



Electricity and RAB Strategy Team
Department for Business, Energy &
Industrial Strategy
3rd Floor Victoria 309
1 Victoria Street
London
SW1H 0ET

Your ref:
Our ref: EP/LC
Date: 10.10.2019
Please ask for: Lisa Chandler
Customer Services: 03330 162 000
Direct dial: 01394 444538
Email: lisa.chandler@eastsoffolk.gov.uk

RABconsultation@beis.gov.uk

Dear Sir/Madam,

Regulated Asset Base (RAB) Model for Nuclear consultation

East Suffolk Council welcomes the opportunity to provide a response to the Department of Business, Energy and Industrial Strategy's (BEIS) consultation on the Regulated Asset Base (RAB) Model for Nuclear. In addition, as a member of the New Nuclear Local Authority Group (NNLAG) we support and endorse their response to the consultation in addition to our own.

The importance of nuclear new build will be key to contributing towards the UK Government's Net Zero carbon emissions by 2050. It is therefore critical that an effective financial model is in place to enable new nuclear to continue to be part of the energy mix. It is hoped that this will start to bring certainty back into nuclear new build plans for the UK.

While we are not able to make detailed comments on each of the consultation questions, we would request that the following points are considered:

1. The consultation focusses on the construction phase; however, we believe that it is essential that the Nuclear RAB considers the expenditure incurred by the Promotor during the development phase, which is significant. Without the pre-construction securing of consents, establishment of key construction contracts, etc, it is unlikely that a development would progress to construction. Reasonable expenditure during the development phase should therefore be included under a nuclear RAB.
2. We support the proposal that the 'value for money assessment' should include taking account of 'wider benefits' specific to the project, as these will be of particular importance to the host area and its communities. It would be helpful to clarify the nature of these wider benefits and to ensure they are secure in the RAB model – these should include socio-economic benefits to the local economy and communities.

LEGAL ADDRESS East Suffolk House, Station Road, Melton, Woodbridge IP12 1RT

POSTAL ADDRESS Riverside, 4 Canning Road, Lowestoft NR33 0EQ

3. For the successful operation of a nuclear RAB model several regulatory functions will need to effectively interface. The consultation is not clear at what point the RAB licencing process would take place in relation to the granting of Development Consent Order (DCO) consent. A post-DCO consent licencing process could undermine or attempt to reopen a decision made by a Secretary of State on the advice of any Planning Inspectorate in the absence of safeguards. This is of concern to this Authority. The Role of the Regulator should be broadened to include the separate and distinct role of the Planning Inspectorate and Secretary of State in granting permission via a DCO along with its accompanying certified documentation and its' Section 106 Agreement – together these set out the measures that are necessary to make the development acceptable in planning terms.
4. Whilst we recognise that protecting consumer interests is a key principle within the model, it is essential that the UK Government recognises that whilst realising wide ranging benefits, host nuclear new build areas will bear the burden and disturbance of many years of construction of nuclear new build projects. The costs of Community Benefits should therefore also be considered in the model, since these are required (as for other energy generation projects such as solar and wind) to make the development acceptable to the affected host communities.
5. Whilst recognising the need for due process if the RAB model is agreed as the most appropriate financing method for new nuclear projects it is essential that the legislative process is progressed as a matter of priority in order to maintain the interest of potential nuclear new build promoters.

In summary, we support the principles of the RAB model which will potentially assist and facilitate attracting potential investors to develop nuclear new build in the UK. However, we want to be reassured that this will not result in revisions to provisions made during the DCO process for design quality, mitigation and compensation measures to the local authority in direct relation to the project. These will be set out in the DCO and its certified documentation and associated agreements such as section 106 legal agreements, and any other related consents.

We expect that the RAB model should note that the time for challenging the necessity and cost of mitigation for any Nationally Significant Infrastructure Project is during the Examination of a DCO by the Planning Inspectorate, and not post-consent.

Yours faithfully,



Lisa Chandler on behalf of Philip Ridley | Head of Planning and Coastal Management
East Suffolk Council