Submission to the Labour government's 2025 Spending Review
Why Sizewell C cannot help Labour achieve its clean energy mission

Introduction: The Labour government's mission is to 'make Britain a clean energy superpower to cut bills, create jobs and deliver security with cheaper, zero-carbon electricity by 2030, accelerating to net zero', but Sizewell C would likely hinder achievement of this objective. While it is understood that Sizewell C cannot be operational before the late 2030s, Ministers should treat claims that 'replication' will avoid a repeat of the poor construction of Hinkley Point C, would lower bills, improve energy security and create long term jobs with scepticism, and should reconsider their support.

Given the opportunity cost of proceeding with Sizewell C, we believe these are the key questions:

1. **Is it credible that Sizewell C could be built on time, for a fraction of Hinkley C's cost?**
2. **Would Sizewell C cut bills and offer consumers and taxpayers Value for Money?** This section covers impact on bills, public funds, external investors, risk and Systems Costs.
3. **Would Sizewell C improve energy security or introduce new risks?** Sizewell C would mean continued dependency on foreign states and EDF's reactor is unreliable.
4. **If Sizewell C cannot help decarbonise the grid by 2030, what is its function?**
5. **Is the Sizewell C site a suitable place for two new reactors?**
6. **Will the jobs created in building Sizewell C be sustainable and develop skills of value to the British economy?**

1. Is it credible that Sizewell C would be built on time, for a fraction of the cost of Hinkley Point C?

a) Accurate predictions of Sizewell C's cost given the EPR's track record are impossible.
No European Pressurised Reactor (EPR) reactor project has ever been completed to budget or on time. All six reactors worldwide have or will cost at least double their expected budgets and have been/are between 6 and 14 years late. The case of Hinkley Point C is especially stark: EDF's most recent estimates of the construction cost - excluding finance charges - is up to £35bn [2015] - £46bn in 2023 money - almost double its £18bn budget [2015] when the Final Investment Decision (FID) was taken in 2016. These costs do not include financing costs, which EDF has said might double the total construction cost.[1] Completion of Unit 1 at Hinkley Point is now delayed to between 2029 and 2031, 4 to 6 years later than claimed at FID. EDF claims that Hinkley Point C is "First of A Kind", and that Sizewell C will benefit from replication and "learning" which would reduce construction time and cost, but Hinkley is building the 5th and 6th[2] EPRs globally.

Sizewell C would be the 7th and 8th EPRs, and almost certainly the last; for its future orders, France will be building a significantly modified design, the EPR2. EDF has made five cost and completion revisions since the Hinkley C FID; the first in 2017, just a year after FID, and a year before construction started. Given the project is only halfway through construction, it is implausible that there will not be further revisions. Taishan I & 2 in China took double the predicted build time and were reportedly 50% over budget. Olkiluoto 3 in Finland was 14 years late and three times over budget, and Olkiluoto 4 was cancelled. Flamanville 3 in France came online (though is not yet up to

[1] Former EDF MD Humphrey Cadoux Hudson to Westminster Forum, October 2020 and also The Times (source EDF)
[2] EDF blamed the Office for Nuclear Regulation for Hinkley's overruns, saying "*we have had to substantially adapt the EPR design to satisfy British regulations, requiring 7,000 changes, adding 35% more steel and 25% more concrete*". ONR replied: "*..we do not recognise our regulatory requirements as being the principal factor in these increases [of steel and concrete], **as they are broadly similar to the requirements in France**.*"

full power) 12 years behind schedule and four times over budget; £11.2bn [2015] for a single reactor. These repeated failures suggest that learning from previous EPR projects has not happened, and with costs up to £17.5 bn, [also 2015 money], for each of two reactors, the experience of Hinkley Point C suggests that replication *has increased* cost.

