It might not be nuclear power station costs that are the problem [1]

Written by **Tim Worstall** [2] | Sunday 20 October 2013

We've the news that the Chinese are to be allowed to put their hard earned cash into providing us with electricity through the medium of nuclear power stations. Something that I'm just fine with I have to say: I'm absolutely delighted when other people invest their money to provide me with things I desire. But it's worth mentioning something important about all of this [3]:

> $22 billion for two EPR reactors in Europe (France and Finland) is about triple the $7.5 billion for the two Chinese EPR reactors.

It really is true that the two reactors being built in Europe are three times the price of the two being built in China. So, at first pass, we might think that getting the Chinese to build ours will be cheaper. Sadly, that is to make an error. For these are not cheaper Chinese reactors being built at all.

In fact, the important thing to note here is that this is the same reactor being built four times in different places. It would thus be more sensible to assign the cost differences to where they are being built rather than what is being built. We've even got much the same engineering companies doing and or overseeing the work in the different locations.

At which point I'd offer an hypothesis. And it's only that, not a theory, only a little more than a supposition. I see it in my own day job too. If I were to wish to build a small plant (and I do mean small, processing a few tonnes of basic material a day) here in the EU it would take me perhaps 18 months to gain the environmental licence to do that. In that same time I've seen competitors in China go from idea to full production.

No, I don't suggest that we all adopt Chinese environmental standards, not at all: but I would just like to point to the costs that such have. And I think that what we're seeing here in the nuclear costs is very much the same thing. It costs two to three times more to build a reactor in Europe as it does to build the same reactor in China. And no, labour costs are not the reason why. And the reason is the way in which we here in Europe try to regulate the building of reactors.

Or, as a certain nuclear engineer of my acquaintance is known to say, the majority of nuclear building costs are regulatory, nothing else.

blog comments powered by Disqus [5]

Links:

[1] http://www.adamsmith.org/blog/energy-environment/it-might-not-be-nuclear-power-station-costs-that-are-the-problem
[2] http://www.adamsmith.org/taxonomy/term/5778
[3] http://nextbigfuture.com/2013/09/european-nuclear-reactors-are-three.html
[4] http://disqus.com/?ref_noscript
[5] http://disqus.com