NDA Draft Business Plan 2008/11

Response to the Consultation by the Nuclear Free Local Authorities Steering Committee

The Nuclear Free Local Authorities National Steering Committee welcomes the opportunity to comment on the Nuclear Decommissioning Authority's Draft Business Plan and would like to make the following points: -

Overview

Cost estimates for the clean-up and decommissioning work required in the NDA's estate have risen and now stand at £72.7bn, an increase of £7.9bn. The NDA blame the increase on obtaining more detailed estimates from individual operators.[1] By the time money has been added for implementing the Government's plan for a deep geological repository, managing uranium plutonium and spent fuel not yet declared a waste, and decommissioning British Energy reactors, the figure could well reach £100bn.

The NDA was supposed to be making savings through efficiency gains but the lack of interest shown by the private sector in the Magnox South tender suggests it may have to make profit margins for contractors more attractive.[2] The NDA now appears to talk about cost estimates 'stabilising' rather than reducing.

Fears earlier this financial year (2007/8) that the NDA budget was going to be cut in the comprehensive spending review appear to have been misplaced. The budget for the next three years is £8.5 billion, an increase of £671 million on the previous three years' allocation. Some of this will be needed to account for a shortfall in income from THORP. But the Draft Business Plan confirms that resources will be shifted from the Magnox sites to Sellafield and Dounreay in order to combat high-hazard facilities more effectively.

The uncertainty generated by the NDA budget process cannot be good for confidence in the industry and should be avoided in future. The Trade Unions also appear to fear the implications of a shift in funds to Sellafield and Dounreay from elsewhere. Clearly if clean-up work at the Magnox stations is suspended, and jobs are lost, there could be a damaging reduction in decommissioning skills in the industry.[3] However, there do not appear to be any major reductions in spending planned at the Magnox sites in 2008/9, but no projected figures are given for 2009/10 and 2010/11.

Recommendation: The NDA needs to explain more clearly what impact its shift of funds to Sellafield and Dounreay is expected to have at other sites.

Magnox Operating Programme[4]

The most disappointing aspect of the Draft Business Plan is the revelation that a review of the current Magnox Operating Plan shows that reactor defuelling and Magnox reprocessing will

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[1] Guardian 11th Oct 2007 http://business.guardian.co.uk/story/0,,2188228,00.html
[2] Guardian 5th Oct 2007 http://www.guardian.co.uk/business/2007/oct/05/politics.nuclearindustry
[3] Times 8th Nov 2007 http://business.timesonline.co.uk/tol/business/industry_sectors/natural_resources/article2827309.ece
[4] The Magnox Operating Programme document (MOP7), BNG, July 2006, can be found at: - http://www.nda.gov.uk/documents/loader.cfm?url=/commonspot/security/getfile.cfm&pageid=13385 This is presumed to be what the NDA Business Plan refers to as the Magnox Operating Plan. The name should be corrected for the final version of the Business Plan.

take longer than anticipated to complete. According to the Business Plan, logistical issues at Sellafield mean that it will not be possible to defuel the Magnox reactors within the original planned timescales. As a consequence, it is likely that the reprocessing of Magnox spent fuel, which was due to be completed by around 2012, will not be completed until 2016 or later and that further plant enhancements will be required.

The NDA says alternative options for the treatment of spent Magnox fuel are being examined, and contingency plans are also being considered to accommodate major plant failure.

Eight years of misplaced re-assurances?

BNFL announced on 23rd May 2000 that the Magnox reprocessing plant (B205) would cease operation in 2012. It was noted by the Magnox Task Group of the BNFL Stakeholder Dialogue, in its report of 10th November 2000 that, given the Magnox spent fuel stock levels at the time and the performance of the Magnox reprocessing plant, the 2012 closure date for B205 was highly optimistic and unlikely to be met. The report expressed concern that BNFL's plan would "be hard to reconcile with meeting OSPAR requirements".

