



Nuclear Industry Association

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### **Ofgem consultation: North West Coast Connections – Consultation on the projects Initial Needs Case and suitability for tendering: Nuclear Industry Association response**

1. The Nuclear Industry Association (NIA) welcomes this opportunity to respond to Ofgem's consultation.
2. NIA is the trade association and information and representative body for the civil nuclear industry in the UK. It represents around 260 companies operating in all aspects of the nuclear fuel cycle, including the current and prospective operators of the nuclear power stations, the international designers and vendors of nuclear power stations, and those engaged in decommissioning, waste management and nuclear liabilities management. Members also include nuclear equipment suppliers, engineering and construction firms, nuclear research organisations, and legal, financial and consultancy companies.
3. Nugeneration Ltd, as the new nuclear build developer concerned, will be making a detailed response to this consultation. As the trade association for the wider nuclear industry however we would like to make some generic points relating to the consultation's questions relating to the introduction of competition into onshore transmission development for the Network connection.
4. Whilst we clearly support the general principal that competition should be introduced where it is in the consumer and communities' interest to do so, we do not believe that that is the case here. We do not therefore agree with Ofgem's view that this project, or the other new nuclear build projects, meet the criteria for tendering. The following paragraphs represent NIA's views, as well as those of other new build developers including Horizon Nuclear Power in line with their submission to Ofgem's July 2016 consultation.
5. We accept that introducing competitively appointed transmission owners (CATOs) for large nuclear generation transmission connection projects might result in reduced transmission costs. However we believe any such savings would be outweighed by the significant commercial and technical risks that would be posed to a project. Investors would regard this as introducing major risk in terms of delayed completion of the necessary grid reinforcements.
6. A new nuclear station represents a very large capital investment and it is important that additional risk to the completion of works to connect and start full commercial operation as

planned are minimised. Similarly once a station has been commissioned it is vital a stations electrical grid connections are as reliable as possible, and again that any risks to this are avoided.

7. The nuclear power stations planned for the UK's new nuclear build programme will help the UK meet its energy security and climate change objectives, and will bring major economic and social benefits both in the local area and nationwide. In our view the overriding consumer interest is that the risks to these projects are minimised.

**NIA 24 February 2017**