Oct 6pm
17th Aug 6pm 13th Nov 6pm
16th Sept 6pm 13th Dec 6pm

Stop Hinkley will take part in a National Day of Action with Nuclear Trains Action Group (NTAG) on Saturday 23rd July.
Details will be released shortly.
Contact Jo Smoldon for information

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