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\$780m in losses for Daya Bay shut-down

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Consumers may have to bear costs if repairs not completed soon

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Electricity charges may be forced up to compensate for estimated losses of more than \$780m from the Daya Bay shutdown, according to the Hong Kong Nuclear Investment Company (HKNIC).

A senior official of the China National Nuclear Corporation (CNNC), which runs the plant, stated that the shut-down of unit one since January is costing HK7.8m a day.

The CNNC official said: "As the owners we are the big losers, but we had no option but to shut down because of the safety factor."

A company spokesman, Albert Chan, said the loss of revenue could be passed on to the consumer unless the unit was brought back on line within the next few weeks.

Daya Bay can afford to close its two units for seven months a year without incurring losses. But Chan said that the time limit is near, with unit one having been closed since January to install safety rods and unit two's closure for the past six weeks for maintenance.

Chan said: "If we are on target there will be zero impact. We hope that unit two will be brought back to service before the end of May."

"We have built in so much protection into our contract with Daya Bay that the impact will be minimal," Chan said.

The company's senior technical adviser, Jacques Pretti, said safety would not be compromised by rushing repairs to save costs.

Pretti said: "The eyes of the world are on the nuclear business. We would not want to, and we would not be able to hurry this process. Safety is everything."

China Light & Power, which owns the HKNIC, buys 20 per cent of its power from Daya Bay on the condition that it sells below the price of coal-powered electricity.

The agreement, which lasts for the plant's first five years of operation, means that any increase must fall within the ceiling price of conventionally generated electricity.

A Democratic Party legislator, Fung Chi-wood, warned that the consumer would be saddled with the full bill for any further safety problems after the agreement runs out.

Fung said: "There is every possibility that there will be many more reasons to close it down for safety reasons."

HKNIC promised yesterday that it would reduce the amount of electricity it buys from Daya Bay if it seemed likely that the consumer would foot the bill.

The cost of making unit two safe is being met by the plant's designer, the French company Framatome.

Relations between China and Framatome, which is to build a second plant, are understood to have been strained by the inconvenience of the design fault.

Some of the reactor's 53 control rods, which act as brakes to the nuclear reactions, were found to drop too slowly. Repairs have been delayed by the new rods installed in March taking even longer to drop.

The CNNC official dismissed rumours that Framatome's second contract was in doubt, saying: "We have already concluded a tentative agreement with the French. If Daya Bay Two was the same design as the first plant, we could not accept it."