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## Ministers give nuclear power the green light

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A new generation of nuclear power stations will provide Britain with "clean, secure and affordable" energy, the business secretary, John Hutton, told MPs today.

In a long-awaited and much-trailed announcement, Hutton said nuclear power stations had provided "safe and secure supplies of electricity for half a century" and that the government was publishing plans to encourage the private sector to build more.

The Conservatives said that they broadly supported the announcement, which is supposed to help the government achieve the twin objectives of guaranteeing energy supplies and tackling climate change.

Hutton said the first of the new wave of nuclear plants would be built "well before 2020" and that they would not be subsidised by the government.

But critics said they did not believe his assurance that the taxpayer would not end up having to cover the costs of decommissioning the power stations and disposing of their waste.

"The government believes that the new nuclear power stations should have a role to play in this country's future energy mix alongside other low-carbon sources," Hutton said.

"The view of the government is that it is in the public interest to allow energy companies the option of investing in new nuclear power stations and that we should therefore take the active steps to facilitate this."

Hutton's announcement coincided with the publication of the energy bill and a nuclear white paper. The bill includes provisions designed to ensure that developers building new nuclear power stations have enough funds to cover the waste and decommissioning costs.

On the issue of costs, Hutton told MPs: "It will be for energy companies, not government, to fund, develop and build new nuclear power stations, including meeting the full costs of decommissioning and each operator's full share of waste management costs. The bill includes provisions to ensure this."

The government will set up a new advisory body, the Nuclear Liabilities Financing Assurance Board (NLFAB), to monitor the arrangements operators are making to ensure that funds are available to cover waste and decommissioning costs.

But some MPs were sceptical about the proposal that nuclear power stations could operate without state subsidy.

The shadow business secretary, Alan Duncan, said he supported more nuclear power, but that there should be no subsidy for it of any kind.

"Although nuclear companies claim that they don't want subsidies, there remain suspicions that the industry will end up asking for them."

On the question of waste, Duncan pointed out that the government was saying operators would have to pay their "full share of waste management costs" rather than saying that they would pay the full costs of waste disposal.

And on decommissioning, Duncan said: "We accept that companies will set money aside, but how can the government be confident their economic modelling is right, and what would happen if a nuclear company goes bankrupt?"

In an interview on The World at One, Hutton admitted that he could not identify a nuclear power station built anywhere in the world without public subsidy. But he claimed that the economics of nuclear power were changing because the cost of fossil fuels was going up so rapidly.

In his statement, Hutton said the government had concluded that "geological disposal" was technically possible and the right long-term solution to the disposal of waste.

But the government did not believe it had to wait until long-term waste disposal facilities were available before going ahead with the construction of new nuclear power stations.

On safety, he said he was "confident" Britain had the "robust regulatory framework" for ensuring that nuclear power stations were operated properly.

And he claimed that backing nuclear power would not undermine the government's commitment to promoting renewable energy.

Hutton did not specify where new nuclear power stations would be built. A review would be carried out for completion next year, but the government assumed that applications would "focus on areas in the vicinity of existing nuclear facilities".

In its white paper, the government said it would use provisions in the planning bill to ensure that nuclear power stations were treated as "critical infrastructure projects", which would enable planning applications to be fasttracked.

In its energy bill the government also unveiled proposals to encourage private investment in carbon capture and storage, the technology that could enable conventional power stations to produce fuel without producing carbon emissions.

Commenting on the plans, the Liberal Democrat leader, Nick Clegg, said: "The government must be honest about how much it will cost to build and run new nuclear power stations and who is going to pick up the bill. The government should abandon these expensive white elephants and focus on increasing energy efficiency and the use of genuinely renewable technologies."

The executive director of Greenpeace, John Sauven, said: "This is bad news for Britain's energy security and bad news for our efforts to beat climate change. Nuclear power can only deliver a 4% cut in emissions some time after 2025, and that's too little too late at too high a price. "

The CBI director general, Richard Lambert, said: "After much consultation, the government has reached the right conclusion about nuclear's role in meeting the twin challenges of climate change and energy security."

During its prolonged deliberations over the future of Britain's energy needs, Labour initially described going nuclear as "an unattractive option".

Since that statement in 2003, however, surging oil prices have made the nuclear option much more competitive.

Today's move will add to the gathering momentum behind atomic energy as part of the solution to the world's energy problems.

Countries such as France and Finland are already building new nuclear plants, and, in the US, companies have begun applying for licences.

Around 18% of the UK's electricity is generated by nuclear power, but the last of the UK's existing nuclear plants is scheduled to close by 2035.

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