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Date	16 January 2006	SPADs

Liberal Democrat Debate on Civil Nuclear Power, Tuesday 17 January 2006

Issue

Revised speaking notes and Q&A for a debate relating to Civil Nuclear Power on an opposition motion proposed by the Liberal Democrats. The motion is "This House opposes the construction of a new generation of civil nuclear power plants".

Recommendation

That you note the attached revised speaking notes and Q&A briefing.

Timing

Urgent. The debate is due to take place between 7pm and 10pm on Tuesday 17 January.

Background

Mr Wicks is now due to open for the Government, with Mr Gardiner closing.

The motion will be proposed by Norman Baker, the Liberal Democrat DEFRA shadow. Mr Baker has asked a number of PQs on nuclear issues, details of which are provided at the end of Q&A briefing. Norman Lamb is due to wind up the debate.

REDACTED NAME

Lib Dem debate: Civil Nuclear Power

Opening speech: Malcolm Wicks

I welcome this debate, at this important time for our energy policy.

The House is aware that the Prime Minister and the Secretary of State for Trade & Industry have asked me to lead a review of UK energy policy – including civil nuclear power.

This review is underway, and will bring forward policy proposals this year. We will be launching our consultation process shortly.

The Government remains committed to the four main policy goals set out in our 2003 Energy White Paper:

- to cut the UK's carbon emissions;
- to maintain the reliability of energy supplies;
- to promote competitive markets in the UK and beyond; and
- to ensure that every home is adequately and affordably heated.

These goals continue to provide the right framework for our energy policy.

But we are keeping the detail of that policy under review, and amending it in the light of experience.

Why have a Review?

The situation has moved on since we set out our energy policies in 2003. Our own energy output in the North Sea has declined faster than anticipated and we have moved to being a net gas importer earlier than envisaged.

There have been changes beyond our borders - we've seen slower than expected liberalisation in the EU leading to exposure to higher, more volatile prices. Global demand for energy has increased massively as economies like China have boomed.

There are also lessons to be learnt from these changing circumstances and from what we have already experienced this winter – both here, in the UK, and overseas.

The Energy Review isn't a reaction to this winter but a planned response to the lessons we have learnt and changes we have witnessed since 2003, taking action now in order to keep us on track - or in some cases put us back on track - for our long term energy goals.

At a headline level the kind of questions we need to answer are, for example – How do we ensure affordable energy in the future? How do we deliver a 60% reduction in our carbon targets? How do we manage our reliance on imported gas? In a nutshell, how can we make sure that we have a fully functioning energy market which provides energy that is secure, affordable and clean?

These are big questions. They raise vital issues. Issues which are of course, complex, intricate and inter-related. There are important links between any decisions we make in this review - including on civil nuclear power.

It will not come as a surprise when I say that we are not looking for simplistic 'YES' and 'NO' responses to very complex issues – particularly on civil nuclear power.

A lot of assumptions have already been made about the review: this review is not about finding one single solution to all these challenges. No such solution exists. There is no silver bullet. Or a uranium bullet!

This is not a “nuclear review”. But as the Prime Minister made clear - in reviewing our energy policy – and in the context of securing a diverse energy mix - we need to consider the future role of civil nuclear power.

And of course, nuclear is already part of the mix. Nuclear energy currently accounts for around 19% of our electricity generation, but the current

generating plants are ageing and most are scheduled to be decommissioned over the coming 15 years or so. By 2020 only around 7% of our electricity might come from nuclear.

This is part of a wider perspective. A lot of our coal plant is expected to be retired over this period too. Perhaps 30% or so of our existing generating capacity in total will be retired. The private sector companies which generate our electricity will need to decide how to replace this capacity, within the market framework. The question for Government is whether there is a case for any changes to that framework.

From an international perspective, there are several countries showing interest in new nuclear build. China and India have a building programme underway with more new reactors planned or at the proposal stage. Closer to home Finland has started construction of a new plant, and France also has proposals for new plant.

Nuclear might provide some of the answers going forward but there are major factors to be considered such as management of waste, costs and safety. We also need an evidence based look at what new nuclear technologies can offer. And, even if (and it's a big "if"), new nuclear could provide some of the answers, it could never be the whole picture.

And the Government is clear that, in making important decisions about energy policy – including nuclear power – there should be the fullest public consultation. The consultation which we will issue shortly is part of that process. The Government is not at this stage bringing forward policy proposals.

Before any decision to proceed with the building of a new generation of nuclear power stations, there would also need to be the publication of a further White Paper setting out our proposals.

Management of waste

Before we can contemplate a new generation of Nuclear reactors, we must demonstrate to the public that the legacy of nuclear waste is being tackled.

There is a clear strategy in place, and work is underway to tackle that legacy.

First we have established the Nuclear Decommissioning Authority which became effective in April this year. The NDA is setting a UK-wide strategy for more effective decommissioning and clean up of its sites.

The NDA is responsible for the UK's civil nuclear sites and for setting an overall strategy for their safe, secure, cost effective and environmentally responsible decommissioning and clean up.

NDA will drive improved clean up performance through introducing site management competition.

