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Subject: Wylfa Newydd DCO Deadline 3 Submissions [NOT PROTECTIVELY MARKED]
Date: 17 December 2018 18:14:21
Attachments: [18 Horizon's Response to Written Representation - IACC .pdf](#)
[19 Horizon's Response to Written Representation - North Wales Police .pdf](#)
[20 Horizon's Response to Written Representation - North Wales Fire and Rescue Service .pdf](#)
[21 Horizon's Response to Written Representation - Welsh Ambulance Services Trust .pdf](#)
[22 Horizon's Response to Written Representation - People Against Wylfa B .pdf](#)
[23 Horizon's Response to Written Representation - J Chanay .pdf](#)
[24 Horizon's Response to Written Representation - National Grid .pdf](#)
[25 Horizon's Response to Written Representation - eNGO Biodiversity Cemlyn Nature Reserve .pdf](#)
[26 Horizon's Response to Written Representation - North Wales Wildlife Trust .pdf](#)
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[28 Horizon's Response to Written Representation - Public Health Wales .pdf](#)
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[17 Horizon's Response to Written Representation - Zencity Limited .pdf](#)

Good Evening

This is the second in a series of 8 e-mails for the Wylfa Newydd DCO Examination Deadline 3 deliverables.

The list below provides a complete list of all documents attached to this e-mail and we will also be delivering 2x USB pen drives containing all of our Deadline 3 submission to your offices at 10:00 tomorrow (Tuesday 18th December).

16 Horizon's Response to Written Representation - Welsh Anti-Nuclear Alliance .pdf
17 Horizon's Response to Written Representation - Zencity Limited .pdf
18 Horizon's Response to Written Representation - IACC .pdf
19 Horizon's Response to Written Representation - North Wales Police .pdf
20 Horizon's Response to Written Representation - North Wales Fire and Rescue Service .pdf
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31 Horizon's Response to Written Representation - North Anglesey Councils Partnership .pdf
32 Horizon's Response to Written Representation - Nuclear Decommissioning Authority .pdf
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Kind Regards

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Wylfa Newydd Project

Horizon's Response to Written Representation – J. Chanay

PINS Reference Number: EN010007

18 December 2018

Revision 1.0

Examination Deadline 3

Planning Act 2008

Infrastructure Planning (Applications: Prescribed Forms and Procedure) Regulations 2009

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1 Horizon's Response to J. Chanay's Written Representation

1.1 Introduction

- 1.1.1 This report provides Horizon's response to the Written Representation submitted by J Chanay at Deadline 2 (4 December 2018). For ease, cross-references are provided (where appropriate and feasible) and the response generally follows the structure and sequence of the Written Representation received. Horizon has endeavoured to respond to the key matters raised in this Written Representation. Where Horizon has not responded to a particular point or issue raised by an Interested Party, this should not necessarily be taken as agreement with that point.

1.2 Written Representation

Government policy on the need for new nuclear power

- 1.2.1 The principle of the need for new nuclear power stations, and that this need is urgent, is firmly established in the Overarching National Policy Statement (NPS) for Energy (EN-1) and NPS for Nuclear Power Generation (EN-6) and is reaffirmed by the Ministerial Statement on Energy Infrastructure (December 2017) (the 'Ministerial Statement') and the Government Response: Consultation on the Siting Criteria and Process for a New National Policy Statement for Nuclear Power with Single Reactor Capacity Over 1 Gigawatt Beyond 2025 (July 2018) (Document 29) (the "Government Response to the Consultation on Siting and Process").
- 1.2.2 EN-1 sets out that the UK Government believes there is an urgent need for new electricity NSIPs to meet energy security and carbon reduction objectives, the need to replace closing electricity generating capacity, to support an increased supply from renewables and future increases in electricity demand.
- 1.2.3 EN-6, stresses the urgency of bringing forward new nuclear power projects as part of the drive to decarbonise the UK's electricity supply and to increase energy security. EN-6 included the Wylfa site as a potentially suitable site for the deployment of new nuclear before the end of 2025, subject to certain matters that require further consideration through the DCO application. The UK Government (in including the Wylfa site in the NPS EN-6) concluded that none of these factors were sufficient to prevent the site from being considered potentially suitable. In NPS EN-6 specifically states that there are no other known alternatives to the listed sites that are potentially suitable for the cpmment of new nuclear power stations in England and Wales before the end of 2025.
- 1.2.4 The UK Government's continued support for new nuclear power generation is set out in the Ministerial Statement which states that "new nuclear power stations have an important role to play", "nuclear is vital to our energy mix", and that the UK Government "believes that it is important that there is a strong pipeline of new nuclear power to contribute to the UK's future energy system". The UK Government also reaffirmed its commitment to nuclear power in the

Government Response: Consultation on Siting and Process which provides that the "Government continues to believe that nuclear has an important role to play in the UK's energy future as we transition to the low-carbon economy".

