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For Immediate Release

Stop Hinkley welcomes National Audit Office investigation into Hinkley Deal

The Stop Hinkley Campaign today welcomed news that the National Audit Office (NAO) has begun an investigation into UK Government plans to subsidise the proposed new Hinkley Point C nuclear power station. (1) The NAO is the financial watchdog which scrutinises public spending on behalf of parliament.

Stop Hinkley Spokesperson Allan Jeffrey said:

“This is an extraordinarily bad deal, locking consumers into high prices until almost 2060. Worse still it will use up most of the money available to subsidise non-fossil fuel energy leaving almost nothing available for renewables at a time when their costs are plummeting”. (2)

The NAO move follows pressure from the House of Commons Environmental Audit Committee (EAC). Labour MP Joan Walley, Chair of the Committee, wrote to the NAO earlier this week reiterating the Committee’s earlier call for an investigation into whether the deal represented value for money. (3) A December 2013 report from the EAC expressed the view that the deal involved a subsidy which the Government had promised not to allow.

The Austrian Government has declared its intention to take the Commission to the European Court of Justice over this decision, (4) and Germany is also considering it. (5) In the UK independent energy supplier Ecotricity is also among a group of companies and organisations considering a legal challenge. There appears to be a groundswell of opinion among renewable energy companies and associations in Britain and Europe that something should be done. (6) This could leave the project in limbo. Legal action would take at least a year to conclude and EDF Energy would have to decide whether or not to risk proceeding with the project in the meantime in case it has to be abandoned if the legal action is successful. It seems very unlikely that a final investment decision will be taken before the 2015 General Election.

Jeffrey added: *“The European Commission’s ill-thought through decision has turned UK Energy Policy into even more of a dog’s breakfast than it was to begin with. Let’s hope the National Audit Office can inject some sanity into the situation”.*

END

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Notes to Editors:

- (1) Guardian 16th Oct 2014 <http://www.theguardian.com/business/2014/oct/16/hinkley-point-c-subsidy-national-audit-office-nuclear-plant>
- (2) For more on Hinkley's impact on renewable spending see Building 13th October 2014 <http://www.building.co.uk/communities/sustainability/scottish-minister-nuclear-subsidies-hurting-green-energy/5071430.article> and Energy Policy Expert Dave Toke's Blog 13th Oct 2014 <http://realfeed-intariffs.blogspot.co.uk/2014/10/hinkley-c-deal-likely-to-wipe-out-uk.html>
- (3) Joan Walley's letter to the NAO dated 14th October is available here <http://www.parliament.uk/documents/commons-committees/environmental-audit/EAC-hinkley-point-14-1014.pdf>
- (4) Times 7th Oct 2014 <http://www.thetimes.co.uk/tto/business/industries/utilities/article4229029.ece>
- (5) Montel 9th Oct 2014 <http://www.montel.no/StartPage/SubPage.aspx?id=549518>
- (6) Guardian 12th Oct 2014 <http://www.theguardian.com/environment/2014/oct/12/ecotrcity-legal-challenge-eu-hinkley-point-c-subsidy-nuclear>