The only construction cost figure for Sizewell C in the public domain is £20bn, excluding finance charges from May 2020, which is widely held to be unreliable, given that it is only about 40% of the latest cost estimate for Hinkley Point C. A Financial Times report, citing multiple sources, that the project would cost up to £40bn provoked Ministers and Sizewell C executives to say they "do not recognise this figure", but this response is very different from a statement that it would not cost this much. Stop Sizewell C has its own (different) source that supports the £40bn cost. DESNZ continues to refuse to publish cost estimates or even a target completion date for Sizewell C, citing commercial confidentiality, but this excuse for the headline cost is hard to understand.

b) France won't build any more EPR(1)s

Given the apparent lack of learning, the more realistic assumption is that the problem lies with the technology, not just the poor execution of Hinkley Point C and the other EPR projects. Former EDF CEO Henri Proglio told the French Assembly in December 2022: *"The EPR is too complicated, almost unbuildable."* No amount of replication can render a complex technology simpler. As a result, EDF has announced that France will not build any more of the design used for the existing six EPR orders, and proposed for Sizewell C, but proposes to construct six reactors in France of a modified design, the EPR2, described by EDF as "simplification and optimisation of the design of the EPR", but forecast cost reductions are at the expense of reduced safety features such as a single rather than a double containment skin.

c) Any replication 'savings' would be lost in the complex Sizewell C site.

The nuclear industry has cited the benefits of replication to save money, but this cannot include the site. Sizewell C's site has been described by a senior Office for Nuclear Regulation source as "expensive to develop" compared to Hinkley C. The same source has expressed the view that any savings the project might expect to make through above-ground replication are likely to be absorbed by the complex groundworks required at Sizewell. Sizewell is a smaller, more constrained site than HInkley C, geologically different, backed by marshes and adjacent to an internationally renowned nature reserve, with the platform expensively requiring a 60m deep cut off wall to enable dewatering. (See 5 for significant risks associated with the Sizewell C site.)

2. Could Sizewell C give consumers and taxpayers Value for money?

a) Sizewell C would increase bills from the day of FID and impose financial risk on households.

Use of the Regulated Asset Base (RAB) model for Sizewell C would increase household bills immediately a Final Investment Decision (FID) was taken and would continue to have an impact on them into the 22nd century, when the plant is forecast to be retired. Further costs are likely to arise for consumers beyond plant retirement from decommissioning which would take place for many decades after electricity generation ceased.

The RAB financing framework would require consumers to contribute to Sizewell C's construction by paying the finance costs, potentially half the total construction cost, from the day of FID until commercial operation, expected to be at least 12 years. The cost of construction will also include the development costs of getting the project to FID, to which EDF[3] ceased to contribute shortly after the government began to bank roll preparatory works in earnest: £3.7bn to date, plus £2.7 billion allocated in the Autumn Statement for 2025/26; some, but not all, drawn from a Devex

[3] The Cour des comptes state EDF has spent £660m, with only £123m after the UK government's investment, p 43.

subsidy scheme with a value of £5.5bn for Development Expenditure. Credible concerns that the delays and cost escalation at Hinkley Point C will be replicated at Sizewell C result in the inevitable conclusion that households would pay more, for longer, for the only benefit of (eventually) receiving electricity that would be more expensive than that could have been available if other, non-nuclear sources had been pursued. All UK households (aside from Northern Ireland) would pay the Sizewell C RAB, regardless of whether or not they are on a 100% renewables contract.

The allocation of construction risk - for an inherently risky project and industry - onto households is controversial. Citizens' Advice says *"Our concern has been, and remains, that consumers are not simply exposed to the cost of capital, but also the volume of capital that needs to be employed. If the volume of capital required balloons, the project may offer consumers poor value for money even if it is cheaply financed. Consumers may also be on the hook for any delays in the delivery of the project, still being required to pay a commercial return for the construction costs despite it not producing any output at that time…both looking at new nuclear projects in general, and the type envisaged at SZC in particular, the scope for material cost and time overruns is very significant. Consumers need to be protected from those risks. They have no way to manage them, and are reliant on the department to take steps to ensure that they are not on the hook for cost or time overruns"*. In July 2023 the Science Information and Technology Committee said of Sizewell C: *"A headline lower cost than Hinkley Point C is not justified if the value of the risk is too great".* There is no information in the public domain concerning proposed risk allocations for Sizewell C, let alone - as mentioned above - updated costs estimates or completion schedules.

b) Sizewell C would be a drain on public funds, and the Green Taxonomy is an obstacle.
The capital intensity of Sizewell C is such that it makes a large but not yet specified call on currently constrained public expenditure. It had been reported that, in order to finance the project, the previous government was prepared to take up to a 50% equity stake.

