



Report to the West Cumbria Sites Stakeholder Group
From the Commercial Sub Committee
For
October 7th 2010

The 6th Commercial sub committee meeting was held on 8 June 2010 at the Cleator Civic Centre.

Mike Davidson, Allerdale Borough Council chaired the Commercial sub committee, which received a good attendance. The Chair requested that delegates stand and observe a few moments of silence in memory of those who had lost their lives in the recent shootings in the area.

Election of Chair and Vice Chair

Ms Ali McKibbin was asked to take the Chair while an election was held for the Chair and Vice Chair as required by the Terms of Reference. The current incumbents were the only nominees and were re-elected unopposed.

Emma Candy, Sellafield Ltd Stakeholder Manager for Evaporator D, gave a presentation on the Evaporator D Project.

Evaporator D is a high priority project, which has been funded and sanctioned by the NDA at £400m. This additional evaporator is required in the processing of High Active (HA) waste.

All the main approvals for the project have been granted. The first construction phase has been completed and work on the second phase has commenced including installation of cranes and work on the main building walls.

Trials for the marine delivery of 11 major modules have been successfully completed using barge landing on the beach. Initial structural work is well underway in preparation for the first module which is due in November 2010.

John Butler, Deputy Director of Waste and Effluent and Disposition Directorate outlined the key facilities and strategic roles of the directorate, along with the key issues and successes.

The new directorate has been formed in order to integrate all the waste efforts from across the site to find new ways to treat and reduce wastes and to support high hazard risk reduction.

Of the three existing HAL evaporators, Evaporator A is supporting Magnox reprocessing, Evaporator B is shutdown and should be brought back into service early summer, and Evaporator C in undergoing inspections and a License Instrument has been applied for to support Thorp reprocessing. The plan is to keep all three evaporators operable, but not to operate them simultaneously.



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The 5000th container of vitrified High Level Waste (HLW) was produced in June 2009.

Evap C has been granted a new licence instrument which will allow 1000 tonne of fuel to be reprocessed through THORP

Details of a number of good news stories were given including the MBGWS which had completed 14 years of accident free operation. HAL stocks were reported to be well below specified limits and melter performance in the Waste Vitrification Plant had achieved best ever performances.

Details were also given of incidents including an unplanned interruption to the cooling water supply to HALES and the dispatch of 5 bags of LLW to landfill. In both cases investigations have identified the causes of the incidents and the remedial work required.

Graham McKendry, Director of MOX Operations (Sellafield Ltd) outlined the main facilities and strategic roles of the directorate, and provided details of key achievements and challenges.

SMP has completed its best year ever but has still not achieved an economic rate of production.

The primary achievement has been completion of six MOX fuel assemblies built since August 2009 and a further two are expected by July 2010

A new contract has been signed with a Japanese customer and an improvement programme funded by the customer and taking several years will be completed before production work for this customer begins.

Rupert Wilcox-Baker, INS Corporate Responsibility Director outlined the scope of INS' work and news from the subsidiary.

The first return of Vitrified Residue (VR) to customers in Japan was completed in January 2010. A further shipment to the Netherlands was completed in March 2010. This contained all the VR from 28 years of operation of the Dodewaard reactor.

INS is working to put in place new commercial arrangements to support the continued operation of SMP.

The two new ships for the PNTL fleet, Pacific Egret and Pacific Grebe, have been launched. These were paid for by Japanese customers.

Steve Cockayne, deputy Director of Spent Fuel Management (Sellafield Ltd) outlined the key facilities and strategic roles of the directorate, along with the key issues and successes



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The new directorate has been formed by aligning the two reprocessing operating units and is focussed on bringing synergies and experience from both Thorp and Magnox. Plutonium capability is also being brought together into one organisation.

Michael Glass, Commercial Performance Manager (NDA), told the meeting that an organisational effectiveness review is being carried out in the NDA in order to review their responsibilities for the future and maximise their effectiveness.

He said that commercial income was in decline and expenditure of new facilities in forthcoming years would make funding an issue, although over £7 billion of income had been generated by the NDA over the past five years.

He added that new reprocessing and/or encapsulation work would only be sought if the NDA could make a profit from the venture. The NDA is required by the Energy Act to produce a strategy review covering the next five years; a draft of this is currently out for consultation.

Phil Hallington, Head of External Affairs, Strategy and Programme Directorate, (Sellafield Ltd), outlined Lifecycle Baseline 2010, the first life time plan to be produced under NMP's leadership.

He said that LCP measures output and outcomes, rather than level of effort and is less aspirational than previous plans, being based on current performance and not on forecasted improvements.

He added that LCB is just a baseline, and that the plan to which SL intends to work, the Integrated Change Plan, would see SL work more efficiently and effectively to outperform the baseline.

He added that the Annual Site Funding Limit for Sellafield 2010/11 was £1500m, against a scope of work in the LCB of £1600m, which included £100m extra for high hazard risk reduction work. The shortfall in funding is to be met through the prioritising of high hazard work and the delaying if non-urgent work to future years.

Mike Davidson concluded the meeting by thanking those in attendance for coming, with the date for the next meeting set for 14 December.