

Welsh Affairs Committee

Oral evidence: [Nuclear energy in Wales](#), HC 240

Wednesday 25 January 2023

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[Watch the meeting](#)

Members present: Stephen Crabb (Chair); Simon Baynes; Virginia Crosbie; Wayne David; Ben Lake; Beth Winter.

Questions 179 - 208

Witnesses

[II](#): Mark Salisbury, Head of Regulatory Affairs, Rolls-Royce SMR; Alastair Evans, Director of Corporate and Government Affairs, Rolls-Royce SMR.



Examination of witnesses

Witnesses: Mark Salisbury and Alastair Evans.

Chair: Moving to our second panel this morning, we will now be looking at small modular reactors. I am delighted that we are going to be joined by Mark Salisbury, head of regulatory affairs at Rolls-Royce SMR, and Alastair Evans, director of corporate and government affairs at Rolls-Royce SMR. Good morning. Thank you for joining us. Hopefully you were able to listen into a good portion of that previous session.

Q179 **Virginia Crosbie:** Croeso, gentlemen. Thank you for coming here. I am very excited that Anglesey Wylfa is included as one of your four sites. You also have Trawsfynydd in Wales as well. What are the advantages and disadvantages between the two sites, please?

Alastair Evans: The purpose of our siting study was to understand where we could deliver most quickly. The Nuclear Decommissioning Authority has about 1,000 acres of land. That is all land that is owned by the taxpayer and run by the Nuclear Decommissioning Authority, so to our mind it made sense to understand where would enable us to move most quickly.

We looked at grid connection: are there power lines? What does the water cooling system look like? What does the topography look like? What do we know about the land? We spent about six months working with the Nuclear Decommissioning Authority and its teams to better understand which sites enabled us to achieve those four factors. I will let Mark talk about particularly grid and water in a little more detail.

Unsurprisingly, we found from that that there are a number of sites across the UK that are immediately deployable: land in Sellafield, land in north Wales at Trawsfynydd, land at Wylfa and land in the south-west at Oldbury. They all tick the boxes of having that grid connection, the cooling water, the supported local community, skills in place and a desire to move at pace.

Then, when we get down into the merit order, it depends on what you are prioritising. Let me talk about Trawsfynydd first. That is land that is owned and held solely by the Nuclear Decommissioning Authority and Magnox. Therefore, the Government have control over that land. They have an ability to designate and deploy on that land in partnership with a developer.

The land on Anglesey is a little bit more complicated. There is a controlling interest from Hitachi through the Horizon business, which purchased that land for around £700 million over a decade ago. There is an owning interest on that land that creates uncertainty. We could not go to the Government and say, "We want to build on Wylfa," because you would have to engage Hitachi in those discussions. That makes the Anglesey site a little more challenging than Trawsfynydd, but Wylfa has



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tremendous potential. It is a very large site. You could get at least four SMR units on the site at Trawsfynydd. You could site two units with ease.

The priority for us is that they both have grid connection. That means that we are not having to conduct additional development consent orders for new grid lines. You can build two SMRs and utilise existing 400 kV grid connections. Both have water; both are known sites.

Let me just make one more point on the sites, which is about the national policy statement. The Wylfa site has been designated. It has what we refer to as a red line boundary around it. It is accepted for nuclear development. The Trawsfynydd site does not. That creates an element of uncertainty. It has a reactor that is being decommissioned next door to it. Our premise is to locate our reactors next door to existing reactors, for obvious reasons. You have supportive sites, known sites and supportive communities. Trawsfynydd is a little more complicated in that you do not have the NPS—national policy statement—certainty.

Let me conclude by saying both sites are immediately deployable. Both work. We need multiple sites. We are not focused on a single field. This is not a one-hit project. We need multiple fields coming forward so that we have a pipeline and can get significant numbers of SMRs being deployed.

Q180 Virginia Crosbie: Then, in terms of timeline, when would we expect to hear a decision regarding the sites?