But BNFL insisted that it was in its "commercial interest to close B205 as soon as possible after the closure of (and subsequent loss of income from) the Magnox power stations [and] if B205 throughputs cannot be sustained, BNFL would have to re-evaluate its Magnox generation strategy."[5]

It is important to note that liquid and gaseous discharges do not stop as soon as B205 closes and some will continue for up to 5 years after the shutdown.[6]

If B205 does not achieve the required throughput options open to the company were said to include:

• Dry storage pending some other treatment yet to be identified
• Closing Magnox stations earlier than planned.

If the planned B205 throughput increases were not achieved decisions would have to be made between 2002 and 2004 about closing Magnox power stations earlier than planned or finding an alternative route for Magnox spent fuel.

At the time the Magnox Operating Programme (MOP7) of July 2006 was published, BNG was still saying that it was possible to complete Magnox reprocessing by the end of 2012.

MOP7 explained that the 2012 closure objective was:

"…informed at least in part by the UK's commitment to meeting objectives for further reducing discharges of radioactivity as agreed in the context of the OSPAR Convention.. Ending Magnox reprocessing is an important factor in achieving the discharge reduction targets that are envisaged by the OSPAR parties to be achieved by 2020 … and is reflected in the UK's national strategy for radioactive discharges out to 2020. A number of contracting parties to OSPAR are pressing the UK to achieve ever greater reductions on an earlier timescale than is envisaged in the current strategy. This places political pressure on the

[5] Both Magnox Task Group Reports are available as Appendix 8 & 9 of the BNFL Stakeholder Dialogue Spent Fuel Management Working Group, 18th Feb 2002 http://www.the-environment-council.org.uk/bnfl-national-stakeholder-dialogue.html

[6] See BNFL Stakeholder Dialogue Discharges Working Group Report 28th Feb 2000, table 7 http://www.the-environment-council.org.uk/bnfl-national-stakeholder-dialogue.html

Government to ensure the earliest practicable reduction in discharges associated with Magnox reprocessing and to ensure publicly stated targets are met."

According to the NDA it is now too late for the early closure of the remaining operating Magnox reactors, Oldbury and Wylfa, as the process of agreeing a strategy for shutting down, defuelling and decommissioning a reactor and reaching agreement with the NII on the associated safety cases takes around three years to complete.

Conclusion: On current plans for Magnox reprocessing the UK is unlikely to meet its obligations to the international community under the OSPAR treaty by achieving close to zero concentrations of radioactivity in the marine environment by 2020. It should have been relatively clear in May 2000 that the chances of completing Magnox reprocessing by 2012 were slim, and the Magnox closure programme should have been brought forward. If earlier closure of Oldbury and Wylfa is possible this would help reduce spent fuel stocks slightly, and it is disappointing that the life of Wylfa has been extended by 9 months against this background. Alternatives to Magnox reprocessing must, therefore, be urgently investigated.

A secondary consideration is that the reputation of stakeholder dialogues in the nuclear arena will be severely undermined by any extension of Magnox reprocessing beyond 2012.

Recommendation: The NDA must implement an alternative to Magnox reprocessing as soon as possible in order to achieve a 2012 closure date for the Magnox reprocessing.

Radioactive Waste Management

The NDA has become responsible for planning and implementing the geological disposal facility for higher activity waste. NFLA believes this is a mistake.

The demise of Nirex, without any proper consultation, will be detrimental to the Managing Radioactive Waste Safely (MRWS) process, and may well be illegal.[7] The Government launched the MRWS process with a commitment to consultation, openness, and transparency, but incorporating Nirex into the NDA in the rather secretive way it was done will be damaging. It leaves the process open to legal challenge, and there is a real danger we will see a "re-run of the last repository failure".

