Nuclear Industry Association

5th Floor, Tower House,
10 Southampton Street,
London WC2E 7HA

TEL +44(0)20 7766 6640
EMAIL info@niauk.org
VISIT www.niauk.org
FOLLOW @NIAUK

NIA response to the Treasury Committee inquiry on Decarbonisation and Green Finance

1. The Nuclear Industry Association (NIA) welcomes the chance to respond to the Treasury Committee inquiry on Decarbonisation and Green Finance.

2. The NIA is the trade association and representative body for the civil nuclear industry in the UK. We represent around 250 companies operating across all aspects of the nuclear fuel cycle. This includes the current and prospective operators of nuclear power stations, the international designers and vendors of nuclear power stations, and those engaged in decommissioning, waste management and nuclear liabilities management.

3. In our recent report, Forty by '50: The Nuclear Roadmap, the NIA outlines the potential contributions of the UK nuclear industry to reaching Net Zero and details six short-term recommendations for industry and Government to meet in order to reach these ambitions. The three most relevant recommendations are the following:
   - The Government should articulate a clear, long-term commitment to new nuclear power. There are opportunities to do this in the upcoming Energy White Paper and in the National Infrastructure Strategy.
   - Progress must also be made on an appropriate funding model for nuclear new build to stimulate investment in new capacity and reduce the cost of capital.
   - Publish a National Policy Statement on small reactors, the development of which could stimulate local economies and bring jobs and investments to areas of the UK disproportionally affected by Covid-19.

4. A number of our members were consulted in the development of this response and may choose to make their own detailed submissions. The focus of this submission is therefore on high-level, industry-wide matters.

Summary

5. Nuclear represents a multi-billion-pound economic stimulus opportunity as the country looks to rebound from the impact of COVID-19 and continue to decarbonise the economy. As well as the short-term benefits from political and financial support of new nuclear projects across the UK – many in regions that lack inward investment otherwise – the NIA have conservatively estimated that by 2050, the UK nuclear industry could:
    - Deliver up to 40% of the low carbon power in a net zero economy.
    - Be worth, by 2050, in excess of £33bn in GVA to the economy per year.
    - Provide well over 300,000 job opportunities.

6. Finding a financing model for new nuclear is key to unlocking these benefits and saving significant carbon emissions each year. A new model should ensure investor confidence, reduce the cost of capital, and be of value to the costumer.

7. The industry aims to reduce the cost of capital of new nuclear projects by 30% as part of the Nuclear Sector Deal through rigorous pre-construction planning, simple designs and construction methodology, repeating designs across multiple stations, and transferring a skilled and experienced workforce to new projects.

8. Government policy to date has been to finance power and utilities through private capital funded by the consumer. Therefore, the role of the private sector in financing Net Zero is critical.

9. There is appetite from the finance community to invest in green infrastructure and there is nascent support for financing nuclear as part of reaching Net Zero and decarbonising the power sector. However, clarity is needed by the Government and HMT in several areas to instil investor confidence.

Nuclear and Net Zero

10. To meet the challenge of climate change, the UK needs bold and urgent action through the deployment of clean energy across the country. Particularly during this difficult period, we must also protect and enhance our quality of life by ensuring there is affordable power for homes, businesses, schools and hospitals, as well as providing jobs and career opportunities in the green economy.

11. In the Committee on Climate Change (CCC)'s Net Zero report, the UK's electricity use is predicted to double between 2017 and 2050 (excluding hydrogen), which means that we need to build 9-12 GW of generation capacity every year until 2050. The CCC also says that 38% of our electricity should come from 'firm' power – nuclear is the only current commercially viable technology in this category. As nuclear currently generates around a fifth of the UK's electricity, this means a quadrupling of our nuclear power output; undoubtedly, this is no small feat.

12. Today in the UK, the nuclear industry provides nearly half of our clean electricity, powers one in five homes across the UK, prevents 20m tonnes of CO_2 emissions annually – equivalent to taking a third of all cars off UK roads – and employs 65,000 people directly, while supporting a further

95,000 indirect jobs across the UK in nuclear fuel manufacturing, operation, new build, construction, decommissioning, and other associated activities.