Alastair Evans: It is in the control of the Government. The Government have ownership of the sites through the Nuclear Decommissioning Authority. We, as Rolls-Royce SMR, do not have the ability to take control of those sites without Government approval. The purpose of our study was so that we could answer the question, “Where do you want to build and why?” We wanted to make sure that we were ready for that conversation, should it come. We would like it to come this year.

Q181 Virginia Crosbie: My last question is on the SMR sites versus the factory. Are those two decisions dependent upon each other, and what is the timeline for the factory?

Alastair Evans: We intend to build three factories in the UK. The first is the heavy pressure vessel factory. It is the largest. It is about 25,000 square metres. It has the deepest foundations. It is where we will produce the largest components. We know it will take time to go through the planning and consenting process, so we wanted to get that process moving as quickly as possible last year.

We had 108 sites come forward that offered to host it across the whole of the United Kingdom. Of those 108, 82 were viable. Then we had a team of about 10 of our engineers, planners and legal looking at those 82 sites. We got it down to a shortlist of about 10. We are now down to a shortlist of three. Those three sites are in Teesside, Sunderland and at Deeside in north Wales. All three work. All three have merits and detriments. If I can give an example, at Deeside we would have to look at the skills piece in a



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bit more detail. We would have to make sure we had a training facility set up early. At Teesside, you would not have that, but there are other challenges. Each has merits and detriments.

The siting of the factory, to address your question directly, is not linked to the siting of the SMRs. The purpose of our project is that everything is road transportable. We are not looking at building new highways and byways. We are not building marine offloading facilities. We are trying to keep this as simple as possible. Everything must be road transportable. Everything must be able to go on barges so we can export to the Netherlands, to the Czech Republic, to Poland et al. There is no direct linkage between siting and the factory.

The factory is a commercial decision. We will have to take that decision quickly, because we know it will take two to three years to get that factory built, established and tested. We want to work with the Office for Nuclear Regulation on making sure that checks are done in that factory space. That is the first time that will have been done, but it should make the path to deployment a lot smoother.

Q182 **Wayne David:** Can I just press you to be specific? You talk about making the decision from three to one quickly. How quickly is “quickly”? When are you going to make the decision?

Alastair Evans: If you look at the Britishvolt example now, that is a company that committed to a factory without orders. We do not have clarity on orders in the UK. As soon as we have that clarity that the UK Government want to deploy Rolls-Royce SMRs, we are able to get the first factory moving. Our shareholders need that clarity. As I said, Britishvolt is a very good example of where you try to run a business, build a factory and get things moving without that certainty of orders and customers.

Q183 **Wayne David:** Once you get the definitive green light from Government, you will be moving quickly.

Alastair Evans: That was the purpose of doing our planning processes and getting our selection of heavy pressure vessel sites done immediately. We have 600 people in the Rolls-Royce SMR business today. We are set up to deliver at pace. We are 600 UK-based workers looking at manufacturing, assembly, skills, module concepts. We are ready to go.

Q184 **Simon Baynes:** Where exactly in Deeside is the site for the potential plant?

Alastair Evans: It is land to the north of Deeside. I can get the postcode. It is a joint offer by a developer and the Welsh Government.

Q185 **Ben Lake:** Good morning, gentlemen. Can I ask you about the Rolls-Royce SMR design and how it is progressing through the generic design assessment process, please?



Mark Salisbury: Bore da, pawb. We started in April of this year with the GDA. That is with our three regulators: the Office for Nuclear Regulation, the Environment Agency and Cyfoeth Naturiol Cymru—Natural Resources Wales—for this GDA. We are on schedule. We are on target to hopefully complete step 1 and enter step 2 by about the end of March this year. Then we will be moving into step 2 and then hopefully step 3 as we go on.

Q186 **Ben Lake:** At the moment, everything is going according to plan and on schedule. When do you expect to achieve GDA approval?

