

ITEM 6: UPDATE ON NATIONAL DEVELOPMENTS IN RADIOACTIVE WASTE MANAGEMENT

Report to RWPG, 26th April 2017

Introduction:

This paper provides a report on recent developments in NDA Strategy and operations. It covers:

- New NDA Chief Executive Officer appointed;
- Integrated Waste Management Review and Forum;
- Brexit and Euratom;
- Enquiry into Magnox legal case and contract termination;
- NDA Business Plan 2017-20 published;
- Radioactive Waste Inventory 2016; and
- BEIS Industrial Strategy consultation.

1. New NDA Chief Executive Officer appointed

David Peattie has been appointed as the new Chief Executive Officer of the NDA, taking over the role from John Clarke on the 1st March. Before taking on the role, Mr Peattie was Chief Executive Officer at Fairfield Energy where he oversaw work on North Sea decommissioning. Prior to that he served with British Petroleum in a number of senior management posts.

NuLeAF Chair Cllr Brendan Sweeney has written to David Peattie requesting a meeting to discuss the work of NuLeAF and the relationship between the NDA and local authorities.

2. Integrated Waste Management (IWM) Review and Forum

The Department of Business, Energy and Industrial Strategy (BEIS) has commenced a review of radioactive waste infrastructure and policy. Led by Juliet Long, who is on secondment from the Environment Agency, the reviews cover all radioactive waste from across the UK, not just that generated by the NDA estate.

A Forum has been established, involving NuLeAF along with BEIS, the devolved administrations, environmental regulators (Office for Nuclear Regulation along with

the Environment Agency, Natural Resource Wales and SEPA), and the NDA. It met on the 14th February and NuLeAF's Director participated by phone.

Regarding infrastructure, the objective of this work is *'to ensure that the UK continues to have access to a robust and sustainable infrastructure that ensures proper protection of people and the environment and which enables delivery of our objectives for energy, climate change, defence, growth and healthcare.'* It will develop an assessment of the risks to effective management caused by the loss of individual components of waste infrastructure and the likelihood of this happening.

The radioactive waste policy review is seeking to establish a policy that:

- Addresses all forms of radioactive waste, irrespective of source;
- Ensures proper protection of people and the environment, including future generations; and
- Enables people and business to benefit from the responsible use of radioactive substances.

Underpinning this, the review will consider the classification and categorisation of radioactive wastes. The classification of wastes will aim to establish clear definitions of all waste types e.g. High Level Waste. The categorisation of wastes will look more widely at the physical and chemical properties of waste and the best approach to management and disposal. This could lead to some wastes currently earmarked for geological disposal being instead disposed of in a near-surface facility.

NuLeAF has long supported a more integrated approach to the management of radioactive waste and also expressed concern at the limitations of current infrastructure. However, any change in classification or in management and disposal routes must meet the highest standards of safety and environmental protection and be supported by any host community.

It is expected that an interim report on the review will be published in April 2017, setting out initial considerations and findings. A final report, with recommendations and an implementation plan, is expected in December 2017.

Juliet Long of BEIS will be attending the April RWPG to present on and discuss this work.

3. Brexit and Euratom

At the start of February 2017 the UK Government published its White Paper on the UK's '*exit from and new partnership with*' the European Union. This confirmed that in invoking Article 50, the intention was to leave Euratom as well as the European Union.

Founded in 1957, **Euratom (European Atomic Energy Community)** provides the legal framework for civil nuclear power generation and radioactive waste management across the European Union. The Euratom Treaty sets out eight areas of activity: promotion of research, establishing and policing uniform safety standards, facilitating investment, ensuring a regular supply of ores and fuels (via the Euratom Supply Agency), applying safeguards, exercising rights of ownership over 'special fissile materials', creation of a nuclear common market and establishing relations with other countries and international organisation to foster progress in nuclear energy.

Overall, based on the current Brexit plan, the UK has two years to:

- design, resource and implement new UK safeguarding arrangements in line with accepted international standards;
- replace current safeguarding commitments under the Non-Proliferation Treaty (which are also predicated on Euratom membership); and
- identify and plan negotiation of replacement nuclear cooperation agreements with every country with which the UK has ongoing nuclear trade.

This timetable is likely to prove challenging and will require significant resources to be allocated within the civil service. In recent weeks there has been media coverage of the impact of leaving Euratom, largely in relation to the potential for delays to new nuclear power station development.

There may be scope for a transitional arrangement or for the UK to remain engaged in Euratom in some form. Switzerland, which is not in the European Union, is a 'participating associate state' within Euratom. However, as it stands the Government has maintained that exit from Euratom by 2019 is realistic and desirable. In response to a question in the House of Lords on the 9th February, Lord Prior of Brampton stated:

'This Government remains committed to the highest standards of nuclear safety, safeguards and support for the industry. Whilst membership of Euratom has served the UK well, the benefits of Euratom membership can be achieved through other means as well.'

