UK made grave errors over Hinkley nuclear project: MPs

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An undated handout image released by EDF Energy in London on July 28, 2016, shows a computer generated image (CGI) of the French energy producer's proposed two nuclear reactors, Hinkely Point C (HPC), at their Hinkley Point power plant in England

Britain made "grave strategic errors" in its handling of the Franco-Chinese Hinkley Point nuclear project, a critical parliamentary report concluded Wednesday.

The House of Commons' Public Accounts Committee stressed that consumers will pay a high price for construction of the Hinkley Point C nuclear power plant, which was given the green light by the government in September 2016.

The £19.6-billion ($26-billion, 22-billion-euro) project, which is to be built by French energy giant EDF and China General Nuclear Power Corporation (CGN), is highly symbolic of the UK's nuclear renewal.

The pair will construct two European Pressurised Reactors, a third-generation reactor design, at the site in Somerset, southwest England. Neither of the EPRs will however be operational until the end of 2025 at the earliest.

"The government made some grave strategic errors here and must now explain what it will do to ensure these are not repeated," wrote Labour MP Meg Hillier, who is chair of the cross-party committee of lawmakers.

The report voiced alarm that the government does not intend to review the contract—despite the fact it could add £30 billion to consumers' bills over the next 35 years.

That is five times more than the government envisaged in 2013 when it agreed provisional terms.

A recent study by the National Audit Office calculated this figure by assessing the cumulative difference between the market price for electricity—and the state-guaranteed price which is currently far higher.

"The committee is concerned consumers are locked into an expensive deal lasting 35 years and that the government did not revisit the terms between the original decision to go ahead and now, despite estimated costs to the consumer having risen five-fold," the report added.

"Over the life of the contract, consumers are left footing the bill and the poorest consumers will be hit hardest.

"Yet in all the negotiations no part of government was really championing the consumer interest."

According to the report, the Department for Business, Energy & Industrial Strategy, whose portfolio includes nuclear energy, decided not to renegotiate the deal because a lower tariff could have discouraged investors, hindered the project or caused it to collapse.

The committee highlights that other similar projects which used the EPR reactor—in France, Finland and China—all overshot their budget and construction deadlines.

Alternative lower-emission technologies have meanwhile become cheaper than nuclear power, the report underlines.

The report derides the government's track record on managing infrastructure contracts.

And it notes that the UK's looming departure from the European Union will also prompt its exit from Euratom, the bloc's regulator for the sector.

The committee also urges the government to re-evaluate its nuclear strategy and to make it public before giving the green light to any new power plant project.