Mark Salisbury: The final assessments we hope to complete on an overall timescale of four, four and a half or five years. There is a bit of flexibility in that timescale, if I call it that, because this year we liaise with the regulators in terms of how we expect to move forward as a business into phase 2 and beyond. For that, we need to provide the regulators with our current plans, which will include deployment plans, so that they can adequately plan sufficient resource to complete the generic design assessment.

Q187 **Ben Lake:** So far, discussions with the various regulators have been effective.

Mark Salisbury: Very constructive, yes, we are on schedule.

Alastair Evans: Just to mention what the main differentiator is here, as we see it, there is nothing novel or exciting about the nuclear element of our programme. This is a standard pressurised water reactor, with standard fuel and standard fuel assemblies. There is nothing novel or exciting. We are very clear about that. Nuclear projects do not fail because people do not understand the physics. They fail because you cannot build them. All of our innovation and effort goes into that modularity. How do we construct the project? How do we build a superstructure that means we can get to that 500-day deployment from first concrete to power? That is where all the innovation and focus is.

To that end, we are building a modular demonstration factory in the midlands this year, to start putting together these modules and see how they fit, what does and does not work, and the tolerances. That is where all the innovation is. I say this not as an engineer. Mark is here to provide that view. This is a bog-standard pressurised water reactor, of the type that are present in 440 reactors around the world today.

Q188 **Ben Lake:** How are you approaching securing those DCOs? They are site-specific assessments. I am particularly interested in your approach given that your reactors will largely be constructed in a factory setting. I am interested to know how that process will work in that regard.

Alastair Evans: Mark and I have both worked on DCOs for large projects. We have a fair bit of experience on Anglesey and in Cumbria, in the project I was working on.



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You are right: the first thing we do on site is build a factory. First, you can work 24 hours a day if you want to. There is zero light pollution. There is minimal noise. There is no dust. Yet the process we go through is the same for that of a large nuclear project. It will take five to six years to secure a development consent order. It will take four to five years to build the power station. I would question whether that is the right balance, if it is taking longer to plan and consent than to build. This is not unique for nuclear; it is the same in offshore wind. It takes in some cases more than a decade to consent a project before you can get to building. We have to question whether that is the right balance.

The key thing for me on the development consent order is that the sooner you start, the earlier you finish. I can give an example. The first thing you need to do to get your development consent order moving is your environmental permits. You need two years of analysis at your site. If you do not start that in March this year, you lose a year. You have to start it on a seasonal cycle. If we do not start this March, that is a one-year delay automatically, because we then cannot start until March 2024.

It is the same on Mark's point around timing of the regulators. If the regulators do not know in November of this year what our plans are for the year 2025 and year 2026, they cannot make sure that they have the right number of people acting as the counterpart. These are long-term decisions. If you do not get into the weeds on the details, it has a really big knock-on impact on timelines.

The way we are approaching the development consent order is that there is no natural developer in the United Kingdom. In the case of nuclear, there is only one utility, which is EDF, that would look at nuclear, but it has its own projects to focus on. That means we are having to think a little more laterally about that developer space and who would act as the development consent order counterparty. We could do that by setting up a development company. GBN could act in that role. Ultimately, we need to find what the right balance of risk is and what that solution is.

We are a reactor vendor. We sell a reactor, but we are having to step into some of that DCO space at the minute because no one else is doing it. Again, that is why we are looking at sites in this much detail, because no one is going to do it for us, and we need to make sure we are working on it.

Q189 **Ben Lake:** Thank you, that is very useful. Can I just bring you back to the environmental consents, just so that I can have a clear understanding? Are the two years' worth of assessments included in the five to six years of the DCO process?

Alastair Evans: Yes, they are the baseline assessments that you would then review against periodically.

Q190 **Ben Lake:** It will be included in the five to six years. The other question I have is whether you need GDA consent first before you can start the DCO



process.

Mark Salisbury: I do not believe you do.

Alastair Evans: I do not think so.