Post election, Labour approved the £5.5bn Devex subsidy scheme. With a further FID scheme potentially in the works, described by the Subsidy Advice Unit (SAU) as "tens of billions", Sizewell C will certainly come at the expense of other opportunities to reach net zero. Furthermore, the SAU confirms within the Government Support Package the presence of a Contingent Financing Agreement which absolves external investors of putting any more money into Sizewell C when the Higher Regulatory Threshold (HRT) is reached (SAU hyperlink above, 1.12 b ii), meaning that taxpayers, not investors, will certainly be on the hook for overspends.

The Conservative government had expected the UK Infrastructure Bank (UKIB) to play a major role in providing the borrowing needed by investors for Sizewell C.[4] However, nuclear power not being categorised as sustainable in a Green Taxonomy could be an obstacle to this. UKIB said in June 2022: *'we will monitor our portfolio's alignment against the UK Green Taxonomy, when it is finalised, and therefore will check the status of individual projects.'* The Conservative government, despite in March 2023 announcing nuclear's proposed inclusion in the Green Taxonomy, did not carry out the public consultation it was conditional on. Deeming nuclear energy environmentally sustainable would be controversial given the issues of nuclear waste and its use of a depleting reserve in uranium, and wary institutional investors have indicated it would not make nuclear significantly more attractive in any case. However if the Labour government does not include nuclear in the taxonomy, it is not clear how UKIB could provide capital for Sizewell C.

If commercial lenders were used instead of, or in addition to UKIB, these would need sovereign loan guarantees on an unprecedented scale and, as a contingent liability, would increase national

[4] As confirmed in the referral to the SAU.

debt. This makes a reliable assessment of the opportunity cost of that expenditure, essential to a judgement of its value for money, impossible.

c) Sizewell C would be an expensive, subsidised electricity provider.
There is ample evidence that the "Allowed Revenue" Sizewell C would be permitted to receive under the RAB model will make it a more expensive source of electricity than that which would otherwise be available to consumers. (As BNEF founder Michael Liebreich recently tweeted *"if you think the result will be less than £100/MWh, I have a bridge to sell you."*)

Offshore wind prices for electricity are already less than half of the price of that agreed for Hinkley Point C,[5] and whilst the real costs of offshore wind have fallen substantially over the last decade, those of nuclear energy continue to rise. Offshore wind projects attract a competitive field of bidders, do not require a substantial government equity stake, public finance or loan guarantees and, unlike the nuclear RAB model, the offshore wind and nuclear CfD financing model places the project risk on the developers, not on consumers and taxpayers. The project risk for Hinkley Point C fell on the developer, EDF, and as a result in 2024 EDF was forced to write off €12.9bn of its investment in Hinkley Point C because of cost and time overruns. Under RAB, these costs would have fallen on consumers.

d) Claims that Sizewell C would reduce Systems Costs should be more rigorously tested.
A central claim by Sizewell C's leadership - supported by government officials - is that once operational it would lower systems costs; however there is good reason to believe that the inclusion of Sizewell C on the grid is likely to increase rather than reduce system costs.