Secondly the independent Committee on Radioactive Waste Management (CoRWM) was set up to oversee a review of options for managing the UK's higher activity radioactive waste. CoRWM will recommend the option, or combination of options, that can provide a long-term waste solution, providing protection for people and the environment.

CoRWM is due to deliver its recommendations to Government [Defra] by July this year. UK Government and the devolved administrations will then decide policy and its means of delivery in light of these recommendations.

Skills and research

But the question of new nuclear build is not the only issue we should consider in relation to civil nuclear power. The operation and eventual

decommissioning of existing nuclear plant will require a highly skilled workforce. This is why the Government has put in place measures to support and develop skills and research.

The Cogent Sector Skills Council was licensed last year. And it is taking a strategic view of the nuclear sector, ensuring that the education and training base can meet the needs of nuclear employers. Cogent is also working closely with the Nuclear Decommissioning Authority (NDA) and its contractors to ensure that the necessary skills are available and sustained.

With respect to research - the Research Councils are playing their part in providing prospects for nuclear energy research. Opportunities for fission research are available as part of the Research Councils "Towards a Sustainable Energy Economy" initiative. And the UK is participating in the Generation IV International Forum, which plans a co-ordinated programme of international research into advanced reactor systems.

Conclusion

So in conclusion, we will – of course - look at nuclear during the forthcoming review. But, we will not look at it in isolation. We do not see any one technology being a panacea for lowering emissions and ensuring reliable energy supplies. That said, I am not going to try and second-guess the outcome of the energy review – the Government is committed to a full assessment of a wide range of options and we cannot pre-empt this consideration now.

Ends. 1296 words

Closing speech: Barry Gardiner

If we reflect on the energy situation today, it's clear our market based energy policy has delivered significant benefits to the UK:

- The UK is on track to meet our Kyoto target of cutting greenhouse gas emissions.
- Although we are experiencing some price spikes in the gas market this winter, UK energy markets remain among the most competitive in the EU – on both industrial and domestic electricity and gas prices.
- Number of households in fuel poverty in the UK has fallen by over four and a half million since 1996.
- More than 1 million vulnerable households have been assisted by the Warm Front scheme.
- Renewables Obligation and Climate Change Levy exemption mean support to renewables of £1 billion per year by 2010. As a result of the Renewables Obligation last year saw the largest amount of renewable generation ever installed in the UK.

But, we have also seen many changes to the energy landscape since the 2003 Energy White Paper.

- Evidence about the adverse impact of climate change has continued to grow.
- World prices for fossil fuels have increased by more than 50% over the past three years. Projected prices are now much higher than many predicted at the time of the 2003 White Paper.
- North Sea gas production has declined more rapidly than many predicted. So the UK has become a net importer of gas sooner than anticipated. We need to consider the risks of relying on imported gas, when there is increasing sensitivity around global energy issues.

Nuclear energy currently provides around 19% of our electricity generation. But by 2020, this will fall to around 7%. Coal generation accounts for 33% of our generation. But by 2020, this might reduce to around 16%.

The goals set out in the 2003 energy white paper continue to provide the right framework for our energy policy. But – as envisaged in the white paper – we are keeping our detailed policy under review, and amending it in the light of experience.

As my Hon. Friend said, the energy review is underway, and will bring forward policy proposals this year. I am sure that the Hon Members who have taken part will be looking forward to reading the consultation document, which will be launched shortly.

The energy review will examine some extremely complex issues. It will not produce simple YES or No answers. There will be no one single solution – no one silver bullet - which is why the Review will look right across the energy landscape.

For example, renewables – at present predominantly wind turbines - will play a key role going forward as the Renewables Obligation delivers an increasing level of new generation capacity. But renewables cannot provide the whole answer either to generation capacity issues or to our carbon goals.

Other renewables may emerge over time as significant players, such as microgeneration, wave and tidal. But currently only wind can provide meaningful levels of low carbon capacity at a cost comparable to existing non-renewable technologies such as gas, coal and nuclear.

We are also looking at other means to cut our carbon emissions such as carbon capture and storage. Our Carbon Abatement Strategy included £25M of capital grants that, amongst other options, could be used to support a demonstration of capture ready technology, not least through clean coal technology. This has since been increased to £35 million as a result on the Chancellor's Pre-Budget Statement on 5th December.

And while this is not a nuclear review, it would be wrong for the Government to dismiss it out of hand, without first considering the evidence. After all, as of today it produces 19% of our electricity generation. Nuclear might provide some of the answers going forward but there are major factors to be considered first such as:

- what would be the implications for our carbon reduction targets of nuclear's share of the energy mix falling?
- what do the economics of nuclear look like given the sharp rises in oil and gas prices?
- And of course, we will also need to consider the issue of waste management.

And we must remember, electricity generation is responsible for just 30% of the carbon emissions picture – we need to look at our lifestyles and improving our energy efficiency – our homes account for 30% of emissions - and transport is obviously also key. Every individual and sector has a role to play if we are to meet our goal.

There will be difficult decisions to be taken at the end of the review process, but it is better to take them now, in good time, than to have to explain to future generations why we did not act when we had the opportunity.

In response to the comments made by Hon Members during the debate.....
[insert bullets during debate]

Ends. 802 words