Mark Salisbury: We run a very integrated programme so that we can look to deploy in the early 2030s. We are making sure that every aspect of that is lined up, as you can imagine. One thing we are quite keen to work with on the DCO, which works well with a modularised technology such as ours, is that the DCO is almost in two halves. What effect are you going to have? What are you after and what are the characteristics of your plant? We can look at that very neatly and look to replicate it. The counter to that is this: what are the characteristics of the site you are building on? How do you put those together? How do you mitigate any other effects from those? We are trying to factor that into our programme so far as we can, as Alastair said, without a developer at the moment.

Alastair Evans: Reflecting on the large nuclear experience, the status quo is that you do your GDA for four to five years, then you start your DCO for five to six years, then you start talking to the Government about how you pay for it all. That is the model in which Horizon and Hitachi spent £2.8 billion. That is the model in which Toshiba spent nearly £1 billion. Neither project came forward. We have to learn lessons from that and start doing a lot of these processes in parallel; otherwise we will not have the outcome we want and the energy security we are trying to build.

Q191 **Chair:** I am just playing devil's advocate for one moment. A small modular reactor of the type that you are developing is 470 MW. You have been describing a fair amount of uncertainty, some quite significant regulatory challenges and getting the right signals from Government, all of which we have just been talking about with Bechtel and Westinghouse for gigawatt-scale nuclear. It feels like a lot of the same pain but for far less power output, when what we need is a lot of power output in the years ahead. How would you respond to that?

Alastair Evans: You have to do it all. There is nothing on the grid today that will be on the grid in 2050. Getting to net zero is not about hitting net zero; it is about staying at net zero. You are going to need to have an awful lot of infrastructure built. The really big difference with SMRs is that, once you have built your factories, it is exactly the same as Rolls-Royce's jet engines. You do not build one jet engine, focus on that single jet engine all the way through and then sell it. You have multiple jet engines coming through the process and that throughline, throughput engineering.

It is the same with SMRs. By the time we are into 2032, 2033 and 2034, you are producing components for two SMRs a year. With enough investment and enough signal, we will build factory space for four units a year. That is a throughput. You constantly have units being assembled at



site. You have a minimum of two a year, maybe three or four a year with enough signal and enough demand.

- Q192 **Wayne David:** Just for my benefit, help me with clarity. You have emphasised that you consider it necessary for the Government to make speed with regard to the Great British Nuclear body. You see that as the developer. If the Government do not take any action, have we any other option at all? You mentioned EDF. Is it viable to look at a different developer?

Alastair Evans: It is, yes. We are not sat, waiting for the Government to solve all of our problems. We are trying to make sure we have backup. There are entities like Solway Community Power Company, which was established in Cumbria. That is trying to act as the developer. We work with a company called ULC-Energy, which is a developer in the Netherlands. It brings capital, knowledge and nuclear experience. There are developers out there, but this is uncharted territory.

Nuclear is generally delivered by Governments. I give the example and it is an obvious one. Abu Dhabi went from no nuclear and no nuclear regulator to 5 GW of nuclear power on the bars in 12 years. That is when a Government determines to do something, to deliver on it, and it happens. If you can get the same approach in the UK, we have confidence we can deliver in the UK and export. What we have at the minute is this fog of uncertainty. We will try to solve the problem ourselves by creating developers, catalysing developers or working with developers, but, until we have that clarity on what the fastest and most efficient route to power is, that is the challenge.

- Q193 **Simon Baynes:** Thank you very much for your time this morning. How important is a programme of nuclear from the UK Government that outlines which technology is intended to be built and where?

Alastair Evans: It is a very good question. Anything that gives shareholders clarity is much needed. Mark and I need to be able to go to our board and make the case for investing in the UK, investing in factories and doing so with certainty and clarity. We are unashamedly calling to enter negotiations with the Government, because we need to be able to give clarity to our shareholders that the UK wants to do this. We are the UK's sovereign nuclear technology. We have £210 million of taxpayers' money being put into our business. That was more than matched by the private sector. We offer the opportunity for export potential and UK jobs. We are unashamedly UK-focused.