- 1.2.5 The UK Government is currently bringing forward a new NPS applicable to nuclear power plants deployed after 2025 and capable of deployment by the end of 2035 and has previously consulted on the process and criteria for this. The Government Response to the Consultation on Siting and Process published in July 2018 states that the UK Government proposes to carry forward the sites listed in EN-6 (including Wylfa Newydd) into the new NPS, subject to them meeting the updated siting criteria and updates of their environmental assessments. Horizon has submitted a nomination for the Wylfa site, and the UK Government is assessing the nomination against the criteria and undertaking an Appraisal of Sustainability. The UK Government estimates that it will lay the final NPS before Parliament in spring 2020.

Applicability of NPS EN-1 and NPS EN-6

- 1.2.6 Although NPS EN-6 applies to projects that will deploy prior to 2025, the Ministerial Statement issued by the Department for Business, Energy and Industrial Strategy in December 2017 confirms that "the Government is confident that both EN-1 and EN-6...will continue to be important and relevant for projects that deploy after 2025... In respect of matters where there is no material change in circumstances it is likely that significant weight should be given to the policy in EN-1 and EN-6". The UK Government also reaffirmed its commitment to nuclear power in the Government Response to the Consultation on Siting and Process which provides that the "Government continues to believe that nuclear has an important role to play in the UK's energy future as we transition to the low-carbon economy".
- 1.2.7 The Ministerial Statement provides that, until a post-2025 nuclear NPS is adopted (expected to be in spring 2020), nuclear power station projects applying for development consent and due for deployment beyond 2025 should be considered under section 105 of the Planning Act 2008.
- 1.2.8 The Ministerial Statement is clear that EN-1 and EN-6 remain important and relevant matters which would carry significant weight in determining the application under section 105. The Ministerial Statement states:
- 1.2.9 "Government is confident that both EN-1 and EN-6 incorporate information, assessments and statements which will continue to be important and relevant for projects which will deploy after 2025, including statements concerning the need for nuclear power – as well as environmental and other assessments that continue to be relevant for those projects. As such, in deciding whether or not to grant development consent to such a project, the Secretary of State would be required, under section 105(2)(c) of the Act, to have regard to the content of EN-1 and EN-6, unless they have been suspended or revoked. In respect of matters where there is no relevant change of circumstances it is likely that significant weight would be given to the policy in EN-1 and EN-6."

Additional support for new nuclear power

1.2.10 The need for new nuclear power is urgent, and further evidence for is set out in the report commissioned by Horizon and submitted alongside the DCO application (Appendix G to the Planning Statement [APP-406]) which examined the available evidence about the need for new nuclear power. The report presented evidence for the continued need for new nuclear power to deliver the UK's energy requirements to 2025 and beyond and concluded that the significant lead time for delivery of new nuclear capacity makes this need urgent. The report demonstrates that:

- Electricity demand is expected to increase substantially by 2035;
- A significant proportion of existing electricity generating capacity is expected to close by 2035;
- There is an apparent absence of proven, low-carbon technologies that could provide credible alternatives to new nuclear generation and be deployed at sufficient scale; and
- The UK's obligations toward meeting emissions targets further accentuate the need for new nuclear power.

1.2.11 In addition to Horizon's own evidence submitted alongside the DCO application, several other independent, authoritative reports point clearly to the key role nuclear will have in a future low carbon energy mix:

- National Grid's Future Energy Scenarios, on which Horizon's own evidence draws, shows that through to 2050 peak demand could rise by over 40% (60GW to 85GW) driven by a number of factors, including dramatic increases in electric vehicle take-up and electrification of heat. The Future Energy Scenarios are clear that "new nuclear is required in all scenarios" but also show that the two scenarios with the biggest increase in peak demand, driven by the biggest uptake of electric vehicles and electrification of heat, are also the two scenarios that involve the biggest role for nuclear – as demand increases and as the distinction between electricity and energy is increasingly blurred, so the need for new nuclear increases.
- A comprehensive analysis from the Massachusetts Institute of Technology's Energy Initiative, "The Future of Nuclear Energy in a Carbon-Constrained World", showed the "essential" role that nuclear has in "achieving a deeply decarbonized energy future" and that without nuclear "the cost of achieving deep decarbonisation targets increases significantly."
- The European Commission's strategy "A Clean Planet for All", which was underpinned by in-depth analysis, talked off nuclear – alongside renewables – as being "the backbone of a carbon-free European power system" and made clear that "nuclear energy (based on nuclear fission) is a well-established large-scale zero-carbon technology in power generation"

- The Intergovernmental Panel on Climate Change's report on limiting global warming to 1.5 degrees above pre-industrial levels set out that in the majority of "pathways" compatible with 1.5 degrees there was a key role for nuclear.

