

Meeting:	NuLeAF Steering Group, 30 April 2008
Agenda Item:	8
Subject:	Future of Nuclear Power
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Purpose:	To report on developments subsequent to publication on the Government's White Paper, particularly as they impact on waste management and decommissioning

Introduction

At its meeting in January 08, the Steering Group considered the statements in the White Paper of relevance to NuLeAF's remit on waste management and decommissioning. The SG resolved to:

- 1 Continue to monitor developments relating to new build; and
- 2 Consider a report at its next meeting on the consultation on waste and decommissioning funding provisions guidance.

This report considers:

- the current consultation on 'Funded Decommissioning Programme Guidance' for new nuclear power stations;
- the scope of the Strategic Environment Assessment (SEA) for a proposed National Policy Statement (NPS) on planning for new nuclear power stations;
- potential NuLeAF comments on a draft NPS; and
- the formation of a 'British Energy Southern Sites Local Authorities Group'.

Recommendations

That the Steering Group:

- 1 Respond to consultation on 'Funded Decommissioning Programme Guidance' as outlined in this report; and
- 2 Liaise with the Southern Sites LA Group concerning the implications for radioactive waste management and decommissioning.

Consultation on Funded Decommissioning Programme Guidance for New Nuclear Power Stations

The Energy Bill will require any operator of a new nuclear power station to have a Funded Decommissioning Programme (FDP), approved by the Secretary of State. On 22 February the Government published for consultation two sets of draft guidance on what a FDP should contain ([Consultation of FDP Guidance](#)). The deadline for comments is 16 May 08.

The two sets of guidance are:

- Decommissioning and Waste Management Plan Guidance (DWMP) – This is intended to assist operators in costing the steps involved in decommissioning and radioactive waste management, including an indicative timetable within which Government expects to be able to publish cost estimates and set a fixed unit price for waste disposal.
- Funding Arrangement Plan Guidance (FAP) – This is intended to assist operators in setting out acceptable financing proposals to meet the costs identified. It sets out the Guiding Principles against which the Government will assess operator funding proposals.

The Consultation Document (CD) poses the following questions:

- 1 Do you agree or disagree that the FDP Guidance adequately sets out what an approvable FDP should contain? What are your reasons? Do you have any other comments on the guidance?
- 2 Does the draft guidance contain sufficient information to enable operators to understand the matters that their FDP should contain?
- 3 Do you agree or disagree that the Base Case sets out a realistic and prudent way to estimate the potential costs of waste management and decommissioning? What are your reasons?
- 4 Do you agree or disagree that the FAP sets out a prudent way to ensure that operators make adequate provision for meeting their liabilities? What are your reasons?

DBERR is organising two consultation events to present an overview of the draft guidance and to enable discussion of the consultation questions (London on 17 April and Manchester on 1 May). The Executive Director is attending the event on 1 May.

Subject to discussion at the consultation events, it is proposed that NuLeAF respond to the consultation along the following lines:

- The creation of a Nuclear Liabilities Financing Board (NLFAB) to provide independent scrutiny and advice is to be welcomed (CD 1.9-1.14). The Government should empower the Board to review and compare the performance of the decommissioning funds that may be established, and to recommend modifications where appropriate. Government should be under an obligation to publicly respond to the advice and recommendations of the Board.
- The aim of the DWMP is to be welcomed. This is to ensure that planning for decommissioning and the management of radioactive wastes is carried out prior to construction of a new station, and is based on accurate and up-to-date estimates of the costs (CD, 4.1.8).

- The financial modelling being undertaken by Government to estimate the financial impact of adding wastes from new build to a geological disposal facility should take into account the need for a proportionate increase in the scale of community benefits that should be associated with the increase in the inventory of radioactive wastes for disposal (CD, 2.7).
- The ‘Base Case’ estimates for the costs of waste management and disposal should include a component for establishing associated community funds (CD, 4.1.9 – 4.1.1, see [BP14 Community Funds and Radwaste Facilities](#)).
- The commitment to keep the assumptions in the ‘Base Case’ for the management and disposal of radioactive wastes under review is welcome (CD, 4.1.9). Changes to the ‘Base Case’ may be needed to reflect developments that lead to an increase in liabilities, including the possibility of the need for more than one successor facility to the LLW repository near Drigg, and the potential need for a second geological disposal facility.
- The commitment to publish updated estimates of the total costs of waste management, disposal and decommissioning, and the methodology for establishing fixed unit prices for ILW and spent fuel disposal is welcome (CD, 2.8). Sufficient information should be published to ensure wider stakeholder confidence in the robustness of the estimates.
- The Guiding Principles in the FAP are to be welcomed. These are that the Fund should: be independent of the operator and government; be sufficient to discharge in full the operator’s liabilities as and when they fall do; ensure that moneys in the Fund are not used for any other purpose; prevent recourse to public funds to meet the liabilities; and be transparent and visible (CD, 5.2.6).
- Government should undertake an assessment of fund options to identify whether a ‘shared’ fund offers benefits in terms of further reducing the remote risk that public funds could be called on to meet liabilities. The draft Guidance is flexible on whether a separate fund should be set up for each new station, or whether a ‘shared’ fund should be established for a fleet of new stations (for a single operator or a number of operators, CD, para 5.3.4).
- Government should reconsider its proposal that any surplus moneys held by a fund should be returned to the operator once all its liabilities have been discharged (CD, 5.9.3). There may be a case for any surplus to be held in a national contingency or shared fund to help ensure that public funds do not have to be called upon to meet the liabilities from any new nuclear power station.