To come back to your direct question, to what extent do we need clarity on sites? That is exactly what we need, but we need to be told, "Rolls-Royce SMR, you are working on sites X and Y—other entity, A and B", because that means we can get into those processes about site-specific regulation. It means we can get into some of these site-specific environmental permits. Until we have clarity on the siting, we cannot initiate these studies; we cannot get things moving.



There are entities like Cwmni Eginio in Trawsfynydd, which has catalysed a developer. It is supported by Welsh Government. They can act to provide some of those services and do some of that work in getting environmental permits moving, preparing the site and getting things moving. There are entities out there looking to do that now. As I say, until you have clarity on where you are building, until I can point to a filed, take my shareholders round it and say, "We are building here and this is our timeline," it is very difficult because we do still have that uncertainty.

Q194 **Wayne David:** Just on that point, the lack of clarity, in practical terms, how much of an impediment is it to securing the necessary investment that you hope is out there?

Alastair Evans: We secured £210 million of taxpayers' money. That enabled us to find £280 million of equity from the private market. What are needed next are the plans around deployment. Until we have clarity in the UK on that deployment, so what the route is from development to deployment, we cannot go and raise that capital, because I cannot point to that field. There are still gaps in the jigsaw and that is the challenge.

The frustration is that, since we were given our £210 million of taxpayers' money, I cannot point to anything that has changed in that period that gives us clarity on siting, funding or developer. We have had positive signals on 24 GW. That is all very positive, but I cannot point you to anything tangible that you could take to a board or take to the finance community and raise capital against.

Q195 **Chair:** You mentioned Cwmni Eginio, which is the Welsh Government company in relation to Trawsfynydd. What am I missing here? That is a state-backed company; there is a site; you have had the UK Government money—£210 million. Why is that not marrying up and why is there not a plan for Trawsfynydd that is smooth and clear?

Alastair Evans: There is. That developer has gone out to the market and done a market testing exercise, which we have engaged with. They have gone out to the market to solicit interest in building at Trawsfynydd. They have their own independent process.

Q196 **Chair:** That is Welsh Government doing that through Cwmni Eginio.

Alastair Evans: That is correct.

Q197 **Chair:** Welsh Government are effectively the developer for the Trawsfynydd site.

Alastair Evans: Welsh Government are providing capital to the Trawsfynydd body, up to £30 million. They have a small team managed by Alan Raymant and he has called for vendors like us and others to come forward and make their case. They are taking in information. We explained our timelines, our costs, our route to market, how we would deploy at Trawsfynydd, units at Trawsfynydd. That process is under way.



Q198 **Simon Baynes:** Moving on to financing new nuclear, do you have a preference of using the regulated asset base model or the contracts for difference scheme to fund your projects? Can you explain your reasoning?

Alastair Evans: The CfD and the RAB both offer routes to deployment. The determination of which is a discussion to be had with the Government. There are merits and detriments of each. Do we have a view? With a project cost of about £2.5 billion for initial units, that does give flexibility. That means you could use a CfD or you could use the RAB. You could raise capital under a CfD because of the lower quantum involved compared to large. There are merits and detriments. Under a CfD you are borrowing capital for about 9.5%. On a RAB it is about 4.5%. If it is a direct Government procurement, it is 2.8%. Those capital costs all add to the cost for the consumer. That is the "for discussion" point with Government. It is how they want to structure the risk.

A lot of this comes down to the Government support package. You could end up baking in so much comfort from Government in a CfD that it is essentially the same as a RAB anyway. That is a long-winded way of saying we need to get in a room with Treasury, the complex transactions team at the Cabinet Office, BEIS and others to work through this question of how many units, where they are going and what funding solution works. We can work with any of them. We have spoken to a range of financiers in London and overseas, and shareholders, on what would work, and we can work with a range of outcomes. It just depends on where you put the risk. That will determine the solution and the funding mechanism you use.

Simon Baynes: Mr Salisbury, do you want to add anything to that?