Researchers at Nottingham University (Cardenas et al) found that *"considering the current costs of conventional nuclear, renewables and energy storage technologies, the cheapest way to achieve a zero-carbon electricity system in the UK is through a combination of 'renewables + storage' without having a nuclear baseload in the system".* The 2023 paper said *"energy storage technologies are already capable of turning intermittent generation into dispatchable, reliable power and this can be done at a lower price than what conventional nuclear costs. Wind and solar PV power in the UK have achieved costs that are ~56% and ~35% lower than the cost of conventional (baseload) nuclear and they are expected to continue reducing."*

A Royal Society report into large-scale storage (p6) states *"Including steady nuclear ('baseload') supply would increase costs, unless the cost of nuclear is near or below the bottom of the range of projections made by the Department for Business, Energy and Industrial Strategy (BEIS) and/ or the costs of storage are near the top of the range of estimates in this report."*

DESNZ continues to rely on an outmoded Power Sector model (the Dynamic Dispatch Model) for Sizewell C's Full Business Case, despite its acknowledged limitations - for example it cannot model storage over 24 hours and can only apply a single wind speed to the entire country.[6] The rollout of a new model, BID-3, seems to have been substantially delayed, with no publicly available evidence that it would not produce different results. A substantial increase in storage capacity is inevitable whether or not the UK implements a substantial nuclear programme. Given this, it is unfathomable that decisions are being taken in the absence of a credible model of the British electricity system.

In correspondence with Stop Sizewell C, DESNZ officials - referencing the Department's "Modelling 2050" report - stated: "*there is a sliding scale of potential nuclear capacity, depending on the*

[5] Strike prices in HMG's Round 4 CfD results (2022) were £37.35/MWh for Offshore Wind, £42.47/MWh for Onshore Wind and £45.99/MWh for Solar, compared to Hinkley Point C's £92.50/MWh [all 2012 money].
[6] Correspondence with DESNZ officials.

scenario, where additional nuclear capacity i) increased the likelihood of achieving net zero; and ii) helped reduce overall system costs (in a sector otherwise dominated by intermittent renewables,[7] requiring backup from flexible forms of generation, storage and interconnectors)".

Even so, the "Modelling 2050" report finds that very similar annual systems costs (£62 billion vs £61 bn, only 1.7% variance) are achievable with low levels of nuclear - i.e. no new builds in addition to HInkley Point C. See chart below from that report, which shows how *"very different mixes can make up low-cost systems in Lower and Higher Demand scenarios"*.

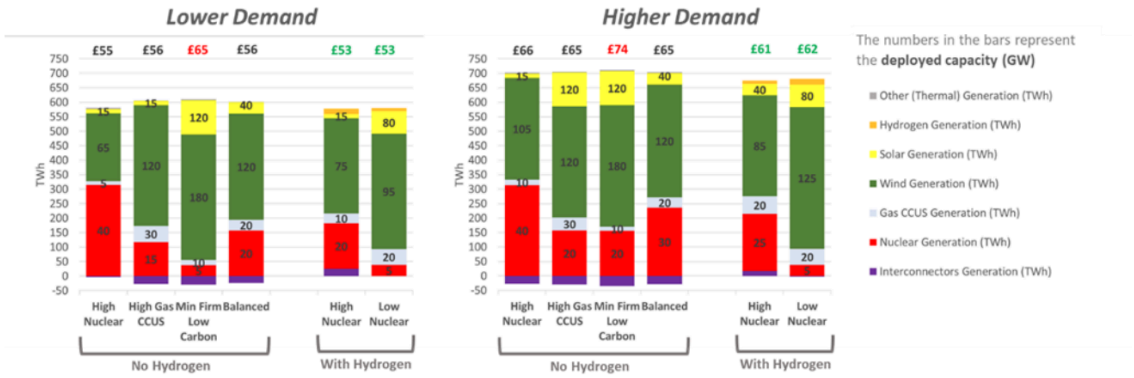

Figure 11: *An illustration of how very different mixes can make up low-cost systems in both demand scenarios. The bar charts show different generation mixes with or without hydrogen. These are all at equivalently low-cost except for the high renewable mixes without hydrogen. The bars indicate the annual generation provided by each technology; in the case of interconnectors this is the net generation, i.e. imports minus exports. The numbers in the bars represent the deployed capacity in GW. The annual systems cost (in £bn 2012) are shown above each bar.*

A new Power Sector model - BID-3 - is undergoing testing and will apparently be available later this year. It would be premature to proceed with Sizewell C if there is a risk that a rerun of the modelling for 2050 with BID-3 might reveal Sizewell C to be poor value for money, and not needed.