13. Taking into account the entire end-to-end process from mining to decommissioning, it has the same carbon footprint as offshore wind, and a third that of solar power. It is non-weather dependent and its technical characteristics, unique amongst low carbon technologies, contribute to the stability of our national electricity grid.

14. The CCC states that "power sector decarbonisation does not rely on variable renewables alone, but a portfolio of technologies including nuclear power". Nuclear is the only proven source of low carbon generation and its role in the energy mix has been supported by multiple reputable institutions, including the OECD, IEA (2019), EIB (2019), IPCC (2018), MIT (2018) and the Energy Systems Catapult (2020).

The economic opportunity

What economic costs and benefits does decarbonisation present for the UK?

15. If the UK is to meet net zero, then nuclear power is ready and able to play its part in enabling decarbonisation – both as an emissions free way of generating constant power, and as a primary fuel, as low carbon electricity becomes an increasingly important player in decarbonising the UK's power sector and others.

16. Nuclear represents a multi-billion-pound economic stimulus opportunity as the country looks to rebound from the impact of COVID-19 and establish strong and enduring global trading relationships. By acting now, we can secure major domestic investment, maximise export potential and lock in a pipeline of engineering innovation which will deliver high quality, inspiring jobs for future generations, in every nation and region of the UK.

17. The industry currently provides around 65,000 direct jobs, extending to 160,000 when further job creation in the wider supply chain is included. Annually, the sector contributes £6.2bn in Gross Value Added (GVA) to the national economy, with £4bn in the Northern Powerhouse area alone.

18. A programme of nuclear new build, from large to small-scale, would bring major strategic benefits to the UK, including economic levelling up across the UK and its regions, as well as providing global industry leadership opportunities. Based on comprehensive modelling commissioned by the NIA, we conservatively estimate the domestic value of a thriving nuclear sector to:
    - Deliver up to 40% of the low carbon power in a net zero economy.
    - Be worth, by 2050, in excess of £33bn in GVA to the economy per year.
    - Provide well over 300,000 job opportunities.

19. Large GW scale projects bring major investment, each with over 20,000 roles in construction, including around 700 apprentices per project, and over 800 long-term jobs during operation

20. New nuclear projects also have beneficial supply chain impacts on major strategic industries. An example is UK steel, with 200,000 tonnes of Welsh steel being used on the Hinkley Point C project alone. There are several large-scale nuclear sites in the UK that are under development, some of which are shovel ready. With political and financial support these projects will help bring prosperity to the regions in which they sit. They are:
    - **Hinkley Point C (HPC), Somerset** – Hinkley is the only new nuclear plant currently under construction in the UK. To date, £1.67bn has been spent in the South West, 10,300 jobs have been created, including 644 apprentices, and there has been £199m directly invested into the community.
    - **Sizewell C (SZC), Suffolk** – The project offers 25,000 employment opportunities and 1,000 apprenticeships during construction. Up to 70% of the construction value will be spent with UK companies, with an estimated total of £1.5bn spent over the construction period in the local supply chain alone.
    - **Wylfa Newydd, Anglesey** – Work on Wylfa was paused in January 2019. Starting construction on the site will trigger £5.3bn in supply chain opportunities; £875m of which will be seen in first two years alone. Work will also create up to 9,000 jobs including over 700 apprentices and contribute £100m of GVA a year locally for 60+ years.
    - **Bradwell B, Essex** – This station will generate enough electricity to power 4m homes. It offers long-term employment opportunities and 10,000s of jobs during construction, 3,000 of which will go to the local population. The local and regional economies will benefit from billions of pounds of investment, including support for schools and colleges in the development of STEM skills.

21. The UK already plays a major role in the international decommissioning market, and this will only increase as other countries' plants also retire, putting us at an advantage of capitalising on an emerging global market worth hundreds of billions of pounds. Technologies and expertise developed in the UK have been successfully deployed in highly hazardous and complex sites around the world, saving those nations years of R&D, significantly reducing any further risks, and generating international investment for the UK.

