



Editorial

Keep the nuclear genie

... in its bottle

One of the most quotable quotes of US actor and entertainer Will Rogers is: 'If you find yourself in a hole, stop digging.' It can often be applied in all walks of life – including the energy sector, as we shall see.

One of the reasons why it is such a wonderful comment is that it applies so well to human behaviour. For example, when we are doing something senseless but do not realize it, we continue happily in the belief that it is the right thing to do. Or even when we discover that what we have been doing is senseless but take the view that the only way to avoid calamity is to carry on doing exactly the same thing.

Even the world's leaders, being human, in most cases, are subject to this behaviour. Just at a time when they are being forced to address major strategic energy challenges and to seek cost-effective solutions for addressing climate change, limiting the impacts of high energy costs and dealing with regional energy shortages, they are all digging harder than ever.

One of the biggest holes in question is the International Thermonuclear Experimental Reactor (ITER), an international collaborative project to develop commercial power generation systems based on nuclear fusion technology. With the project already having swallowed billions, it was announced in June that another €10 billion or so was going to be invested in a new round of research in France. ITER supporters believe that nuclear fusion might deliver commercial energy some time within the next 50–80 years.

What would you do with €10 billion if you had to solve a whole series of short- to medium-term energy challenges? It's doubtful that ITER would be on most people's shopping lists. That sum of money would buy one heck of a lot of energy efficiency, DE/CHP and renewable energy. And the investor would get a good rate of return. No returns for a long time, if ever, with ITER. Most people know that ITER has been a waste of money, so it is probably safe to assume that our leaders think

that the only way they can recover their losses is to invest even more. This is the mindset of the compulsive gambler.

Let's move along a bit and peer into another nuclear hole. The UK's Nuclear Decommissioning Authority announced in August that the country's nuclear power plant portfolio would require around £60 billion (\$110 billion) to decommission. In the unlikely event that this figure is not an under-estimate, this amounts to around £4000/kWe (\$7300) of installed capacity. Even allowing for the fact that new nuclear plants will have significantly lower costs, this admission is a fairly clear indication that investors in future plants would lose their shirts unless protected by public financial guarantees – i.e. yours and mine.

There is certainly a spring in the step of the nuclear industry these days. They are convinced that the need for low-carbon generation has bought them a reprieve from a couple of decades of neglect. However, WADE's growing body of economic research and analysis shows that their hopes should never be realized and that DE/CHP is a greatly superior alternative. Amory Lovins at the Rocky Mountain Institute in Snowmass, Colorado, US, has done some fascinating new research to flay the economic basis of the emerging nuclear genie (and has used some WADE market analysis to help prove his point).

With a bit of luck, these messages will get through before too many countries follow the nuclear road. The digging can then stop.

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