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For Immediate Release

**As potential investors back away, Stop Hinkley Campaign calls on the Government to give up on the moribund nuclear scheme.**

The financing of EDF's proposed Hinkley Point C nuclear power station has still not been settled, and several potential investors have backed away, according to the *Financial Times* (FT). This is despite the promise of a 35-year index-linked price guarantee backed by the UK taxpayer. (1)

According to the FT the Kuwaitis, the Qataris, the Saudi Electric Company and even Hermes, the UK based investment fund — have all been mentioned as possible investors but none has signed up. And the fact that nothing has been said since the Chinese Premier's visit last June about the two Chinese nuclear companies investing suggests that they may have cooled on the prospective investment.

On top of all this Areva, the French, mainly State-owned company which would be the main equipment supplier, will have difficulty funding its expected 10 per cent share of the project. Areva is struggling to survive the ongoing mess of the Olkiluoto nuclear plant in Finland, which is years behind schedule and billions over budget. Areva's losses in Finland are currently estimated at €3.9bn. And today (13<sup>th</sup> January) the Government is expected to announce that Areva, as part of the Nuclear Management Partners Consortium, has lost the contract to decommission the Sellafield nuclear facility in Cumbria. (2)

One of the main reasons for this reluctance to invest is the deep uncertainty which now exists in the nuclear industry about the EPR reactors — the type that would be used at Hinkley. Cambridge nuclear engineer, Tony Roulstone, recently described the EPR as 'unconstructable'. He said Areva is no longer actively selling power stations of this type. (3)

The FT's solution to the lack of investors is for the UK Government to invest instead, but that investment should be contingent on the company demonstrating that either Olkiluoto or Flamanville (another EPR which is being built in Normandy, but which is also suffering from delays and cost overruns) can actually be commissioned and start production and that all the lessons of the two failures have been learnt. This would require a full, independent appraisal of what has gone wrong with the other projects. This would delay the start up of Hinkley, but a limited delay, says the FT, "*would be better than proceeding at huge expense with unproven technology*".

Stop Hinkley spokesperson, Allan Jeffery said:

*“The Government would be crazy to invest taxpayers’ money in a vain attempt to revive this moribund project. With the rest of the world giving up on EPR reactors, just on the basis of finance, the risk would be unsustainable and reckless. Far better, in this age of austerity, to invest in energy efficiency schemes which have much higher rates of return. For instance something simple like replacing street lights across the country with LED bulbs could see a rate of return up to 10% on investment.”* (4)

Another alternative to Hinkley was recently suggested in a new report from Forum for the Future, Nottingham Trent University and Farmers’ Weekly which estimated that UK farms could have a generating capacity of 20GW by 2020 compared with Hinkley’s 3.2GW which won’t be available until at least 2023. (5)

**END**

**Stop Hinkley Contact:**

**Allan Jeffery** email [ajjeffery@talktalk.net](mailto:ajjeffery@talktalk.net) 01278 425451 mob 07964376266

- (1) FT 11th Jan 2015 <http://blogs.ft.com/nick-butler/2015/01/11/new-nuclear-2015-is-the-critical-year/>
- (2) Guardian 12<sup>th</sup> Jan 2015 <http://www.theguardian.com/environment/2015/jan/12/nmp-lose-contract-clean-up-sellafield-nuclear-waste>
- (3) Carbon Commentary 22nd Oct 2014 <http://www.carboncommentary.com/2014/10/22/cambridge-nuclear-engineer-casts-doubt-on-whether-hinkley-point-epr-nuclear-plant-can-be-constructed/>
- (4) See Hartlepool Mail 10<sup>th</sup> October 2013 <http://www.hartlepoolmail.co.uk/news/local/5m-plan-to-upgrade-hartlepool-s-street-lights-to-save-on-energy-bill-1-6131977>
- (5) Click Green 21<sup>st</sup> Nov 2014 <http://www.clickgreen.org.uk/news/national-news/125252-farms-could-supply-enough-renewable-energy-to-match-3-nuclear-power-plants.html>