CoRWM has pointed out that the trust it has built up over the past few tears is fragile, and was "not persuaded" that the re-vamped CoRWM will ensure a continuation of public and stakeholder trust. This situation in which trust is draining away is exacerbated by the fact that there are no proposed changes to NDA's remit, meaning it has no clear statutory duty for the long-term management of radioactive waste.

It is against the background of rapidly diminishing public trust that the NDA must implement its nuclear waste management strategy.

Some members of the first CoRWM have accused the UK Government of cherry picking its report in order to support its decision to ask the NDA to take responsibility for "implementing deep geological disposal". Most of CoRWM's recommendations have been ignored, and vital prerequisites to deep geological disposal have not been addressed, in particular intensified

[7] The NDA - Nirex merger went ahead despite legal advice received by Nirex in October 2006, which said the NDA should not be involved in the site selection process for a repository, because it owns many nuclear sites, including the previous repository site in West Cumbria. The advice is available at: http://www.no2nuclearpower.org.uk/reports/nirex_legal_opinion.pdf

research to address uncertainties about storage and disposal, and a security-led review of storage.[8]

Recommendation: The NDA might well have commissioned research to address some of these storage issues raised by CoRWM. However, further efforts will be required if there is to be any hope of rescuing public trust. One option would be to establish a stakeholder working group to examine storage issue including a security-led review.

New Build

NFLA believe that maximising the commercial value of the NDA's activities should not be one of its primary objectives.

CoRWM was at pains to point out that its recommendations deal only with legacy waste. CoRWM said it took no position on the desirability or otherwise of nuclear new build, and that future decisions on new build should be subjected to their own assessment process. It specifically said it did not want its recommendations seized upon as providing a green light for new build – yet that is exactly what the Government has been doing. This will seriously undermine the NDA's efforts to implement a safe nuclear waste management strategy.

CoRWM warns that new build waste would extend the timescales for implementation, possibly for very long but essentially unknowable future periods. Creating new nuclear waste raises completely new political and ethical issues which are quite different from the issues raised by the waste we have already created.

Despite the merger of Nirex with the NDA, every effort should be made to keep further production of nuclear waste separate from responsibility for decommissioning, clean-up and disposal.

Unfortunately, the NDA's funding problems appear to be pushing the Authority into looking for income generation opportunities through supporting the construction of new reactors. For a body which is responsible for cleaning up the mess created by the nuclear industry to be reliant on creating more mess for funding is absurd.

The NDA Business Plan says: "*Subject to the outcome of the Government's consultation on nuclear power, there could also be opportunities to generate additional revenues from our land assets and, potentially, through the nuclear fuel cycle.*" The NDA says it wants to 'maximise income from NDA sites that could host new generating facilities.

Recommendation: It is essential that the NDA is not seen to support new reactor construction and the production of yet more nuclear waste.

Other Commercial Activities

The NDA says that discussions are going on with the Government about the most appropriate management options for dealing with the spent nuclear fuel not currently contracted for reprocessing; the future of the Sellafield MOX Plant (SMP) and THORP.

Recommendation: A public body responsible for the clean-up and decommissioning of legacy nuclear facilities should not be reliant on commercial, nuclear waste producing activities for a part of its funding. SMP and THORP have both been commercial and technical disasters and should be closed down as soon as possible.

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[8] Guardian 12th September 2007, http://www.guardian.co.uk/nuclear/article/0,,2166840,00.html

Scotland

The Business Plan (page 18) says NDA will "*also work with the Scottish Government to ensure that appropriate arrangements are in place to respond to its evolving policy on managing higher activity wastes*".

Scottish Government policy is that no new nuclear reactors should be built in Scotland (i.e. no more nuclear waste should be produced other than that which has already been committed). In addition the Scottish Government has expressed its opposition to deep geological disposal and was not involved in the most recent consultation on implementing deep geological disposal.

Recommendation: It seems clear, therefore, that one of the "appropriate arrangements" to be put in place by the NDA in Scotland should be a full and open Scottish consultation given that the context is now completely different to the rest of the UK.

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