

To Whom it may concern,

DUNE has carefully reviewed the GenCost 2020-21 draft report as it relates to LCOE for small modular reactor (SMR) technologies and find the draft report to be contradictory and erroneous which has the result of being very **misleading** to the uninformed reader.

1. CSIRO state that GenCost uses “current costs” which they describe as actual costs for a recently built and operational power plant. Since no SMR has been built or entered the operational phase, a nominated LCOE for SMR technologies cannot fit this definition and to include misleads readers to think that \$16000/KW is an actual value – it is not.
2. There exists many recent and authoritative studies from IEA, OECD, MIT etc. that provide LCOE **projections** for various types of SMR technology. None of them have found an upper range for any technology that approaches the \$16k/KW used by CSIRO. The LCOE projection used by CSIRO is not credible and reflects poorly on AEMO and CSIRO. The most recent and authoritative study for SMR costs which the GenCost team should review is the *Economic Working Group of the Canadian SMR Roadmap 2018*. This working group actually has the expertise and has demonstrated a comprehensive lit review, robust and transparent analysis methods and assumptions and, importantly, comes from a country that has built and is actively developing nuclear reactor technology.
3. SMR is a phrase that covers a family of technologies as diverse as “solar”. A light water reactor (LWR) SMR is about as similar to a molten salt GenIV reactor as PV solar is to concentrated solar thermal. Even if the \$16k/KW were reasonable, which it is not, nominating a cost for an entire family of technologies obscures the very different levels of technical maturity and the commercial efforts underway for the various SMR types.

We raised our concern with the CSIRO figures for SMRs during the WA round of the recent Federal nuclear inquiry and are disappointed that the GenCost team persists with offering up costs for SMRs which are clearly unreasonable. As stakeholders, we request:

1. CSIRO and AEMO do not publish any cost figures for SMR technologies in this report.
2. If SMRs are to be included in future GenCost reports, CSIRO and AEMO widely consult relevant local and international SMEs to build up the LCOE figures.
3. In the near future, CSIRO and AEMO consider referring to the *Economic Working Group of the Canadian SMR Roadmap 2018* as the most authoritative source of SMR costs.

Regards

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