Mark Salisbury: Not to the funding, but if I may, on the importance of that signal to market, that is also the key to the supply chain to start investing in factories, components and supply, but also the skills supply chain. We have some fabulous education providers, particularly in Wales. I am more familiar with the educational providers in north Wales. They are also looking for that signal so they can start to train people up to construct, to operate and to supply services to these plants. That really is key. That impacts a number of important aspects of a new build.

Q199 **Virginia Crosbie:** In terms of financing, you have been very successful in tapping the equity market. How much would that improve if we had a green taxonomy for nuclear here in the UK? Also, you mentioned export. I know you have been very supportive of Anglesey being a freeport. If that were the case, would that help you in developing your business plan for exporting?

Alastair Evans: Yes, the green taxonomy is incredibly important. It is a signal that the UK believes that nuclear is part of the green solution, as it should. It needs to mirror where the EU has gone on the green taxonomy. That green taxonomy point does make a difference. It is a



tangible, credible support for the nuclear industry. The Government's policy is to support the development of nuclear power, so it would therefore seem logical that in the green taxonomy, subject to debate, discussion and review, nuclear would fall within that mix. It would be a supportive, positive, contributing factor in us being able to raise capital at a later stage.

On the freeport point, yes, it is very important. We are very focused on co-location of things like hydrogen production, synthetic aviation fuel production or other synthetic fuels. Again, if you are based in, near or locating within a freeport and you are producing these goods, services, components or energy through green hydrogen, having a freeport makes total sense.

Q200 **Chair:** But your interest in Wylfa is not contingent on freeport.

Alastair Evans: It is not contingent, no.

Q201 **Beth Winter:** Thank you for your time this morning. I have been listening intensely to comments. There are clearly lots of obstacles and certainty challenges in terms of the future in regard to nuclear. You referenced Hitachi, after spending £2 billion, pulling the plug. At the same time, I see that yesterday the Climate Minister, Julie James, has made an announcement that Welsh Government is hoping to get 100% of our electricity generated from renewable energy. Has nuclear had its day?

Mark Salisbury: I can give you a short answer: in our view, no. We see that the consistently low-carbon grids, and the stable and low-cost grids, if I look at France and Sweden, have that mixture of renewables and of nuclear energy. They work well together. As Alastair has said, in order to get to 2050, we have to renew the capacity we have at the moment, and we have to build more. We are going to rely more in terms of decarbonising transport, industry and homes. The demand is going to grow as well. We have two technologies that work and are proven at low carbon. They need deploying in parallel.

Alastair Evans: Yes, you need to do it all, bluntly. Why try and fight climate change with one hand tied behind your back? You only need to look at Germany's figures at the minute on the use of brown coal—lignite—being burned, which is not consistent with anybody's climate aspirations. To close off the nuclear route would be wrong.

Q202 **Beth Winter:** You are not on board with what Julie is saying in terms of 100% renewables by 2035 or 2050. Let us look at 2035.

Alastair Evans: You need to have a mix of everything. There are much easier ways that Mark and I could make a living than doing what we do. We believe in nuclear power being part of the mix. We have to demonstrate our first units, deliver them on time, deliver them on budget and export them. That is on us and the business that we have built, or the business that has been built, to do. Nuclear does not have an automatic right to be a part of the mix. We have to demonstrate our



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ability to be affordable, to be on time, to be on budget, to have a role in the mix going forward.

Q203 **Beth Winter:** You mentioned earlier that lessons need to be learned from previous builds or attempts to build. What lessons have been learned, more specifically? There are obviously lots of risks, which you have been very honest in commenting upon. I have not heard what lessons have been learned to ensure a secure future for nuclear, from your comments.

Alastair Evans: We are proposing a route that learns lessons from those processes. That is about providing certainty and clarity as early as possible. Back to Mark's point on skills and supply chain, until there is a clear market signal that nuclear is happening in the UK, nobody is going to invest in skills and supply chain. Nor should they, because you do not have that clarity or that certainty that it is happening. We need to get that clear demand signal early, and it needs to be enabled by working with us, entering negotiations and making progress. That is the main lesson to learn.