22. Our growing expertise in the next generation of nuclear technologies includes Small Modular Reactors (SMRs) and Advanced Modular Reactors (AMRs). There are several UK companies and consortia which are well-placed to develop SMRs and AMRs. These include Rolls-Royce, Moltex Energy, U-Battery and Westinghouse. Internationally, the USA, Canada and China are actively pursuing development pipelines, including designs by NuScalePower, GE Hitachi and the China National Nuclear Corporation. There is strong interest from international players in the UK market, including opportunities to localise content.
    - The **UK SMR consortium** led by Rolls-Royce estimates that exporting SMR technology could be worth £250bn if its programme is successful. The consortium predict construction on the reactors could start as early as next year, with expected deployment by 2025, creating 1,000s of jobs.

23. Nuclear powers potential extends beyond traditional electricity generation. There will be an increased role for hydrogen in our future energy mix for heating homes where direct electrification is not possible, and to replace petroleum products in long-distance transport.

24. The Government's Hydrogen Taskforce predicted that the UK hydrogen industry to be worth £18bn and create over 75,000 across the transport and power sectors by 2035.

25. The NIA believes that the potential of hydrogen in a future clean energy mix can only be fulfilled through the publication of a comprehensive framework and strategy that considers all existing technologies, like nuclear, as well as future technologies such as CCS, to support the rapid development of the hydrogen sector. Without action now, the hydrogen sector will not be in place soon enough to fully realise the UK's current expectations of hydrogen by 2050.

26. Nuclear can help the UK hydrogen sector achieve its full potential.

27. Either through electrolysis, or from the use of primary heat from nuclear power stations, nuclear offers an efficient, carbon-free alternative to producing hydrogen, and is an option that doesn't rely on unproven technologies. Nuclear, alongside renewables, is the only currently available at-scale option for clean hydrogen production.

28. A recent report by the Nuclear Innovation and Research Advisory Board (NIRAB) states that clean hydrogen from nuclear energy could be produced for \$2.5/kg-H_2, compared to the cost of production from natural gas with CCS which is in the region of \$2.3/kg-H_2 where electrolysis is not available. This shows that hydrogen production from nuclear is not only highly cost-competitive but also a reliable commercially viable technology that should be considered given the status of CCS technology at this given time. There is also further evidence that suggests producing hydrogen from nuclear is of similar cost to technologies with carbon emissions equivalent to renewables.

29. One of the obvious advantages of the integration of the nuclear and hydrogen sectors is the use of existing infrastructure. The use of nuclear sites across the UK – either existing, under construction or proposed – would provide a significant boost to the levelling-up of the hydrogen sector, particularly in the Industrial Clusters identified by the Government, and provide these areas with local high-skilled jobs from the deployment of modular reactors.

30. Hydrogen is just one example of how the nuclear industry can help decarbonisation and bring an economic stimulus to the UK. In aerospace, shipping, heavy freight and some agricultural uses – where pure hydrogen and batteries are unlikely to support decarbonisation – there is the potential to develop synthetic and lower carbon fuels, avoiding the need for major vehicle adaptation, through nuclear power.

31. These opportunities should be investigated by the Government and Treasury Committee as we continue to decarbonise and recover from Covid-19.

How might HMT deliver a regionally balanced and 'just' transition across the UK?

32. Nuclear's history is deep-rooted in local communities, often those far removed the infrastructure benefits of city life, such as Copeland, Hartlepool, Anglesey, and Bridgwater. The sector has showcased how to successfully engage with and support local economies, through the creation of jobs, supply chains and educational resources.

33. As with any economic recession, these areas will likely be disproportionately affected by Covid-19. There are many of brownfield sites across the UK that could be appropriate for both large and small nuclear reactors to bring prosperity to those areas. This would add not only sources of

low carbon electricity, but also clean heat and production of hydrogen in industrial clusters that will help safeguard strategic industries, such as steel production, as they decarbonise.

34. With potentially thousands of highly-skilled jobs – many of which are signposted for the local population – nuclear sites can offer both short and long-term prosperity to these regions. Jobs at risk in manufacturing or in fossil fuels could be easily transferrable into the nuclear industry, either in the construction of new sites or in STEM roles. Recruitment remains a key priority for the sector, as detailed in the Nuclear Sector Deal published in 2018.

35. It is a misconception that to get a job in the nuclear industry, you have to have a nuclear physics degree. The nuclear sector offers a range of technical apprenticeships as well as graduate positions which can build the skills base ready for new build projects and ongoing decommissioning work.

