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EDF in last gasp drive to get blank cheque for Sizewell C

EDF is struggling, but may well still succeed, to persuade the Government to give it what amounts to a blank cheque to build Sizewell C nuclear power plant by wrapping it up in an opaque mechanism called the Regulated Asset Base (RAB). Parallel to this a lot of people in Britain are engaging in a process of self-kiddology. They so deeply believe that nuclear power is necessary for the UK that they will gladly be hoodwinked by a bogus financial scheme that allows another nuclear construction debacle.

Let's cut to the chase. EDF is in big financial trouble - and that's before the current virus crisis. If the UK Government commits to the RAB funding of Sizewell C it will be a lifeline to EDF. This will attenuate its problems of trying to get its own French Government to fund its liabilities by getting a different Government, the UK, to offer it what is a virtually unlimited cash facility. EDF is now struggling to afford to build Hinkley C, and so it badly needs the cash fillip of unlimited funds on a notionally different, but related (and difficult to separate) project.

The trick, as far as EDF is concerned, will be to get the UK Government to agree to fund cost overruns from when it says it starts building Sizewell C. That's the key point of the RAB mechanism. There's a load of tosh being talked about how the biggest problem for nuclear power is the high interest rates on capital it has to pay privately. No, that's not the central issue - the issue is the length of time it takes to build the plant (which makes banks unwilling to lend money of course).

Nuclear developers usually say it takes 5 years for the construction of a nuclear power plant, when in reality it takes at least 8 years, producing a cost overrun of at least 60 per cent. In reality, for the EPR design (being built at Hinkley and Sizewell), given the evidence of EPR reactors being built in France and Finland, construction time is more like 15-20 years - that's maybe 300+ per cent cost overrun before you even count the interest rate payments!

Despite all this evidence a lot of people want to believe in nuclear, however unlikely the financial narrative maybe and however expensive nuclear may be compared to its renewable energy competitors. Cognitive dissonance comes into play and they swallow the EDF story. They refuse to look at all of the other options that allow us to increase low carbon energy shares much more cost-effectively. People also refuse to consider the possibility that actually, you can have a 100 per cent renewable electricity system (or 100 per cent renewable energy system as a whole). We certainly have plenty of cheap offshore wind resources, not to mention onshore wind, solar pv and the possibility of wave and tidal technologies being developed. So why not?

There are very credible means of long term storage of renewable energy ranging from compressed air to ammonia, hydrogen and flow batteries. Biogas from food and farm wastes is another option, already existing, that can be expanded to provide storage. We should be market-testing these options not spending time guaranteeing multi-billions of pounds to EDF for a technology that takes decades to deliver and which will be woefully obsolete by the time it generates anything. Renewable energy can provide energy security for a lot less uncertainty and cost than nuclear power.

But in the UK we proudly prefer to do our own 'traditional' thing (in this case doing nuclear power badly) despite what other countries are doing in a much more modern way, that is until disaster occurs (as with the current C virus crisis). For once we should buck this habit and commit to a 100 per cent renewable energy target (just like Spain has done). We should be far-sighted, and not waste

tremendous amounts of taxpayers and consumers money for decades on building nuclear power stations that never seem to be delivered.

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