The UK will remain publicly accountable on nuclear safety matters through our membership of the International Atomic Energy Agency (IAEA). The IAEA's legal frameworks for the nuclear sector are the basis on which the Euratom Community and the UK's own domestic regime is based; there is no intention to weaken the current standards. The UK's future nuclear safeguards arrangements will continue to provide the quality, safety and robustness that currently exist under Euratom.'

NuLeAF will continue to monitor progress in this area and update members on significant developments.

4. Inquiry into Magnox legal case and contract termination

On the 27th March, Energy Secretary Greg Clarke issued a written ministerial statement announcing the termination of the contract for the decommissioning of the 12 UK Magnox and research reactors, the settlement of a related legal case, and a public inquiry.

The tender process, worth £6.1Bn, was begun in 2012 and in September 2014 Cavendish Fluor Partnership (CFP) was awarded a 14-year contract. At the same time a process began to check that the scope of the contract, as set out in 2012, matched the actual status of the decommissioning to be done on each site, a process known as consolidation. This identified that there was a significant variance between the specification tendered for in 2012 and the work that actually needs to be done. The NDA Board felt that this amounted to a material change and exercised their right to terminate CFPs contract in September 2019, after 5 years. This was done with the agreement of CFP.

A replacement contracting structure will be in place when the current contract comes to an end. In the meantime, CFP will continue their programme of work and NDA do not believe that this situation will affect the delivery of current planned work.

In parallel to this, the Minister has announced that a settlement of the outstanding legal claim from Energy Solutions and Bechtel, which challenged the process for awarding the 2014 contract to CFP. NDA has agreed to pay Energy Solutions £76.5million plus £8.5 million costs and Bechtel around £12.5 million including costs.

The Government has announced an inquiry into the operation of the 2012 contracting process which will be led by Steve Holliday, former Chief Executive of National Grid. This will look at the whole process of tendering and contract award. It is not clear what the timetable for the enquiry is or when it is likely to issue its final report, though an interim report is expected in October 2017.

Minister Greg Clarke stated that *'This was a defective procurement, with significant financial consequences, and I am determined that the reasons for it should be exposed and understood; that those responsible should be properly held to account; and that it should never happen again.'*

The impact of around £100 million of costs on the NDA operations will be felt but it is not clear what the implications are likely to be. It is also not clear whether any new contract for the management of the former Magnox and RSRL sites is likely to be awarded on a similar basis, or whether NDA will consider a change of model, as occurred at Sellafield. The full statement is available here¹.

5. NDA Business Plan 2017-20 published

The NDA's Business Plan for 2017-20 has now been published. This sets out objectives and expected progress at all 17 of the NDA's nuclear sites for the next three years. It also includes a 20-year overview of planned activities at each site and can be found here².

NDA has also issued a report on its quarterly performance against business plan targets, covering Quarter 2 in 2016/17. This is available here³.

6. Radioactive Waste Inventory 2016 published

An updated inventory of the UK's radioactive waste has been published. This provides an estimate of the materials in the inventory as of April 2016, with data on over 1,300 hundred separate waste streams.

The total amount of radioactive waste either held in stores or anticipated in the future is estimated at 4.77 million cubic metres, similar to the volume of Wembley stadium if filled up to roof level. Around half of this (2.72 million cubic metres) is Very Low Level Waste (VLLW), with 1.6Mm³ of Low Level Waste, 449,000m³ of Intermediate Level Waste and around 1,500m³ of High Level Waste, just 0.03% of

¹ <https://www.gov.uk/government/speeches/nda-settlement-contract-termination-and-inquiry>.

² <https://www.gov.uk/government/consultations/nuclear-decommissioning-authority-business-plan-2017-to-2020>

³ <https://www.gov.uk/government/publications/nda-quarterly-performance-report-quarter-2-status-for-2016-17>

the total but representing 95% of all radioactivity. The inventory comprises a suite of reports including a high-level summary and has a dedicated website⁴.

7. BEIS Industrial Strategy consultation

The Department of Business, Economy and Industrial Strategy (BEIS) held a consultation on a new Industrial Strategy, which concluded on April 17th. NuLeAF submitted a response. This noted that while nuclear decommissioning was an area which the draft Strategy recognised as one where '*Britain has a lead*' there was very little within the paper on how infrastructure, skills or research in the sector could be supported and enhanced. NuLeAF's response is available on the website⁵.

⁴ <https://ukinventory.nda.gov.uk/>

⁵ <http://www.nuleaf.org.uk/document-library/consultation-responses/consultation-responses-2017>