

Nuclear Industry Association Response to the Scottish Affairs Committee's 'GB Energy and the net zero transition' inquiry.

The Nuclear Industry Association (NIA) welcomes the chance to respond to the Scottish Affairs Committee's 'GB Energy and the net zero transition' inquiry.

The NIA is the trade association and representative body for the civil nuclear industry in the UK. We represent around 280 companies operating across all aspects of the nuclear fuel cycle, including the current and prospective operators of nuclear power stations, international designers, and vendors of nuclear power stations, and those engaged in decommissioning, waste management and nuclear liabilities management. Members also include nuclear equipment suppliers, engineering and construction firms, nuclear research organisations, and legal, financial and consultancy companies.

Due to the diversity of our membership, our views in this submission will cover high-level, industrywide matters. Our members may choose to make their own detailed submissions.

Executive Summary

Scotland has had the cleanest power in the United Kingdom because it has a mix of nuclear and renewables. However, the Scottish Government's opposition to new nuclear projects is denying workers valuable opportunities and threatening Scotland's transition to clean energy generation.

Our own research shows that nearly half of the nuclear jobs in Scotland are in the most deprived local authority areas. The nuclear sector is providing these communities with skilled, stable, well-paying jobs. Wages at nuclear stations are often two or three times the local average, and generating stations also pay millions in business rates and drive further spending in local economies.

Scottish Government policy is hurting its transition to net zero and missing opportunities for substantial economic growth. We would urge the UK Government to consider using its reserved powers in energy to set out plans for new nuclear in Scotland and to incorporate Scottish nuclear sites into the overall UK new nuclear programme.

QUESTIONS

1. What impact will the UK Government's approach to net zero have on Scotland's oil and gas industry?

- What state of readiness is the oil and gas sector in for the net zero transition?

- Is the scaling up of the clean energy sector keeping pace with the decline of jobs and investment in the oil and gas sector, or does the UK Government need to do more to close this gap?

a) No comment.

2. What UK Government interventions will be necessary to maximise the ability of oil and gas workers to find jobs in clean energy?

- a) A review of oil and gas workers across the UK has shown that over 90% of the workforce have medium to high skills transferability.¹ Soft non-technical skills are highly transferable to adjacent energy sectors, including the civil nuclear sector.
- b) Government support and commitment to the civil nuclear sector, as well as to renewable technologies, will help maximise the ability of oil and gas workers to find jobs in clean energy.
- c) New nuclear projects require many of the same technical and advanced engineering skills, project management skills, and safety-conscious working as oil and gas, so a commitment to build new nuclear power stations in Scotland would create thousands of new jobs in construction and hundreds more in operation.

3. Are Scotland's energy industry and associated supply chains well-placed to transition to clean energy generation, or is more support needed?

- a) Scotland's transition to clean energy generation could be enhanced by the UK Government using its reserved energy powers to resume new nuclear development in Scotland.
- b) Research commissioned by the NIA from Oxford Economics in 2023 indicated that nearly half of nuclear jobs in Scotland were in the most deprived 25% of local authorities, and that the sector made a direct contribution of £400 million in added value in Scotland each year.
- c) Torness nuclear power station is Scotland's last remaining atomic generation. Torness is also Scotland's most productive clean energy asset having produced enough clean electricity to power every home in Scotland for nearly 30 years and helping to avoid over 101 million tonnes of CO₂.²
- d) EDF recently approved the life extension of Torness for another two years meaning that it will operate until March 2030, however since the Scottish Government is opposed to new nuclear projects, there will be no nuclear generating assets in Scotland after Torness.³
- e) The result will be a drop in local job numbers and investment, and in energy supplies, the gap will have to be filled in part with imported gas sourced from extremely volatile global markets, driving up consumer bills and threatening Scotland's transition to clean energy generation.

4. What actions should the UK and Scottish Governments take to ensure the necessary generation and transmission infrastructure to support the development of Scotland's renewables sector?

- a) No comment.

¹Robert Gordon University (2021), *UK Offshore Energy Workforce Transferability Review*. Available at <https://www.rgu.ac.uk/wp-content/uploads/2021/05/workforce-transferability-report.pdf>. Accessed 16 December 2024.

²EDF (2024), *Torness Power Station*. Available at <https://www.edfenergy.com/energy/power-stations/torness>. Accessed 16 December 2024.

³EDF (2024), *EDF confirms boost to UK's clean power targets with nuclear life extensions*. Available at <https://www.edfenergy.com/media-centre/edf-confirms-boost-uks-clean-power-targets-nuclear-life-extensions>. Accessed 16 December 2024.

5. How can GB Energy, and other ways of backing industry (including funding), most effectively support employment, economic growth and the development of clean energy supply chains in Scotland?

- a) Investment into new nuclear projects in Scotland would effectively support employment, economic growth and the development of clean energy supply chains.
- b) Over £5.3 billion has been spent with businesses in the local South West region in the construction of Hinkley Point C.⁴ The station, alongside its sister station, Sizewell C, in the East of England will each sustain 900 permanent jobs for at least 60 years.
- c) Nuclear projects also have a positive impact on the next generation of workers with 1,320 apprentices trained so far at Hinkley and with opportunities for young people to work and build lives in the region.⁵
 - Data from the GMB indicates that around 1,600 Scottish workers are travelling to work at Hinkley Point C.⁶ They will not be able to find comparable opportunities in Scotland unless new nuclear is allowed.
- d) Scotland has benefited from nuclear power for 65 years in Hunterston, Torness, Chapelcross and Dounreay, but critical skills will be lost and opportunities for substantial economic growth missed if Government does not commit to new projects. Torness nuclear power station sustains over 750 jobs in East Lothian, with tens of millions of pounds in wages going into the local economy.
- e) We would encourage the UK Government to use their reserved energy powers to resume new nuclear development in Scotland. The Torness and Hunterston sites could both host substantial new nuclear projects that would bring major investment to East Lothian and North Ayrshire.

6. How should GB Energy work with the Scottish Government and other Scottish bodies to identify appropriate funding and other mechanisms?

- a) No comment.

7. What does a just transition look like for workers and communities across Scotland's highland and island communities, and what role might community energy and community benefits play in this?

- a) No comment.

⁴EDF (2024), *Socio-Economic Impact Report 2024*, p.6. Available at <https://www.edfenergy.com/sites/default/files/2024-04/DE19902%20HPC%20Socio%20Economic%20Brochure%202024%20A4%20RGB%20V26%20NMC.pdf>. Accessed 16 December 2024.

⁵Ibid.

⁶Daily Record, "Over 1500 Scots travelling to Somerset to work on new nuclear power station", 1 August 2024. <https://www.dailyrecord.co.uk/news/politics/over-1500-scots-travelling-somerset-33365556>

8. Can the UK learn lessons from international examples about how to effectively manage Scotland's energy sector transition?

- a) No comment.

Further Information

The NIA is happy to provide more context, or any clarifications desired on the content of our response and to ask our members where appropriate for additional information that may be useful.

Please contact Lauren Rowe, Senior Policy Analyst for the Nuclear Industry Association, at Lauren.Rowe@niauk.org to do this.