

C/o Wood Farm, Westward Ho, Leiston IP16 4HT

17th January 2025

By email only to Gareth Davies, Comptroller and Auditor General: gareth.davies@nao.org.uk

Your ref: GF 1088 24

Dear Mr Davies,

## SIZEWELL C

Further to our letter of  $6^{th}$  January, you are no doubt aware of recent media reports that support our concerns relating to the construction cost of the Sizewell C project, creating more uncertainty about the future of the project. Numerous media articles¹ claim sources predicting a doubling of the original £20 billion estimate provided by the developer for the DCO application. Claims of 'commercial sensitivity' cited by Sizewell C Ltd and DESNZ to defend their refusal to be transparent about their latest cost estimate are completely unfounded – if £20 billion was not commercially sensitive, why is £40 billion?

Other media reports state that the French state auditors, Cour de Comptes have made a strong recommendation to EDF Board of Directors that the company "should slash its financial exposure to the Hinkley Point C project before making a final decision regarding its Sizewell C investment<sup>1</sup>", further underlining the fragile nature of the project's finances.

"British nuclear project Sizewell C could be in jeopardy after EDF was asked by the French state auditor to reconsider committing to the power station - and instead focus more on domestic nuclear projects." <sup>1</sup>

In previous correspondence, TASC drew your attention to one of the uncertainties regarding the project which is the methodology and costs of dealing with ground conditions. This issue is of particular concern as EDF had previously blamed some of the 'unforeseen costs' of building Hinkley Point C on unexpected groundworks<sup>2</sup>. Despite Sizewell C's construction work having started a year ago and flying in the face of claims of learnings from Hinkley Point C, a recent

<sup>&</sup>lt;sup>1</sup> The £40 billion cost of building Sizewell C was reported by various media outlets including this one from Euronews, <a href="https://www.euronews.com/business/2025/01/15/uks-sizewell-c-nuclear-plant-in-doubt-as-edf-told-to-focus-on-france">https://www.euronews.com/business/2025/01/15/uks-sizewell-c-nuclear-plant-in-doubt-as-edf-told-to-focus-on-france</a>

<sup>&</sup>lt;sup>2</sup> New Civil Engineer article 'EDF reveals 'challenging ground conditions' behind Hinkley Point C cost hike 'https://www.newcivilengineer.com/latest/edf-reveals-challenging-ground-conditions-behind-hinkley-point-c-cost-hike-30-09-

<sup>2019/#:~:</sup>text=At%20the%20time%20EDF%20blamed,being%20done%20to%20combat%20them.

article by 'Construction Management'<sup>3</sup> discloses that a different technique, 'ground freezing', for dealing with the difficult ground conditions, is now to be trialled. TASC understand that ground freezing is a technique employed when most other options have failed or have been eliminated due to risks. It is a seriously expensive method of ground stabilisation and requires vast quantities of energy particularly if used in areas with an already saline groundwater regime as freezing ground with saline groundwater is far more difficult to achieve.

As previously mentioned, TASC, as well as a huge number of East Suffolk residents, are alarmed by the scale and high level of environmental damage being inflicted by Sizewell C Ltd across large swathes of Suffolk countryside without any guarantee there will be a final investment decision and are shocked that our government is willing to sanction this devastation in the full knowledge that we are in a biodiversity crisis. It would seem from Sizewell C's promotional material<sup>4</sup> that they are oblivious of the carnage they are wreaking in East Suffolk, creating infrastructure that will be entirely redundant should Sizewell C not proceed. Given the strains on the public purse and the environment, this is grossly irresponsible. Should the NAO review the pre-FID outlay of public funds, we trust it will consider the environmental cost and the adverse impact on the mental health of impacted residents. TASC believes a review of the value for money and risk assessment of the Sizewell C pre-FID expenditure should also consider the opportunity cost of risking billions of pounds of public funds when that money could, for example, have been invested in a range of energy-saving projects to reduce demand (e.g insulating thousands of homes) rather than to bolster supply.

We trust that the above reinforces the justification for an NAO review of the value for money and risk assessments relating to the pre-FID use of public funds for Sizewell C's development costs, together with an examination of the nature of the expenditure that has already taken place (e.g. how much has been spent with overseas suppliers) and of the budgets covering the intended use of public funds to ensure that the risk of loss to the public purse is minimised, should the project not achieve FID, as is entirely possible given the lack of investors and doubts over EDF's commitment to the project.

Chris Wilson on behalf of TASC

<sup>&</sup>lt;sup>3</sup> Construction Management article 'Strabag trials artificial ground freezing at Sizewell C', 14<sup>th</sup> January 2025, <a href="https://constructionmanagement.co.uk/strabag-trials-artificial-ground-freezing-at-sizewell-c/?utm-medium=email">https://constructionmanagement.co.uk/strabag-trials-artificial-ground-freezing-at-sizewell-c/?utm-medium=email</a>

<sup>&</sup>lt;sup>4</sup> Sizewell C Ltd tweet 31<sup>st</sup> December 2024 <a href="https://x.com/sizewellc/status/1874037832072765801">https://x.com/sizewellc/status/1874037832072765801</a>