From Derek Murphy, Cabinet Member for Economic Development

To Cabinet – 29 June, 2023

Subject New Nuclear at Dungeness

Classification: Unrestricted

Summary:

This report updates Cabinet Members on progress and next steps in making the case for new nuclear power generation at Dungeness.

Recommendation:

To note the report, approve next steps in market testing with major developers and to consider campaign leadership issues and implications.

1. Introduction

This paper updates Cabinet Members on the opportunity to secure a nuclear future for Dungeness and seeks support for a coordinated campaign of action.

2. Background

Dungeness has a long and proud heritage of nuclear power generation and an impeccable track record. Dungeness A was connected to the National Grid in 1965 and Dungeness B was the first Advanced Gas-cooled Reactor to begin construction in the UK. In 2021, station owners EDF moved the Dungeness B nuclear power station into a defuelling phase signalling the end of nuclear power production on the site.

The Government's support of Small Modular Reactors now offers the potential for nuclear power generation in Dungeness to continue with the reduced space required for a new breed of Small Modular Reactors (SMRs) meaning that Dungeness can again be considered as a future nuclear site.

For example, a single Rolls-Royce SMR power station would occupy the footprint of two football pitches (a tenth the size of a conventional nuclear generation site) and power approximately 1m homes. Other Small Modular Reactors are significantly smaller. In addition, building nuclear power stations traditionally involved taking components to a huge building site and assembling the reactor there but new modular designs can largely be assembled in factories away from the final site.

As such, we believe Dungeness is a perfect location for one (or more) of the new breed of SMRs safely producing green, low carbon energy and retaining high-quality jobs and skills in the area while helping to power local growth.

3. Current situation

In April, KCC Leader Roger Gough met the Minister for Nuclear & Networks at Department for Energy Security & Net Zero with the then Leader of Folkestone & Hythe District Council and Damian Collins MP. This followed a joint statement outlining shared ambitions for the site in support of a Parliamentary debate earlier in the year and a request to meet. In a very encouraging meeting, the Minister confirmed his intention to visit the site.

Working closely with Folkestone & Hythe District Council, local KCC Members and Damian Collins MP, we have continued to assemble evidence to support the case for a Small Modular Reactor(s) to be located at Dungeness. In doing so, we have been liaising with Government Departments and agencies and commercial operators to understand the case that needs to be developed for new nuclear at Dungeness.

Key considerations include:

National policy: There is a firm commitment to nuclear through the Government's 2020 Energy White Paper and Net Zero Strategy with funding to support the development of Small Modular Reactors. Reflecting this, there is an intention to consult on a new siting criteria (National Policy Statement EN-7) later this year.

National policy is now focused on:

- The development of Great British Nuclear which will launch a competition to select the best Small Modular Reactor technologies;
- A National Policy Statement (NPS) covering siting and policy framework for nuclear electricity generating infrastructure beyond 2025; and
- A Nuclear Roadmap, responding to the Independent Review of Net Zero to produce a nuclear roadmap later in 2023.

Site: While at 17 acres Dungeness A is seen as a small site (eg Chapelcross is c100 acres) it has the major benefits of grid connections and cheap access to water, together with a skilled workforce and a supportive community. The wider site also presents further opportunity eg Dungeness B, Dungeness C land around the transformer station and Dungeness B car park (which could potentially host new nuclear technology prior to full decommissioning).

Decommissioning: Existing nuclear sites will move from EDF into the control of the Nuclear Decommissioning Authority when de-fuelling is complete. Dungeness B will probably be the last of these as de-fuelling is expected to take longer than others due to its complex nature. All systems at Dungeness B are still in place although generation has ceased. Decommissioning of Dungeness A is now under way. The decommissioning timeline is to some extent dependent on future site use ie if the NDA felt there was a credible nuclear future for the Dungeness site the decommissioning process could be prioritised and to some extent accelerated.

Environment: The Dungeness site is outside, but tightly enclosed on all sides by the Dungeness, Romney Marsh and Rye Bay Site of Special Scientific Interest (SSSI), a

national environmental designation. Areas closely surrounding the site and further inland are protected as a Special Area of Conservation (SAC) at national and European level. Areas of the shore close to the site are designated as a Special Protection Area (SPA) for their value for bird life. Areas close to the site, along the shore and further inland are protected under the Ramsar convention as wetlands of international importance. The area therefore enjoys strong environmental protection and the loss of shingle outside of the current footprint would be an issue, were the space requirements due to size or number to encroach into this.

However, Natural England indicate that no assumptions should be made and they remain open to working closely with us on specific proposals for the site. The Environment Agency has also significantly improved the flood defences for the site.

Kent County Council: We are currently in the process of reviewing our Minerals and Waste Local Plan (KMWLP) 2023-38 which contains policy CSW187 dealing with the Dungeness site.

Folkestone & Hythe District Council: The Core Strategy Review, adopted in 2022, considers the future of the Dungeness site in Policy SS1: District Spatial Strategy. The policy recognises that redevelopment plans for the site may come forward during the plan period (to 2037) and allows for the council to work in partnership with stakeholders to develop an Area Action Plan for the site to set out proposals for the site. This policy was developed as a result of representations from the Nuclear Decommissioning Agency and Magnox during the public examination of the plan.

While it is likely that any development at Dungeness would be considered as a Nationally Significant Infrastructure Project – reflecting its national importance - with both KCC and FHDC having planning responsibilities for the Dungeness site through the Local Plan and the Kent Minerals & Waste Plan, it is important that quasi-judicial roles are kept separate, and are seen to be so.

4. Next steps

There are a number of potential technologies and operators, but there are indications that several main developers are emerging as front-runners nationally based on records of safety and reliability and their advanced status in terms of regulation. We have had productive discussions around the opportunities that Dungeness presents with each of these operators.

While the Government process now looks to be working towards a listing of sites (as indicated above in discussions with the Minister), our approach remains as follows:

- Continue high level discussions around potential technologies that could be sited at Dungeness with technology vendors.
- Undertake soft market testing to develop a small number of high-level proposals for the site.
- Use these high-level proposals to test assumptions around environmental restrictions; phasing of new nuclear on site alongside decommissioning activity; community engagement and support; and economic impact and commercial viability.

This would be carried out working closely with EDF as the site owners/operators, recognising that 945 jobs are currently based at Dungeness.

To complement existing joint working it is recommended that a joint Members Group should also be considered to further strengthen political leadership and coordination, with the potential to invite specialist stakeholders into discussions to support and shape the campaign for the siting of SMRs at Dungeness.

Recommendations:

• To note the report, approve next steps in market testing with major developers and to consider campaign leadership issues and implications.

Contact details

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