Finally there is no evidence to suggest that non-monetised "value for money" benefits of Sizewell C have been compared to the non-monetised benefits of other paths to achieve climate and security of supply objectives. In particular, the relative merits of nuclear and non-nuclear pathways do not appear to have been assessed in terms of their contribution to levelling-up (see 6).

3. Would Sizewell C improve energy security or just introduce new risks?

a) Sizewell C is dependent on EDF and foreign states.

Sizewell C's EPR technology is French state-owned EDF's technology, so EDF has to supply and build it, as well as operate and maintain it, despite the poor track record of both the company and the technology. The Cour des comptes, in a report published January 2025, expressed concern about EDF overreaching itself and warned that EDF must not take on excessive commitments or risks internationally (p 10 of hyperlink). Specifically, they recommended EDF should not take a Final Investment Decision on Sizewell C until it had reduced its financial exposure at Hinkley Point C. The French state auditors also expressed concern about competition for skills regarding plans for six 'EPR2' reactors in France, the first expected to begin construction in 2026. EDF has other major domestic challenges, for example corrosion affecting the existing French fleet of 56 reactors, all of which will require major expenditure (in the order €1bn per reactor) to life-extend them.

[7] NB official assessments do not assume a level playing field for technologies, ie that RAB would be available to renewables (para 122): "*We do assume that SZC receives a RAB; we don't assume that other technologies receive a RAB because they're not eligible as per the Nuclear Energy Financing Act.*"

The Conservative government, launching Sizewell C's capital raise in September 2023, said it was seeking partners with "*significant experience in the delivery of major infrastructure projects, especially in large-scale nuclear or other complex energy or infrastructure projects*". This is understandable given that the UK government has no track record of delivering GW nuclear, and EDF's is so poor, but none of the shortlisted investors reported last year has such experience.[8] One of the six, the state-owned Emirates Nuclear Energy Corporation (ENEC) owns the recently completed Barakah project for four reactors but all of these were at least five years late and the construction work was largely carried out by the Korean supplier.

Speaking about energy security in June 2024, at the Global Offshore Wind conference, Ed Miliband said: "*No more leaving our country exposed to petrostate dictators*" and "*The Conservatives are in favour of public ownership (of energy resources), just foreign public ownership"*. However, there are a number of ways in which Sizewell C might be dependent on foreign powers that do not share the UK's values. The Conservative government was wooing UAE state-owned ENEC to take a stake, despite numerous political differences of view, including the red carpet welcome afforded to Vladimir Putin in 2023, and Prime Minister Keir Starmer's recent visit to the Middle East seems to confirm this interest. Additionally the UK nuclear industry faces considerable challenges weaning itself off its reliance on Russian nuclear fuel.

b) "Mind the (nuclear skills) gap".

The lack of availability of nuclear skills is well documented. Sizewell C would be dependent on skills passed on from Hinkley. It was intended that the gap between construction commencing at Hinkley C and Sizewell C should be two to three years, enabling the retention of the supply chain and skilled workers to transition from one project to the other. However, Sizewell C has also been significantly delayed, and the gap has grown to at least eight years.[9] Sizewell C's stated intention to utilise the HInkley workforce is understandable as an attempt to de-risk the project, but there is little opportunity to implement "learnings'' if Hinkley's skilled workers, having completed their roles and being in demand in Europe, have inevitably sought employment elsewhere and are not available for Sizewell C. There is also an opportunity cost in drawing skilled workers away from other technologies, especially the offshore wind sector in East Anglia. As stated, the Cour des comptes has also expressed concern about skills and competition with France's objectives.

c) An unreliable reactor cannot enhance security of supply.