36. The nuclear industry has already been focusing on reskilling and transferability as a result of the Net Zero target and as the UK moves away from its dependence on fossil fuels. It is therefore well prepared to accept skilled workers that may have lost their livelihoods because of Covid-19. However, a growth in jobs is reliant on political support for nuclear and its significant contributions to Net Zero.

37. As has historically been the case, a future investment programme in the nuclear industry will drive regional economic growth, innovation, and centres of excellence beyond metropolitan areas. The North West Nuclear Arc spanning from Anglesey in North Wales, across to Manchester and beyond to West Cumbria is well placed to benefit, along with the East and South West of England.

38. Some examples are:

<table>
<tr>
<td>Hinkley Point C, Suffolk

HPC has created 10,300 job opportunities to date and it is on track to deliver a peak of 25,000 jobs during its construction phase of the project

40% of the workforce has been recruited from the local area, surpassing its target of 34% during construction

£1.67bn has been spent with companies in the South West to date, again surpassing its target of £1.5bn during construction

The nuclear industry has also benefitted nationally, with 64% of the value of HPC contracts going to UK-based companies

£119m has been spent on the local community, supporting areas such as economic development, tourism, health, leisure and infrastructure

HPC is part of a consortium that opened a British welding centre at the local Bridgwater College, which aims to train up to 500 welders a year</td>
<td>Sellafield, Cumbria

Of the £2.1m GVA contribution made by Sellafield, some 70% was generated in Cumbria and Warrington

Most is concentrated in Copeland, where it sustains nearly 60% of Copeland’s GVA

Sellafield sustains over 40,000 jobs, most of which are based in Cumbria and Warrington

Almost 60% of the workforce at Sellafield are local, and the average salary is nearly £10,000 above the national average

Copeland’s productivity is almost 35% above the regional average and GVA per job levels are 40% higher than the UK average and over 10% higher than UK manufacturing

Social impact is at the heart of Sellafield’s corporate strategy, including working with local schools to develop STEM skills</td>
</tr>
<tr>
<td colspan="2">Wylfa Newydd, Anglesey and North Wales

Construction of this project will grant £5.3bn in supply chain opportunities

£875m of this will be seen in first two years alone, and companies across Anglesey and North Wales will have access to a programme worth more than £300m

More packages of work, including earthworks and infrastructure construction, will be worth £575m

Horizon – the developers – will look first to UK suppliers to provide nearly 1m cubic metres of concrete, over 76,000 tonnes of structural steel and over 6.5m metres of cables and wires, amongst other essential materials and equipment

Work will also create up to 9,000 jobs, including over 700 apprentices

The project will contribute £100m of GVA a year locally for 60+ years</td>
</tr>
</table>

HMT's strategy

How should HMT's approach evolve to ensure the Government meets the legally binding Net Zero target?

39. The NIA welcomes commitment to producing a Net Zero Review by HMT and we look forward to its publication in Autumn 2020 as a guide to the Government's commitment to its 2050 target and decarbonisation, as well as a confirmation of its approach to how the nuclear industry will support decarbonisation over the coming years that will complement the upcoming Energy White Paper and National Infrastructure Strategy.

