|  |  |
| --- | --- |
| Nuclear Projects and DevelopmentDepartment for Energy Security and Net Zero3-8 Whitehall PlaceLondon SW1A 2AWRABconsultation@energysecurity.gov.uk | Redgrave CourtMerton Road Bootle Merseyside L20 7HS  Contact@onr.gov.uk Unique ref: 2024/4262 |
| 29 January 2024 |
|  |  |
|  |  |

To whom it may concern

**ONR Consultation Response – Regulated Asset Base Licence Consultation Modifications to Sizewell C Limited’s electricity generation licence**

Thank you for the opportunity to comment on proposed modifications to Sizewell C Limited’s Electricity Generation Licence related to the Regulated Asset Base; this letter provides our response. Our mission is to protect society by securing safe nuclear operations. Therefore, we have provided general comments below in relation to our regulatory purposes and a response to question 3 to set out our position in relation to incentives.

We have three general comments, one on the prioritisation of safety and two on specific areas of our regulation:

**Safety Prioritised**

We welcome the clear requirement of compliance with nuclear site licence (NSL) requirements and all other regulatory requirements as part of the core obligations in Special Condition 2, together with the inclusion in Special Condition 5 Part B of the required resource related to safety. We consider that this provides reassurance that the modified licence conditions and any associated guidance will prioritise safety.

**Asset Management Plans**

We welcome the requirement in Special Condition 18 for asset management plans to be consistent with the safety case. We regulate asset management via Nuclear Licence Condition 28 which ensures that all plant which may affect safety, receives regular and systematic Examination, Inspection, Maintenance and Testing for which an asset management would need to be in place.

**Q3. Do consultees consider that the operational performance incentives included in the proposed modifications encourage the right behaviours?**

We have a strong interest in the incentives within the RAB to ensure that the behaviour they drive in our dutyholders is beneficial to safety and security. As a result we have been working with the Department of Energy Security and Net Zero and Ofgem to ensure that economic regulation will appropriately mirror the market conditions within which other licensees currently operate and are able to effectively comply with our regulatory requirements.

We welcome the emphasis on safety in Special Condition 55 for the availability incentive. We will continue to engage with the Department for Energy Security and Net Zero and Ofgem prior to any grant of the modified economic licence and following that would put a Memorandum of Understanding with the economic regulator in place to facilitate continued engagement.

Thank you for consulting ONR. We hope these comments are helpful, and we will be very pleased to discuss them with you in more detail as necessary.

Yours sincerely

**Sarah Brown**

**Head of Policy, Policy and Communications Directorate**