You also have to look at the processes. With some of the processes to go from where we are today to first power, there is a lot of overlapping of work, whether it is in the regulatory process or the planning process. That will take time to unpick or to think through. There is nobody suggesting that you can start again with the planning process. It has to be surgical-like thinking about why it takes 15 months for a Secretary of State decision that could perhaps be taken in three to four. There are elements you could take out of time in the process.

Q204 **Beth Winter:** Regarding supply chains and skills, how confident are you that those are readily available to deliver? Will you be using British companies to manufacture the reactors?

Alastair Evans: Let me try to be quick. We talk about 80% UK content. That is based on our knowledge of the UK supply chain. Rolls-Royce has been building submarine reactors for 60 years. We know where to go and procure goods and services in the UK, because they do it for the submarine propulsion programme. Will we have capability problems? We should not do. Will we have capacity problems? Yes, so you will have to build up capacity. To again make the key point, until you get that clear market signal that Rolls-Royce SMR has that commitment to build, it is very difficult to make the case to the supply chain that they should invest themselves.

Mark Salisbury: It is the same on skills. If you look at our previous experience between us, when we go out for apprenticeships we get hundreds of applicants for a small number of vacancies. The skills are there; the providers are there. We have some fabulous educational institutions and some fabulous talent in Wales. Without that demand and without those projects, we are losing them elsewhere as they go and find a living, rather than keeping them at home in Wales.



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Q205 **Chair:** We are fast running out of time, so thank you again for giving us your insight and expertise this morning. Can I ask the same question to you that I asked the previous panel at the end of that session? What is the one thing you are looking for from Government right now? What is the one thing that they could do that helps advance the programme you have just been describing?

Alastair Evans: Let me be direct. We know it takes 12 to 18 months to secure a deal. To answer these questions we have been talking about, funding, siting and developer, we know that takes 12 to 18 months. If you get in a room and start talking about it now, in 12 to 18 months we might have a solution, a plan and clarity. If you do not get in a room and start talking about it, we will still be thinking about it and saying it is a good idea in 12 months' time. We need to get in a room and actually begin negotiating and talking through how we solve these problems together. We can come up with ideas ourselves and try to fix these problems, but if we are doing it in isolation, it is not helpful.

Q206 **Chair:** To be absolutely clear, despite the £210 million from Government, there is not that intensive discussion in a room going on right now.

Alastair Evans: Correct. We have our development capital. We have £210 million of taxpayers' money, but we are not talking about the plan for how we utilise that effectively and make sure we turn that into a plan for deployment.

Q207 **Chair:** I appreciate you might not want to be so frank in answering this. Is your assessment that it is a lack of political will? Is it a lack of bandwidth at the heart of Government to be able to cope with multiple big, chunky projects that require a lot of thinking through? Is it a question of financing and the Treasury just balking at being drawn into spending more taxpayers' money?

Alastair Evans: It is certainly not a lack of political will or political support. I can hopefully say that is cross-party, broad and clear. There is a political will and particularly on the export side. DIT and FCDO see the huge export potential. If we can secure one export for a pair of reactors, that will be the biggest export the UK will have ever secured that we will be delivering from a UK factory. There is no shortage of political will.

Your bandwidth point is probably right, and your funding point is probably right. There will be discussions about costs and elements of that will sit on the Government balance sheet, inevitably, in how you structure these things. They are difficult. They are complex. It does take up time, resources and effort. Bluntly, if you do not get in a room to start talking it through and working it through now, you time out.

Q208 **Wayne David:** The last point is that, presumably, if that is the case, the Government's aim of achieving 24 GW production by 2050 from nuclear is a pipedream.



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Alastair Evans: Whether it said 24 GW or 240 GW, it is meaningless without a plan to get there. I do not see a plan to get there yet.

Chair: Thank you very much. Some of us have a meeting to rush off to now, but thank you again for giving us your time. It has been an extremely useful and informative session.