One of the very few EPRs constructed, Taishan 1 in China, closed for over a year with fuel failure early in its life and was offline again from February to November 2023. The Cour des comptes said it did not operate satisfactorily for three years in its first five years of service. EDF is keen to frame Taishan's fuel failure as merely the robustness of fuel assemblies, but French regulators are still demanding as yet unfinalised design changes at Flamanville to limit core vibration (p6). Olkiluoto suffered repeated problems during 17 months of testing, entering commercial operation in April 2023, with an extended outage after 12 months and a number of unexpected shutdowns in the autumn of 2024. Flamanville 3 is not yet at full power. The power source that gives least security is that which is running late and not complete, or offline for extended outages.

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[8] Reported in 2024 to be Centrica, ENEC, USS, Schroder Greencoat, Amber Infrastructure and Equitix.

[9] Former Sizewell C Chair Rob Holden acknowledged the challenge of this growing gap in an interview with The Times in April 2024, saying *"..we can't afford to allow the time gap to be more than what it currently is between the two projects, otherwise we will lose the replication benefits."*

4. Sizewell C cannot help decarbonise the grid by 2030, so what is its function?

a) The grid must be decarbonised by 2030 without Sizewell C.
By 2030, nuclear capacity will be down to only 3-4GW, comprising Sizewell B plus two older reactors kept running in the short term *or* one of Hinkley C's reactors. 4GW is less than 10% of electricity demand. Since Sizewell C cannot be operating by 2030, security of supply must be achieved by other means.

A plausible business case for Sizewell C must therefore be built on the assumption that the decarbonisation objective has been met. Achieving it will require putting in place an electricity system that can reliably meet projected levels of electricity demand at an affordable price prior to 2030 without Sizewell C. It therefore follows that the business case for Sizewell C must demonstrate that it can add value beyond 2030, at a competitive price that could not be met otherwise by simply scaling up the 2030 system.

b) There are credible scenarios that have concluded Sizewell C is not needed.
There are multiple scenarios, by for example Oxford University's Smith School, UCL and Energy Systems Catapult (Good Energy) that affordably and quickly reach net zero without any new nuclear power beyond Hinkley C. There are also studies that have established that a 100% renewable energy system is possible, eg LUT (Finland), but the Conservative government *'did not look at a renewable only scenario …as this cannot ensure security of supply'*. However, as referred to previously (2d above) successive governments' policy decisions have been justified on the basis of a Power Sector Model - the Dynamic Dispatch Model - that cannot model inter-day storage.

It is not clear that the comparative deliverability of an electricity system based on additional nuclear power and one based on renewables with short and long duration storage, grid enhancements, demand response and energy efficiency has been adequately modelled.

Nuclear is inflexible and load-following difficult and economically undesirable: EDF claims the Sizewell C EPR reactors could load-follow and is exploring the option but it has never been done in the UK before (para 128); however officials could give no more information when asked in 2024. EDF's talk of Direct Air Capture and Hydrogen production (same link) demonstrates recognition that Sizewell C's electricity may often be surplus to requirement and would need to be diverted to other uses. Michael Liebreich has said: "*Firm power which cannot be switched off when you don't need it will be as much of a problem as variable power which cannot be switched on when you do. What is called for is flexibility, in huge quantities and of all types.*"

Labour Ministers acknowledge that the electricity grid requires enormous investment. It has the potential to be made considerably more flexible, to make more effective use of renewable energy. Conversely, reconfiguring the grid to support high levels of nuclear power could lock-in future generations to a more costly, less efficient power sector, unable to adapt to future developments in renewables and storage. Siting nuclear reactors in an area where much of the new offshore wind power in the North Sea will come ashore will tend to add to system costs and introduce additional security of supply issues.