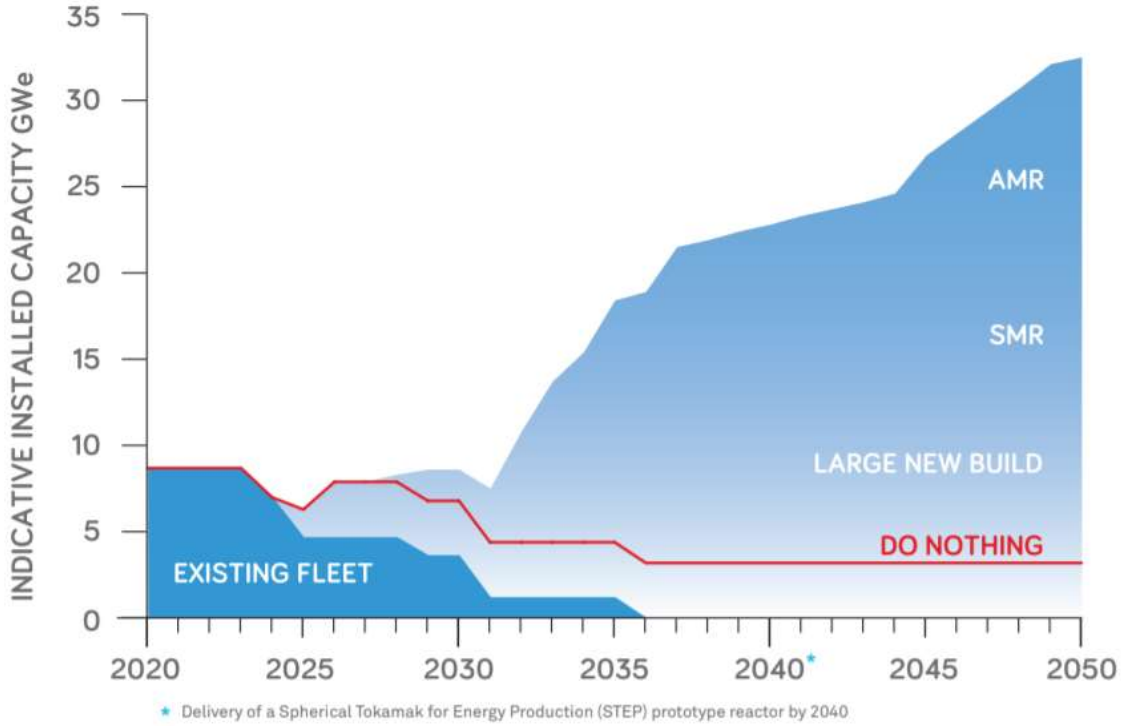
40. We also welcome the Prime Minister's confirmation of the importance of a whole systems approach to deliver Net Zero, as highlighted in his recent correspondence to the Council for Science and Technology. Nuclear is just one of the essential technologies needed in a future diverse clean energy mix.

41. Both existing power sources and innovative technologies should be considered by HMT when developing its approach to Net Zero. Not only does large-scale nuclear act as a dependable and robust electricity source to complement variable renewables but it supports a large proportion of the UK nuclear supply chain.

42. Without action and support for large-scale nuclear today, the supply chain may not have the investment or skills to survive until the development and deployment of some of the nuclear technologies that the Government has already chosen to invest in. This includes the £460m to nuclear advanced technologies as promised by Prime Minister last year.

43. The following figure from our Forty by '50 report is indicative of our proposed pathway for the nuclear industry to 33GW of nuclear capacity by 2050.

Figure 1 Potential nuclear capacity by 2050



44. One of the key actions from the Clean Energy Strategy – led by the Department for Business, Energy & Industrial Strategy (BEIS) but supported by HMT – published in 2018 was to "deliver new nuclear power through Hinkley Point C and progress discussions with developers to secure a competitive price for future projects in the pipeline", as it is apparent that the Contract for Different (CfD) scheme used to finance HPC was incompatible.

45. The NIA as well as many of our members across the UK nuclear industry responded in late-2019 to the Government's consultation on a Regulated Asset Base (RAB) model for new nuclear as a potential new financing model, but BEIS has not yet published a response.

46. By 2030, all but one of the UK's nuclear power plants will have retired and the current CfD model has only delivered one new nuclear project, HPC. Thirteen coal and oil, and 32 gas powered stations will also close by 2035. To reach Net Zero, we need to replace this significant capacity gap with clean sources of electricity and developing a new, robust financing model for nuclear is the key to unlocking investment across the country and up to 33GW of new capacity by 2050, as outlined in our Forty by '50 report.

47. As we have seen over the past few years, the CfD model has major limitations as a financing method for new nuclear projects, as evidenced by Horizon Nuclear Power suspending its nuclear development programme after years of significant investment and progress in its new nuclear projects at Wylfa and Oldbury.

48. To enable the investment required for large-scale electricity infrastructure, there is an urgent need for the introduction of a new, robust financing mechanism which ensures investor confidence, reduces the cost of capital, and provides very significant value to the consumer.

49. In a Cost Reduction Report as part of the Nuclear Sector Deal – to be published in the coming weeks – the industry has identified rigorous pre-construction planning, simple designs and construction methodology, repeating designs across multiple stations, and building up and transferring a skilled and experienced workforce to new projects as the key factors in reducing new build costs by 30%. Early evidence from HPC, and evidence from international experience, shows that building a series of reactors substantially reduces costs.

