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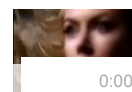
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# England Tsunami Risk Swells Costs at EDF After 40% Slump: Energy

By Kari Lundgren - Mar 22, 2012 5:53 PM GMT

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Andrew Testa/Panos

Sizewell B Nuclear Power Station, U.K.

Jim Crawford needs to know his nuclear power station on a gentle stretch of England's North Sea coast can withstand a chunk of volcanic rock dropping into the ocean 2,000 miles (3,200 kilometers) away in the Canary Islands.

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The Sizewell A, left, and B nuclear power plants operated by British Energy Group Plc., a wholly owned subsidiary of Electricite de France SA, sit on the coast in Sizewell, near Leiston, U.K.  
Photographer: Jason Alden/Bloomberg

Since [Japan's](#) 2011 nuclear disaster, Sizewell-B's operator [Electricite de France SA](#) has earmarked about 200 million pounds (\$317 million) to protect its U.K. reactors from previously inconceivable events. The collapse of an island off northwest [Africa](#) is among the most likely causes of a wave big enough to threaten Britain, according to [British Geological Survey](#) marine geologist David Tappin.

EDF, the largest producer of atomic power, is preparing for so-called black swan events, crises that are almost impossible to predict, following the earthquake and tsunami that crippled the Fukushima atomic complex a year ago.

While such a wave hasn't hit Britain since around 6,000 B.C., public concern over nuclear safety has combined with escalating costs to push EDF [stock](#) down about 40 percent since the Japanese crisis.

"We didn't want to say: 'Because we don't sit at the edge of a tectonic plate and won't have a tsunami, everything is OK'," plant director Crawford said at Sizewell, 100 miles northeast of London and 700 miles from [Europe's](#) most active seismic regions. EDF, which has a 10-meter-high sea barrier at the site, plans an offsite emergency control center and is studying new equipment to reduce the risk of hydrogen blasts.

## Rising Costs

EDF needs to show investors it's prepared for any disaster after the Fukushima crisis prompted countries including Italy and [Germany](#) to scrap nuclear energy. The Paris-based utility has already committed to stricter safety measures at home and a program to keep existing plants running for as long as 60 years. The state auditor has estimated that EDF, whose 58 French reactors provide about three-quarters of the nation's power, will have to invest 55 billion euros (\$73 billion) through 2025. EDF also plans U.K. growth, including a new plant at Sizewell.

Tokyo Electric Power Co., owner and operator of the Fukushima Dai-Ichi plant, had sea barriers at the site that proved 8 meters too short when the tsunami hit last March, and the ensuing meltdown of the three reactors became the worst atomic disaster since Chernobyl.

"What Fukushima really represents is a failure of imagination," John Ritch, director-general of the [World Nuclear Association](#), said in London. "It has taken every regulator and industry vendor back to trying to imagine the unanticipated, the unimaginable, and making sure the reactor is safe even against highly unlikely events brought on by nature or human malice."

## U.K. Wave

The last major quake to cause a tsunami on Europe's Atlantic coast was in 1755 off [Portugal](#), said Tappin, a marine geologist and expert on tsunamis from submarine and volcanic landslides. The last U.K. tsunami, a wave about 10 meters high, struck [Scotland's](#) east coast more than 8,000 years ago, Tappin said by telephone, citing studies of sediment.

Geologists gauging the risk of a similar event have modeled volcanic activity off the [Canary](#)

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[Islands](#) that indicates a major eruption could cause part of La Palma to break free of its bedrock, slipping into the sea. Such an event may affect Atlantic coasts far from North Africa, Tappin said.

European safety checks on reactors have assessed their vulnerability to earthquakes and floods, as well as power and cooling-system failures. The so-called stress tests on plants in the U.K., where EDF has eight nuclear sites, excluded measures to prevent terrorist attacks because regulators judged such a risk to be outside their mandate.

## Public Support

Investment in nuclear safety is aimed not only at averting disaster but also at boosting popular support for atomic generation as several countries retreat from the technology.

EDF [fell](#) 40 euro cents, or 2.2 percent, to 18.01 euros in Paris trading. The stock fell 6.39 percent since the beginning of 2012, valuing the utility at 33.3 billion euros.

All of Britain's operating reactors are scheduled to shut by 2035 as they age, leaving the U.K. with an energy gap of almost 10,000 megawatts. EDF, with partner [Centrica Plc \(CNA\)](#), plans two new generators north of Sizewell's current plant, and a public consultation may begin this year. It also intends to make an [investment decision](#) on two new reactors at Hinkley Point in southwest England, costing an estimated 10 billion pounds, by the end of 2012.

"All stakeholders have been working on what kind of risks should be considered," EDF's former Chief Executive Officer [Pierre Gadonneix](#) said in a telephone interview. "Now there is a new concept, which is, 'OK, let's now assume that this risk happens'."

## Control Hub

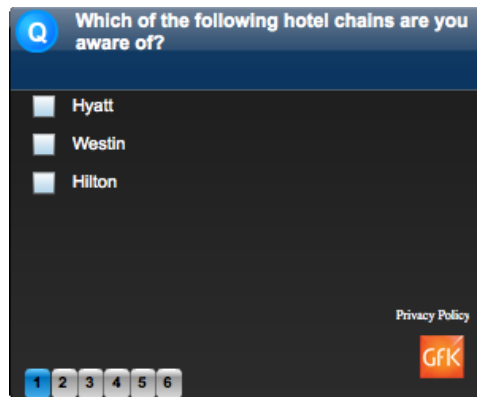
The utility's planned offsite emergency control center for Sizewell would allow the plant to be operated remotely, while providing back-up supplies such as diesel generators, pumps and motors. The original 1960s twin reactors at Sizewell-A stopped generating power in 2006 and are being decommissioned.

About 5,500 people live in the town of Leiston, within 3 miles of the Sizewell site, and about 715,000 in the surrounding county of Suffolk. At a Feb. 15 meeting run by the U.K. nuclear regulator, locals [voiced concern](#) there could be a drinking-water shortage in the event of an emergency should EDF use up supplies dousing reactors. They also said the safety zone around the site is too small and emergency exercises too infrequent.

"If anything actually happened it would be absolute chaos," said Pete Wilkinson, an environmental consultant who was chairman of the meeting. "The emergency planning arrangements are pathetic and based on the idea that this will never happen."

## Britons in Favor

Across the U.K. as a whole, support for new nuclear has strengthened. Britons in favor of replacing old reactors with new models climbed to 50 percent at the end of last year from 36 percent in June, according to a poll by Ipsos MORI. About 20 percent are against new nuclear construction, down from 60 percent in 2001, the survey found.



While the U.K.'s safety checks on reactors identified "no fundamental weaknesses" in design or resilience, work is under way to bolster flood defenses and boost coolant supplies, among other measures, the industry regulator said Jan. 4. EDF is also planning to re-open visitor centers at its U.K. plants, most likely starting with Sizewell, towards the end of this year.

"There was not anything that came out of Fukushima that challenged our ability as nuclear operators to operate safely and reliably," EDF's Crawford said. "This learning thing never stops." There's no "line in the sand saying, 'that's it, we've learned all we can learn'."

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