Energy efficiency measures and renewables are quicker, more cost-effective and more reliable. Labour's targets rightly include doubling onshore wind, tripling solar power, and quadrupling offshore wind by 2030. In 2023 offshore wind generated 17.3% of power, onshore wind 11.4% and solar 4.9%. Meeting these targets would mean that solar and wind would be more than sufficient to meet current UK electricity demand especially if a more ambitious energy efficiency programme - which would reduce bills for consumers reducing fuel poverty - was undertaken, raising the

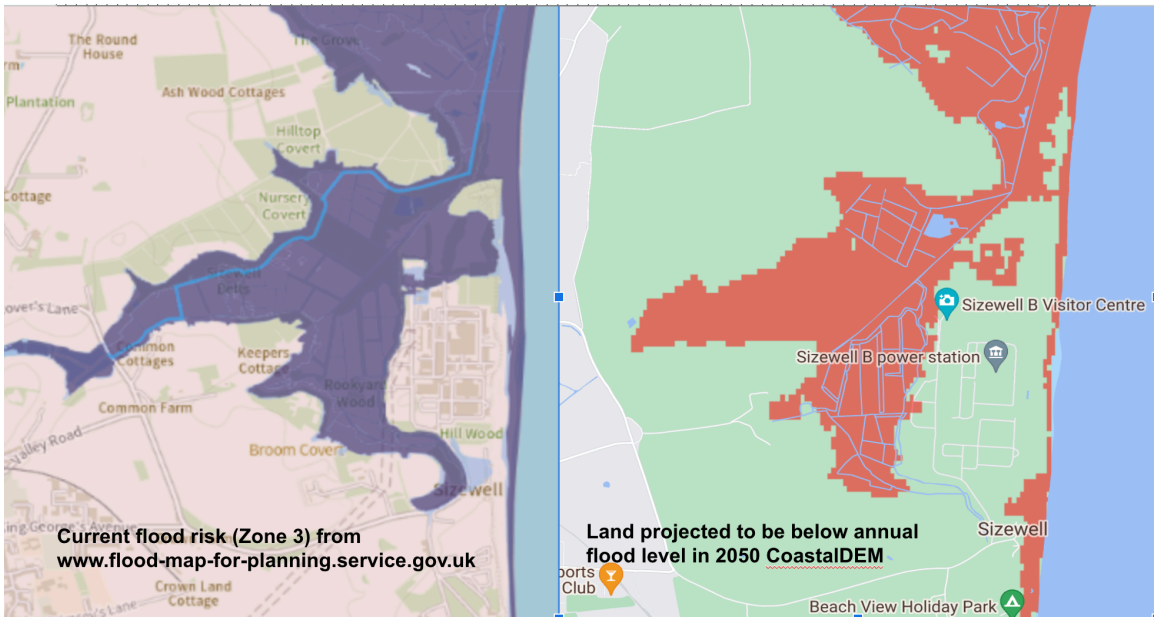
question what role will there be for nuclear power? Solar, wind and energy efficiency are all cheaper than nuclear so such a system would offer lower electricity prices.

Given the particular importance of the decarbonisation of power for the overall delivery of the Government's net zero targets it is important to be confident that these factors have been adequately assessed in determining the value for money of Sizewell C.

5. Is the Sizewell C site a suitable place for two new reactors?

a) An eroding coastline.

In addition to being too slow and expensive to be the solution to our climate emergency, Sizewell C could ironically become a victim of climate change-related risks. The project is situated on one of the fastest eroding coastlines in Europe, increasingly vulnerable to rising sea levels, increased storm surges and more extreme weather events. Sir David King, former UK chief scientific adviser and nuclear supporter, said Sizewell C will be *'very difficult to protect from flooding'*. See flood maps below showing the Sizewell A, B and C site as a virtual island.



The safety and integrity of the Sizewell C site is dependent on a sound and stable sea defence, particularly the stability of the foundation soil under that sea defence. Sizewell C's strategy is to increase the strength and compressibility of the weak foundation soils. According to a senior ground engineering consultant, the selected technique of mixing cement and/or lime into the complex mix of soft organic/peaty soils at depth is known to carry risks of the technique, even where trialled beforehand, being impacted by unexpected chemical reactions in parts of the ground leading to localised weaker, rather than strengthened, ground. Sudden catastrophic failure in such situations can occur, causing immediate adverse environmental impact. Rectification would be fraught with difficulties, and major delay and costs would be inevitable. Ground freezing is now being tested.

