

Fund to secure our energy supply and boost cutting-edge nuclear projects opens for business

- £120 million Future Nuclear Enabling Fund opens to support development of new nuclear energy projects, stimulate competition in the industry and unlocking investment across the UK
- businesses can register their interest for funding, with grant awards expected to start later this year
- Simon Bowen appointed as Industry Adviser to lead the set-up of the new Great British Nuclear body, charged with helping nuclear projects through the development process

A £120 million government fund designed to unlock and accelerate new nuclear technologies while encouraging new players into the market opens today (13 May).

The Future Nuclear Enabling Fund will help to realise the government's ambition to approve 8 new reactors by 2030, as committed to in the British Energy Security Strategy in April.

It will provide targeted, competitively-allocated government grants which will help nuclear construction projects, including small modular reactors, to attract the private investment they need to help make them a reality.

Nuclear power is a key part of the UK's energy mix, helping to reduce dependence on global gas markets, boosting UK energy independence, protecting consumers from high energy bills and stimulating investment in nuclear as a clean energy technology of the future.

Launching the Fund from Wylfa nuclear power station in Anglesey, Business and Energy Secretary Kwasi Kwarteng said:

Our new £120 million fund will push forward our plan to deploy a new fleet of nuclear power stations as part of a British nuclear renaissance.

By encouraging new companies to come forward and build in Britain, we can spur greater competition in the market to cut development costs so consumers benefit in the long-term.

Nuclear is central to our long-term plan bolster the UK's energy security with cheaper, cleaner, home-grown power, while creating thousands of high-skilled jobs across our country.

Energy Minister Greg Hands said:

This government is backing nuclear power as a critical part of our British Energy Security Strategy.

This Fund will accelerate the development of new nuclear – from SMRs to larger-projects – and bring fresh innovation into the market.

The Future Nuclear Enabling Fund is expected to support industry investment in nuclear, offer opportunities to projects in every region of the UK and create high-skilled jobs, as well as boosting the resilience and capability of UK nuclear supply chains.

The government is today asking interested parties to register their interest in bidding for funding and inviting further information on potential future projects. It is also inviting nuclear stakeholders who are not planning on bidding for the Fund to provide information from their experience that will help to mature fund design ahead of opening the bid window in summer 2022.

All awards from the Future Nuclear Enabling Fund will be subject to robust eligibility and evaluation criteria and value for money assessments.

The government has also today appointed Simon Bowen as the Industry Adviser to the Department for Business, Energy and Industrial Strategy (BEIS) tasked with leading and helping to drive forward government proposals for a new Great British Nuclear vehicle.

This new body, announced last month in the British Energy Security Strategy, will be charged with helping nuclear projects through the development process and realising the government's ambition of generating up to 24GW of nuclear-sourced energy by 2050.

Simon will bring substantial knowledge of both nuclear energy and the wider energy supply market as the government develops plans for Great British Nuclear. Simon will report jointly to the BEIS Secretary of State and the Prime Minister and will develop the plan for the set-up of GBN.

Through the Great British Nuclear body, the government expects to initiate the selection process in 2023 for further UK projects, with the intention that government will enter negotiations with the most credible projects to enable a potential government award of support as soon as possible, including but not limited to the Wylfa site.

Notes to editors

- Interested businesses are invited to express interest and contribute to the RFI
- please be aware that a FNEF award will not be a pre-requisite for future participation in the UK market
- the primary aim of the Future Nuclear Enabling Fund is to provide targeted support to address barriers to entry to the UK market by providing competitively-allocated grant funding to nuclear projects with

credible proposals. In this way, the FNEF will accelerate the commercialisation of different technologies and help companies demonstrate readiness for the UK market

- given the scale of investment required to mature a new nuclear project, the government expects to concentrate the funding on a small number of projects to ensure Future Nuclear Enabling Fund objectives are met
- the government aims to start awarding funding from the Future Nuclear Enabling Fund in the summer of 2022

About Simon Bowen

- Simon Bowen started his career as an engineering officer in the Royal Navy serving on submarines. He has extensive experience in the petrochemicals, civil nuclear and renewable energy sectors
- Simon also played a key role in the development of the Nuclear Sector Deal as part of the government's Industrial Strategy
- Simon has most recently been at Babcock where he was Chief Executive for nuclear. He was responsible for the Cavendish Nuclear business and the defence nuclear portfolio providing naval base services and submarine maintenance at Devonport, Clyde and Rosyth
- he continues as the Chair of Devonport Royal Dockyard and providing support on critical programmes to the Babcock Group Executive Team. Simon recently joined the board of Rolls Royce Submarines as a Non-Executive Director

Government support for nuclear

We will ensure the UK is one of the best places in the world to invest in nuclear:

- increasing our plans for deployment of civil nuclear to up to 24GW by 2050 – 3 times more than now and representing up to 25% of our projected electricity demand
- within this overall ambition, we intend to take one project to FID this Parliament and 2 projects to FID in the next Parliament, including Small Modular Reactors, subject to value for money and relevant approvals. This is not a cap on ambition, but a challenge to the industry to come forward and compete for projects and aim to come online this decade
- depending on the pipeline of projects, these ambitions could see our nuclear sector progressing up to 8 more reactors across the next series of projects, so we improve our track record to deliver the equivalent of 1 reactor a year, rather than 1 a decade
- this will all sit alongside our existing investment of over £2 billion this Parliament in new nuclear, including £100 million to support the development of Sizewell C, and £210 million to bring through small modular reactors

We will radically change how we deliver new nuclear projects:

- launching the £120 million Future Nuclear Enabling Fund, first announced in the Comprehensive Spending Review

- setting up the Great British Nuclear Vehicle this year, tasked with helping projects through every stage of the development process and developing a resilient pipeline of new builds. We will work with industry to scope the functions of this entity starting straightaway – building on UK industrial strengths and expertise
- backing Great British Nuclear with funding to support projects to get investment ready and through the construction phase. We expect to initiate the selection process in 2023 for further UK projects, with the intention that government will enter negotiations with the most credible projects to enable a potential government award of support as soon as possible, including (but not limited to) the Wylfa site. As part of this, the government will consider the role UK government financing can play in supporting new projects. Final contracts and construction would commence when any outstanding conditions are satisfied and projects are sufficiently mature. Any projects would be subject to a value for money assessment, all relevant approvals and future spending reviews
- the UK has 8 designated nuclear sites: Hinkley, Sizewell, Heysham, Hartlepool, Bradwell, Wylfa, Oldbury and Moorside. To facilitate our ambitious deployment plans we will also develop an overall siting strategy for the long term
- without impacting the robust safety, security and environmental protections offered by UK regulatory regime, government will work with the regulators to understand the potential for any streamlining or removing of duplication from the consenting and licensing of new nuclear power stations, including possibly new harmonisation on international regulation
- we will also collaborate with other countries to accelerate work on advanced nuclear technologies, including both small modular reactors and advanced modular reactors (AMRs)