

Sizewell C Consortium Memorandum of Understanding with the Welsh Government

February 2021

Preamble

1. There is widespread political consensus that investment is needed to 'level up' places across the United Kingdom that may have been left behind, including those in Wales.
2. Wales has a strong nuclear legacy. Hinkley Point C has revived the expertise of this supply chain, meaning Sizewell C – which will replicate Hinkley Point C – will be able to harness this supply chain and provide stable pipeline for order books and further impetus for the nuclear industry across Wales.
3. Sizewell C is a project that will deliver for Wales. The project commits to build upon, and further expand the skills and experience of the Welsh companies already working on Hinkley Point C. With Wales standing to benefit from a significant proportion of the 25,000 job opportunities and 1,500 apprenticeships that Sizewell C will create, this will not only mean jobs for individuals but tangible improvements to the social fabric of Welsh communities where long-overdue social and economic improvements will be felt.
4. To reach the UK's legally binding target of net zero by 2050, we believe that nuclear must form an integral role in any future energy mix. This view is shared by independent bodies such as the Committee on Climate Change and the Energy Systems Catapult. By proving through Sizewell C that fleet building enables nuclear to bring down the costs of construction, it lays the foundations for a new generation of nuclear builds.
5. Sizewell C will also allow the UK to take further steps to achieve the pledges set out in the Nuclear Sector Deal when it was launched by the UK Government in June 2018 in Trawsfynydd; from a 30% reduction in the cost of new build projects by 2030 to up to £2 billion domestic and international contract wins by the end of the decade. For Wales, it also included the development of a £40 million thermal hydraulics facility in the north of Wales as part of the Nuclear Innovation Programme as well as the emergence of a North West Nuclear Arc Consortium linking Anglesey to the north west of England.
6. The Sizewell C Consortium, a group of nearly 200 leading companies and organisations from across the country, has been guided by its goal to deliver Sizewell C and ensure that the priorities of levelling up and net zero are met. The Consortium will continue to work constructively with government, regional bodies and third-party stakeholders to make sure the benefits of Sizewell C are realised in Wales, and the presence of the UK's existing nuclear supply chain is guaranteed and enhanced across the country.
7. This MoU:
 - 7.1 commits the Consortium to exploring the possibility of transferring the Hinkley Point C supply chain in Wales over to Sizewell C, without delay or time lag (provided that UK Government policy enables this).
 - 7.2 states the commitment of the Sizewell C supply chain to Wales, by investing around £900 million in Wales throughout the lifetime of construction and **supporting up to 4,700 jobs in Wales.**
 - 7.3 outlines the joint plan to be undertaken by Sizewell C and signatories to ensure these aims are met when the greenlight is given to the project.
 - 7.4 commits to **pipeline UK EPR nuclear development in the UK**, from Sizewell C to future

projects, including Moorside and to new build in Wales should the option present itself. This pipeline of opportunity beyond Sizewell C would provide long term stability, allowing confidence for inward investment.

- 7.5 is a statement of working intent and is not intended to be legally binding. Nothing in this MoU is intended to affect in any way the legal obligations and/or rights of either party. It is intended to be binding in honour only.

The Consortium commits to the following in Wales:

8. Supporting local suppliers and guaranteeing a nuclear legacy in Wales

- 8.1 The Consortium commits to maintaining the significant investment already benefitting Wales through the Hinkley Point C construction and aims to expand the percentage of the construction spend, which will generate work worth hundreds of millions of pounds for Welsh suppliers.
- 8.2 Already Welsh suppliers form an important part of the Hinkley Point C supply chain. Sizewell C will continue to harness the considerable skillset of Welsh suppliers to build Sizewell C, in the process developing a pipeline of talent that can help the nuclear industry invest in future clean energy projects at Wylfa and other sites in Wales.
- 8.3 Enhancing the gigawatt nuclear industry will also help grow the prospective industries of tomorrow in Wales – nuclear-generated hydrogen, Direct Air Capture and Small and Advanced Modular Reactors (SMR/AMR). The expertise Sizewell C will help develop will further the case for Wales as an attractive region for investment.
- 8.4 Growing the supply chain will also increase international opportunities for the Welsh supply chain, where Wales' strategically located ports such as the Port of Mostyn, Holyhead and Milford Haven can be used to full effect.
- 8.5 To maximise the impact of this pipeline of skills, we will explore the potential of creating a Supply Chain Hub in Wales as part of our overarching project strategy. This will be alongside other hubs in strategic locations around the nation and will allow contractors to manufacture, preassemble and consolidate components critical to the Sizewell C construction process.

9. Levelling up Wales and enhancing communities

- 9.1 Delivering Sizewell C is a chance to help level up Wales and benefit areas that have often been regarded as left behind. Direct jobs and growth from the project will help facilitate this. To capitalise on the opportunity for businesses in Wales to grow, an **annual Business Summit and Procurement Strategy Forum** will be held for suppliers across Wales. This will allow relationships with the local business community, such as Local Enterprise Partnerships, to be forged and suppliers, including SMEs, to meet face-to-face with one another, cementing existing relationships. It will also help identify what areas of the industry need to be upskilled and will drive significant social impact on the ground, leaving a sustainable legacy on the social and environmental fabric of Wales.

10. Training up the next generation

- 10.1 It is estimated that the nuclear industry will need 30,000 new employees in the next decade – many of those highly skilled jobs can be secured in Wales. That means protecting our existing nuclear expertise, built on decades of experience. It also means giving new generations the skills, education and personal development they need to build long-term careers within the nuclear sector.

- 10.2 The Consortium will **work alongside local higher and further educational institutions** to develop these skills and ensure that world class talent developed in Wales is

encouraged to enter its nuclear and construction industry. This means exploring partnerships with renowned institutions such as Bangor University where a world leading capability in nuclear engineering is being developed and Swansea University which boasts a strong track record in materials research including collaborations with the National Nuclear Laboratory. And from The Welding Institute to Cardiff University, this will see expert human capital in Wales being retained, allowing the nuclear industry and the suppliers that serve it to build regional economic resilience that will allow greater local economic output and visibility across the UK and internationally.

- 10.3** The Consortium will help Wales enhance the centres of excellence across the country, helping build the unique, expert skillset that will differentiate Wales from other areas of the nuclear market. We are committed to developing these programmes so that we can bring work to the people of Wales in future.

11. Accelerating the UK's journey to net zero

- 11.1** Providing the UK Government provides support for SMR and AMR technology, Sizewell C is complementary to and will also act as a bridge to those future technologies. Sizewell C will also facilitate greater use of hydrogen across the network, laying the groundwork for a thriving industry which could create thousands of jobs in Wales.

- 11.2** During the construction of Sizewell C, we will be supporting a town near the station in its quest to end fuel poverty and grant it net zero status by 2030. Learning from this project can help communities in Wales with their journeys.

12. Conclusion

- The signatories aspire that, with these measures in place, the development of Sizewell C will serve Wales, its businesses and its people by creating skilled jobs, securing a skilled workforce, guaranteeing investment and future proofing the nuclear supply chain in Wales.
- The signatories encourage the UK Government to make a swift decision to develop Sizewell C.
- Wales will derive substantial benefits, as listed above, by committing to Sizewell C.

Signed



Gwenllian Roberts – Chief Regional Officer North – on behalf of the Welsh Ministers



Cameron Gilmour – Head of the Sizewell C Consortium