At the present time, there is no final design for the sea defences, and the costs of adapting these over the course of more than a century (for Sizewell C would need protecting until at least the mid 2100s)[10] are unknown.

The ONR's recent proportionate reassessment of external hazards to the site, prior to the recent granting of the Nuclear Site License, has added the possibility of flood barriers both north and

[10] The decommissioning of the spent fuel store is now understood to be 2160.

south of the site to protect against potential extreme stillwater levels due to climate change. These plans have never been examined by the Planning Inspectorate, Environment Agency or East Suffolk Council (coastal authority) and are unlikely to have been costed or examined in the context of the Full Business Case and Value for Money assessment. A senior ONR inspector has speculated privately on the likely necessity of flood barriers on the west boundary as well.

As mentioned above, the platform requires a 60m deep cut off wall to enable dewatering. Soil mixing and ground anchor trials to establish whether this can be done safely without any collapse appear to be still ongoing. We are told that ground anchors will be required under Sizewell Marshes, the beach and Sizewell B, presumably at least in part the reason that the Devex Scheme includes measures for the government to provide a parent company guarantee to electricity suppliers or to Sizewell B against any potential damage caused by construction (para 1.9).

Additionally, a long-term potable water supply has not yet been identified in what is already a severely water stressed area. A desalination plant is essential for construction, but there is no information in the public domain about a long term solution being assessed and costed.

Much has been made of the 40,000 pages of environmental assessment required for Sizewell C. While we concede there may have been unnecessary repetition, given its location in the centre of protected habitats, including internationally-famous RSPB Minsmere Nature Reserve, and the fact that the project was forced to invoke IROPI due to its impact on rare species such as the marsh harrier, detailed assessments were justified.

These issues raise questions about future costs that would impact Sizewell C construction or longer term operation, and that should be identified now.

6. Will Sizewell C develop skills of value to the British economy and help levelling up?

During construction, any jobs created would mostly be short-term, typically about a year and a significant proportion would be filled by workers from outside the 'local' area (defined by the project as living within 90 minutes' drive each way). This would be hugely disruptive to the local economy over the 15 or more years from FID to operation. The number of roles created during construction do not take into consideration jobs lost in the East Suffolk local economy during the construction period; in tourism, hospitality and SMEs. Research by the Suffolk Coast Destination Management Organisation - and EDF - show that visitors would stay away, losing the tourism industry up to £40 million a year, at an estimated cost of 400 jobs. Neither do they take into consideration the damage to existing businesses inflicted by losing staff to the project (which Sizewell C's Economic Statement put at 725), leaving gaps in personnel that would be expensive and time consuming to recruit, train and ultimately replace. On levelling up, a study by Development Economics found that five of the seven remaining "potential" sites in the nuclear National Policy Statement would likely benefit more.

Sources at Hinkley Point C have told us that 32% of the 12,000 construction workers currently onsite are from overseas - primarily Romania and the Indian subcontinent. Skilled tasks have fallen to technicians from France, with visa hold ups causing delays for the project.

The number of long-term jobs created is relatively small - 700, with 200 contractees - implying a cost of at least £40 million/job. For this sum, the UK could buy more renewable energy and finance a mass energy efficiency programme which would create tens of thousands of sustainable jobs.

The value of any skills created to the UK economy depends on the success and timescale of any future nuclear projects. If, as seems highly likely, new nuclear technology still proves challenging to deliver and is not competitive with other low-carbon options, these skills would be of no value.

While the Conservative government publicly confirmed the connectivity between military and civil nuclear programmes, evidence from a University of York study suggests that maintaining the nuclear skills and industrial capacity base for military purposes directly would be up to five times more cost effective than doing so as part of a civil nuclear power programme that is not otherwise necessary for energy or climate security, with a subsequent reduction in the requirement to increase consumer energy bills.

We consider that the Labour government's net zero and security of supply objectives can be met with greater certainty and at lower cost to consumers without Sizewell C.

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9 February 2025