50. To embed this framework, the industry is developing a comprehensive Risk Assessment Tool which will give developers, investors and Government a clear view of the project risk profile, prior to a Final Investment Decision being made.

51. The report further identifies the need for a competitive financing model backed by Government to bring down the cost of capital for new plants. Financing costs for HPC for instance, accounts for two-thirds of the strike price agreed. The actual cost of operating the plant, by contrast, accounts for less than one-quarter.

52. By both minimising construction risks through replication, and applying a new financing framework, the overall costs of new nuclear can be significantly reduced. The cost of capital currently represents up to two-thirds of a nuclear project, a price which is ultimately borne by customers through their electricity bills.

53. A £1bn reduction in the construction cost (c5-7%) would take around £2-3/MWh off the cost to the customer. Whereas just a 1% reduction in the cost of capital would reduce this by £8-9/MWh. Addressing the costs of both construction and financing would make c£60/MWh achievable for the next wave of plants, reducing to c£40/MWh for further units.

54. An example of how much cost can be saved is at Wylfa Newydd. Based on its tried and tested nature – four have been built on time and on budget in Japan already – modular design, innovative construction techniques, and a world-leading delivery team, the UK ABWRs planned for deployment by Horizon at Wylfa Newydd are expected to be at least as competitive as other same-scale projects built in the UK after HPC.

55. Delivery of further units would lead to additional cost reduction, as well as an increase in the opportunities for the UK supply chain – which is expected to benefit from up to 60% of the first project's value – as further scope is localised here.

56. The timing of the implementation of such a financing model is critical in ensuring the stability of the UK nuclear supply chain and workforce, and in delivering value for money to the national economy. The business case for the SZC project, for example, is dependent on the transfer of operations in a timely fashion from HPC. The Horizon site Wylfa Newydd, which was suspended in January 2019, also depends on a more favourable financial model than the CfD arrangements if it is to restart, for which it has retained capacity.

57. It is therefore vital that HMT continue to work closely with BEIS and the nuclear industry to decide on a new financing model for new nuclear.

What role should the 2020 Comprehensive Spending Review play in UK decarbonisation? What projects or measures should receive additional funds through this process?

58. The 2020 Comprehensive Spending Review is a chance for the Treasury to reaffirm the Government's commitment to hitting Net Zero by 2050 and decarbonising the energy sector, as well as to underpin the commitments made in the upcoming Energy White Paper and National Infrastructure Strategy

59. Aside from support for large-scale nuclear infrastructure and projects, the Review should also outline how it plans to support the development of SMRs, which could be deployed in the 2020s.

60. Action is needed now for the UK of become a world-leader in this game-changing and innovative technology, as it is now an international race for deployment of a range of small reactor designs, which includes players from the US, Canada and China. In order to maximise on the potential of small reactors, the NIA recommends that the Government takes the following short-term actions:
    - Government should publish a National Policy Statement on small reactors
    - Government should work with stakeholders to help de-risk the small nuclear market, as recommended by the Expert Finance Working Group on Small Nuclear Reactors

61. The Review should also recognise the importance of decommissioning in the UK nuclear supply chain by maintaining the budget of the Nuclear Decommissioning Authority (NDA), which employs 15,000 people across its estate of 17 nuclear sites situated across the UK. The Nuclear Decommissioning Authority and its subsidiaries have set a standard of excellence in decommissioning technologies and management that is in demand across the world.

62. With all but one of EDF's AGR fleet set to come offline by 2030, there is a long-term future for the decommissioning arm of the nuclear sector that will easily extend to the next century if we consider HPC and the other potential sites on the horizon given the reactors long life.

Green finance

What role do UK financial services firms currently play in the decarbonisation of the economy (for example, through stewardship, capital allocation to green projects, green financial products)?

63. The decarbonisation of the economy and the objective of achieving Net Zero is going to take a substantial level of investment. The Government policy to date has been to finance power and utilities through private capital funded by the consumer. Therefore, the role of the private sector in financing Net Zero is critical.

64. Most financial service firms have increased their support and appetite for green projects and there is a large amount of capital available across the relevant sectors subject to the underlying risk profile of these investments. The support of large UK financial institutions is critical to garnering financial support to UK investment as international investors commonly wish to see strong support from domestic institutions, especially in relation to projects of national significance.

