

Why has Labour broken its promise not to build new nuclear power stations?

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Despite pledging against nuclear this government is pressing ahead with plans for nuclear expansion despite energy efficiency being seven times more cost effective.

These are the exact words with which the then Labour government Industry Secretary, Patricia Hewitt, introduced the 2003 energy White Paper in the House of Commons: "It would have been foolish to announce that we would embark on a new generation of nuclear power stations. Because that would have guaranteed that we would not make the necessary investments in both energy efficiency and renewables. That is why we are not going to build a new generation of nuclear power stations."

This was the energy White Paper, the first since 1967, which promised a "step change" in policies and programmes to deliver energy efficiency. It was the "cheapest, quickest, most publicly acceptable" way of delivering every energy policy objective - reducing imports, improving competitiveness, minimising ecological concerns, abolishing fuel poverty.

Since then British Energy, operator of most British nuclear power stations, has had to be bailed out with over £5bn of money from the public purse. Its total share value declined at one point to less than the transfer sum of Rio Ferdinand, the professional footballer. The cost of dealing with accumulated waste soared to over £65 billion. PDF version
Finland mired in nuclear problems

In Finland, the only European country to approve new construction for 15 years, the embryonic station at Olkiluoto is already mired in problems of delays and cost overruns, amidst charges of deliberate loss leader prices from suppliers desperate to kick-start an otherwise moribund industry.

Meanwhile, it was acknowledged that investment in energy efficiency measures is at least four, some studies conclude seven, times more cost-effective than investing in new nuclear power stations. Indeed every single serious policy examination - whether by academia, select committees, think tanks - has reached the same conclusion as the government did in 2003. That White Paper was preceded by Performance and Innovation Unit studies, by myriad background papers, and a whole host of other detailed research. No equivalent to which was undertaken before January's new energy policy was announced. Against this background, how is it that at the start of this year, Gordon Brown was able to obtain endorsement from everybody in his cabinet - including some notorious earlier nuclear phobes - to back an infinite number of new nuclear power stations being built? Why was there such a 180 degree change in the agreed answer to the same problem? What happened to change everything so dramatically? I think I know the answer. There always were certain key individuals who never lost faith in the "Big Is Beautiful" concept within energy policy making. Almost all of these were to be found in the constellations around the old Industry (DTI) Department, now renamed Business (BERR). The department retains the strongest links with those involved with power station construction. Whilst the 2003 policy paper was genuinely developed as a cross-departmental initiative, led by the Cabinet Office, its actual implementation relied in large part upon that single department. Where from Day One, the new balance of policies was greeted with scepticism, even outright hostility. Initially the main authors of the 2003 policy were in charge of delivery. But within months, they had been moved on, replaced by others more sympathetic to the conventional policy line. By the time of the May 2005 election, the head of energy policy at DTI had become sufficiently emboldened to greet her new secretary of state with an incoming briefing - much leaked - that effectively said: you must reverse the 2003 policy, and invest in nuclear. It contained scarcely a word about energy saving. Lip service to energy efficiency For the past two and a half years, every effort has been made by DTI/BERR to engineer the situation where they could return to running the old, familiar policies. That they pay no more than lip service to energy efficiency is evident in the new structure of the energy division, introduced following January's policy changes. There are to be some 24 separate units within BERR addressing different aspects of energy policy. How many are to be devoted to the demand side of the equation? The answer is: not a single one. Ostensibly this is because DEFRA, the environment ministry, has the "policy lead." But its interests in energy saving are by definition narrow. It has no remit for competitiveness, nor for energy security. Those topics are overseen by the department covering energy policy. Which has no policy responsibility for energy efficiency. That is why the concerns expressed so lucidly in 2003, about it being "foolish" to pursue the nuclear option *uber alles*, now ring so true. There is still no sign of that famous "step change in energy efficiency" promised at the time. At best, we are managing is a sort of soft shoe shuffle.