Scope of the Strategic Environment Assessment (SEA) for a Proposed National Policy Statement

The Government has undertaken a limited consultation on the proposed scope of the SEA for a proposed National Policy Statement (NPS) on planning for new nuclear power stations. The consultation was not a formal public consultation, and ran from 13 March to 21 April.

The Consultation Document (CD) proposed how the SEA would be undertaken, the level and type of information to be included, and how the SEA will be integrated into the development of the proposed Nuclear NPS ([SEA Scoping Consultation](#)).

The CD states that the Government is proposing to go beyond the topics set out in the SEA Directive, so as to meet the wider appraisal requirements of sustainability appraisal. The SEA will therefore address a range of socio-economic factors (CD para 15). The CD also stresses that the SEA is a strategic assessment, and will only assess high level impacts.

The Government intends to publish consultation responses on the BERR website. This will be followed by public consultations on:

- Draft Strategic Site Assessment (SSA) Criteria
- The draft NPS and
- A draft Environmental Report.

Additional points to note from the SEA CD are:

- Government expects the NPS to set out whether it is satisfied that effective arrangements exist or will exist to manage and dispose of the waste that new stations will produce (CD, 1.11).
- The storage, transportation and disposal of radioactive waste will form part of the SEA, insofar as it is appropriate given other complementary studies that are being undertaken (CD, 2.8).
- The MRWS process (see agenda item 4) will explore the disposal of both new and legacy waste in a geological disposal facility and a SEA will be undertaken that will identify the strategic environmental effects in relation to construction of the repository (CD, 2.25).
- The SEA for the NPS will include assessment of the draft SSA Criteria and a draft list of nominated sites (CD, 3.7). The reporting of these assessments will be contained in two Environmental Reports. The first will be issued alongside the consultation on the draft SSA Criteria (and potentially the draft NPS). The second will be issued alongside a final draft of the NPS which will document the assessment of all relevant elements including nominated sites (CD, 3.8-3.9).

Potential Input on the Draft NPS

NuLeAF Briefing Paper 9 ([BP9, July 07](#)) argues that there needs to be greater clarity about the way interactions between any new nuclear build and legacy management should be handled. It proposes that the following requirements should be adopted as Government policy:

- in developing proposals for new build at specific sites, the developer should ensure that it identifies the requirements for on and off-site facilities for radioactive waste management and decommissioning, and the implications for existing, planned or anticipated facilities for managing the nuclear legacy on or adjacent to the site concerned and for any regional or national facilities;
- the developer should ensure that it briefs the local planning authority and Site Stakeholder Group on those requirements and implications at the pre-application stage, and through subsequent applications steps;
- the developer should brief the NDA on those requirements and implications at the earlier opportunity;
- the developer should publish the above information;

- in liaison with the NDA, and taking into account the views of local authorities and the communities they represent, the developer must ensure that its proposals for radioactive waste management and decommissioning do not prejudice effective management of the nuclear legacy; and
- steps will be taken to ensure that the recruitment of staff into any new build programme does not leave nuclear legacy management short of staff and skills.

It may be appropriate to re-assert these points when Government consults on a draft NPS.

‘British Energy Southern Sites Local Authorities Group’

During discussion at the last SG, the point was made that there was a need for a forum for authorities that might host a new nuclear power station, so that issues of mutual interest and concern could be discussed. It was recognised that NuLeAF is not the appropriate vehicle for such discussions, but that an individual member authority may take the lead in convening such a group.

Since the SG meeting, officers at Suffolk CC have convened a meeting for officers from authorities with British Energy sites in the south of England. The first meeting of the group agreed a provisional terms of reference as follows:

- influencing the remit and operation of the Infrastructure Planning Commission (IPC)
- maximisation of community benefits
- integration of new build and decommissioning activities
- identifying and overcoming blockages to processes
- coordinating responses to consultations
- lobbying jointly on relevant issues
- information exchange

The meeting agreed to offer ‘observer status’ to other authorities affected by nuclear proposals, and to explore the possibility of setting up an LGA Special Interest Group.

The group will also have to consider implications of any change of ownership of British Energy or its sites, for example, for membership of the group.

It is recommended that NuLeAF liaise with the Southern Sites LA Group, given the issues of mutual interest relating to radioactive waste management and decommissioning.