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ENVIRONMENT JANUARY 17, 2019 / 7:50 AM / UPDATED AN HOUR AGO

China to help plug UK nuclear power gap as Japanese plans falter

Susanna Twidale

3 MIN READ



LONDON (Reuters) - China's General Nuclear Power Corporation (CGN) will bring forward plans to build a nuclear plant in Britain, it said on Thursday, helping plug a gap left by the failure of two Japanese projects.

FILE PHOTO: A cut-away model of the Chinese Gen-III nuclear power technology HPR1000 by China General Nuclear Power Corporation (CGN) is displayed at the World Nuclear Exhibition (WNE), the trade fair event for the global nuclear community in Villepinte near Paris, France, June 26, 2018.
REUTERS/Benoit Tessier/File Photo

Japan's Hitachi Ltd confirmed on Thursday it had frozen plans for a plant in Wales,

while Toshiba Corp scrapped its British NuGen project last year.

The British government said it offered a package of financial support to Hitachi after it requested more help, but the firm said the economics still did not add up. Hitachi said Britain's impending departure from the European Union did not play a role in its decision.

Britain wants to build a fleet of new nuclear plants to help replace aging coal and nuclear sites set to close in the 2020s. High up-front costs have delayed construction.

CGN hopes to build several nuclear plants in Britain, starting with a project in Bradwell, Essex, in which France's EDF is a 33.5 percent development partner.

"We plan to advance the date for coming into commercial operation to the early 2030s, a couple of years earlier than previously planned," Robert Davies, chief operating officer of CGN UK, said of the plans for the Bradwell facility.

No decisions have been taken on the capacity of CGN's Bradwell plant, which will use Chinese reactor technology. The AP1000 reactor is about two years through a four-year generic design approval (GDA) process with Britain's regulator.

Western governments have grown increasingly concerned about possible security threats posed by investments made by Chinese firms in their economies, including telecoms and nuclear power.

Davies sought to allay any fears about the Chinese role. "We understand the sensitivities surrounding operating a nuclear plant and are open to another entity operating our plants in the UK, if that is what the government wants," he said.

Hitachi bought New Horizon Nuclear Power, which was developer for the Welsh plant and three others, in 2012. At the time, CGN had also shown an interest in the unit.

High upfront costs have been a hurdle to new nuclear plants.

EDF's Hinkley Point C, Britain's first new plant in 20 years and in which CGN holds 33.5 percent, is estimated to cost about 20 billion pounds (\$26 billion). It won approval from EDF's board after securing a state subsidy that the National Audit Office said could cost consumers 30 billion pounds.

"It has to be affordable for consumers. All developers of new nuclear plants know they must come in at a price well below that of Hinkley Point C," Davies said.

"Once the reactor design has approval, post GDA, we will have a

clearer steer on the total cost of the project,” he said, adding that a final investment decision could then be taken.

Senators grill Trump's EPA pick on pro-coal record

CGN also has a 20 percent development stake in EDF's Sizewell C nuclear plant, which EDF hopes to start building in 2021.

Reporting by Susanna Twidale; Editing by Edmund Blair

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ENVIRONMENT JANUARY 16, 2019 / 11:54 PM / UPDATED 10 HOURS AGO

China installed 18 percent less solar power capacity in 2018

3 MIN READ



SHANGHAI (Reuters) - China put just over 43 gigawatts (GW) of new solar generation capacity into operation in 2018, down 18 percent from a year earlier, an industry group said on Thursday, after a government move to curb new capacity and ease a subsidy payment backlog.

The new generation took the country's total installed solar power capacity to more than 170 GW by the end of the year, the China Photovoltaic Industry Association (CPIA) said.

China announced last year that it would suspend new projects after a record 53 GW capacity increase in 2017 left it struggling to find spare grid capacity and pay a renewable subsidy backlog amounting to more than 140 billion yuan (\$20.69 billion) last year.

China is also aiming to gradually phase out direct financial support to the solar industry after a decline in costs, announcing last week that it would launch a series of new subsidy-free projects.

But solar manufacturers are already feeling the pinch, and warned last year they were facing closure after a surge in new production capacity in previous years sent component prices plummeting.

“Facing a lot of complicated domestic and overseas trends, the sector as a whole is under big pressures and substandard producers are expected to promptly exit the market,” said Wang Bohua, CPIA vice-chairman, in a speech on Thursday.

Wang said output of solar equipment continued to increase in 2018 despite the decline in new domestic capacity, with solar module production up 14.3 percent to an equivalent of 85.7 GW.

Much of the surplus production was diverted to overseas markets, with solar component export earnings rising 10.9 percent from a year earlier to \$16.11 billion, Wang said, according to a transcript published on CPIA’s official WeChat social media account.

China’s solar manufacturers have been accused of using subsidies to drive down prices and put foreign competitors out of business, but they claim they have been the beneficiary of a fierce competitive environment forcing them to reduce costs.

Senators grill Trump's EPA pick on pro-coal record

The United States imposed tariffs on China’s solar products last year, and its share of China’s exports fell from 5.9 percent in 2017 to 0.24 percent in 2018. The bulk of China’s overseas shipments went to India, South East Asia and Europe.

Reporting by David Stanway; editing by Richard Pullin and Christian Schmollinger

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