65. The level of support for financing infrastructure from UK commercial banks is typically mixed although the UK attracts a large amount of capital from international sources. However, the UK does have access to large investment capacity from pensions and insurers who are seeking long term infrastructure assets along with a strong demand for assets that meet their Environment, Social and Governance (ESG) criteria.

66. Nuclear power generation to date has not been an infrastructure asset class that has generally attracted large amounts of capital from private investors in the capital markets, although there are a few examples around the world, such as Abu Dhabi, albeit with significant state support. Therefore, many financial institutions do not have an existing internal policy towards nuclear. Developing the ESG case for nuclear is critical to raise the capital required and Government should assist financial institutions to enable a consistent analysis to be formed.

67. The proposal of the possible use of the RAB model in the UK is a positive step in order to provide an investable proposition to financial institutions. The financing is likely to require access to a very wide range of debt and equity investors from both the domestic and international markets. It is important the market shares a positive view of the asset class from a reputational and ESG perspective in order to provide the capacity and ensure that an efficient cost of capital is achieved.

What more can they do? What steps have UK banks, asset managers, and pension funds taken to 'green' their business models, investments strategies and balance sheets, taking into account climate and transition risks?

68. Asset managers and pension funds have tended to lead the way with their ESG requirements for all investments and many now have their own climate targets. UK banks have also set out large amounts of capital focused on green investments, although in some cases this tends to be alongside other investments into 'non-green' assets.

69. From a nuclear perspective, the opportunity offered by nuclear is not yet clear but there is a strong level of growing support once Government policy in relation to nuclear investment required as part of Net Zero is made clear along with the proposed financing route.

Are there any barriers (regulatory or otherwise) preventing financial services firms from delivering green finance or investing in 'green' assets? What prudential risks does climate change pose?

70. Whilst there is general strong support for green asset investment from financial services, as noted above, the ESG and reputational position on nuclear is not clear. Hence, it is important that in order to progress with a privately financed model UK financial institutions are actively engaged by Government and developers to assist to make a clear ESG assessment for nuclear.

What is the Financial Conduct Authority and the Prudential Regulation Authority doing to support decarbonisation and a 'greening' of the financial system?

71. We believe this is being looked at further but institutional investors have commented that the current capital regulatory frameworks do not adequately support positive climate investments

and to date the individual institutional ESG policies have tended to influence the investments those institutions make.

72. We also note the positive development of the Taskforce for Climate related Financial Disclosures (TCFD), although this is being heavily focused on the public capital markets at this time but will create potentially greater impact as this has a stronger impact in the private markets.

What expectations do (and should) they place on regulated firms about their role in the transition through their policy and supervisory activities?

73. Whilst the expectations of the regulator are clear as noted above, there is an argument that the financial regulatory system does not as yet sufficiently support green investment or conversely penalise investments that have a negative impact to climate.

What is the consumer demand for 'green' financial products?
Are there a range of accessible options available to consumers seeking to source 'green' financial products across the product suite (for example, mortgages, bonds, investment products, savings accounts, loans)?

74. The context of nuclear means that very large levels of capital is required to invest in these assets. Therefore, direct consumer products are not likely to feature highly. However, the wider source of UK pension fund money is a key potential source of capital for nuclear and the increasing transparency of individual's pension funds is key to starting to attract greater attention at the level of the policyholder.

75. We believe there needs to be a stronger narrative around the positive impact that UK pension fund money can make in terms of Net Zero and the associated benefit for future generations.

Do certain instruments dominate the green finance landscape, and if so, why? Do accompanying documents for 'green' instruments (bonds, funds, etc) articulate why and how the composite holdings within that instrument are 'green'? Are obligations placed upon listed companies, to report their carbon emissions, to inform fund composition?

76. In terms of nuclear investment, the main financial instruments are likely to be at a corporate equity level in terms of developers (i.e. listed equity and debt in entities such as EDF), private infrastructure fund capital for the majority of equity investment into nuclear assets which is sourced typically from UK and international pension funds, project finance debt from the market, possibly export credit financing support from host countries, and institutional debt from the private and public markets.

77. These all exist today but will need to be aligned and support the ESG case for nuclear in order to finance the sector in the future.