Use of tailpieces in the DCO

- 1.2.12 In respect of the use of 'tailpieces', please refer to Horizon's response to **FWQ4.0.56** of the Examining Authority's First Written Questions. submitted at Deadline 2 (4 December 2018) [REP2-002].

Funding / bonds

- 1.2.13 Please see the Funding Statement [APP-003] which provides information relevant to funding of the Wylfa Newydd Project.
- 1.2.14 In respect of the Site Preparation and Clearance Proposals planning permission would be subject to a condition for an outline restoration and aftercare scheme to be agreed prior to commencement. The draft SPC s106 makes provision for a Parent Company Guarantee (PCG)/Escrow account and/or restoration bond to be secured in the event that the Draft DCO is not commenced.
- 1.2.15 In respect of nuclear construction, Horizon is required under section 45 of the Energy Act 2008 to have a Government approved Funded Decommissioning Programme in place before nuclear related construction of the Wylfa Newydd Power Station begins. This ensures that, prior to nuclear related construction, Horizon makes prudent provision for the full cost of decommissioning and for safely and securely managing and disposing of waste, including spent fuel.
- 1.2.16 Nuclear operators in the UK are subject to a robust legal and regulatory regime that minimise the risk of an accidental release of nuclear matter occurring. Every nuclear operator in the UK is required by law to ensure that appropriate financial resources are maintained to cover third party liability resulting from any incident. The legal and regulatory framework operate to ensure that risk to the UK taxpayer is very remote.
- 1.2.17 Horizon has an existing insurance portfolio appropriate to its current activities and in order to ensure that it is compliant with existing legal obligations. Additional insurance requirements will be imposed upon Horizon when it obtains a nuclear site licence and Horizon will ensure that it is compliant with those requirements.
- 1.2.18 Given the above, the imposition of a bond is entirely unjustified. Horizon also notes that, so far as it is aware, to do so in a development consent order would be unprecedented. For example, the Examining Authority's report of recommendations on the Hinkley C Project stated:

"[...] there is no expectation in national policy that NSIPs must provide insurance against the extreme possibility of incomplete development or abandonment [of development consented under the Draft DCO]. No requirement for such insurance has ever been imposed in relation to any other major project. To embark on such a course now would set an adverse

precedent for (and disincentive to) future investment in major infrastructure projects in general, and nuclear power stations in particular”.

Benefits to the local economy from wages during the operational phase

- 1.2.19 Please see Chapter C1 - Socio-economics of the Environmental Statement [APP-088], especially paragraphs 1.5.135 to 1.5.139.
- 1.2.20 Based on industry average wage rates by occupation, it is estimated that the staff costs at the Wylfa Newydd Power Station would be equivalent to £506 million in present value terms over the 60-year operation phase. It is assumed that the majority of the operational staff would ultimately live on Anglesey. In line with the workforce trends of the Existing Power Station, it is expected that the equivalent of around £8.4 million in present value terms would be invested into the Anglesey economy annually for the 60 years of operation.

Potential UK Government investment

- 1.2.21 As made clear in the Funding Statement [APP-003], which provides information relevant to funding of the Wylfa Newydd DCO Project, external finance, potentially from both equity and debt sources is expected to be required to fund the construction of the Wylfa Newydd DCO Project, with the terms to be negotiated and concluded at the point when Hitachi makes its final investment decision.
- 1.2.22 Horizon has welcomed the UK Government's announcement that discussions for Wylfa Newydd will progress to the next phase. Formal negotiations with the UK Government have now commenced, with a joint focus on ensuring Wylfa Newydd represents good value for consumers.
- 1.2.23 NPS EN-1 and NPS EN-6 make no reference to assumptions regarding private or public finance. Potential UK Government investment therefore has no relevance to the assessment of the Wylfa Newydd DCO Project against the policies in NPS EN-1 and NPS EN-6.

DCO Section 106 Agreement

- 1.2.24 Please refer to the draft DCO s.106 Agreement, submitted at Deadline 3 (18 December 2018).

Work No. 1D

- 1.2.25 In respect of Work No. 1D, please refer to Horizon's response to **FWQ4.0.56** submitted at Deadline 2 (4 December 2018) [REP2-002].

Effect of the Draft Development Consent Order

- 1.2.26 Please see the Explanatory Memorandum [REP2-023] which describes the effect of the provisions sought by Horizon, including those that seek to apply, modify or exclude a statutory provision. Please also see Section 33 of the Planning Act 2008, which sets out the effect of a development consent order on other consent regimes.

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