



West Cumbria Sites Stakeholder Group

Report to the West Cumbria Sites Stakeholder Group From the Commercial Sub Committee For 1 April 2010

The 5th Commercial sub committee meeting was held on 12 January 2010 at the Cleator Civic Centre which is the only meeting since the last scrutiny meeting on 1st October 2009.

Mike Davidson, Allerdale Borough Council chaired the Commercial sub committee, which received a good attendance. A number of new faces were welcomed to the meeting including new member Cumbria County Councillor David Southward.

Tom McClain, Sellafield Ltd Project Manager, gave a presentation on the Evaporator D Project in response to a request from the previous meeting to provide a briefing.

Evaporator D is a high priority project, which has been funded and sanctioned by the NDA at £397m. This additional evaporator is required to process both liquid and solid High Active (HA) waste.

All the main approvals for the project have been granted, including the Licence Instrument for main build construction and planning approval for the marine access. 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.

Evaporator D will be built in modules off the site and trials for their marine delivery have been successfully completed. The programme date for completion of the project is July 2014.

Mike Johnson, Executive Director of Production Operations (Sellafield Ltd) 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 and 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 is 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.

The 5000th container of vitrified High Level Waste (HLW) was produced in June 2009. Waste incorporation rates for each container of solid vitrified HLW have increased from 9te to 12te, so reducing the number of containers to be stored, saving considerable money for the taxpayer. With the improved incorporation rates, about



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one third less containers are now being produced compared with a few years ago for the same volume of waste.

The Residue Export Facility (REF) has been commissioned for the Vitrified Residue Returns (VRR) programme. The first shipment will take place very shortly.

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

SMP has had a difficult operational history however they have demonstrated improving performance in both pellet and rod manufacturing areas.

The primary achievement has been completion of eight MOX fuel assemblies in August and a further eight are currently being manufactured for the same customer. Completion of these further eight MOX fuel assemblies is key for the business.

The NDA has announced that SMP will continue to operate. A plan has been put together to increase output to make the plant commercially viable. The NDA and INS are discussing with commercial customers to secure new commercial arrangements for the longer term.

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 will be completed by the end of the financial year. VRR is a significant step and delivers on a promise to return overseas waste to the country of origin. A 10 year programme of returns is planned.

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

A further two new ships are being brought into the PNTL fleet, paid for by Japanese customers. The new Pacific Egret has just been launched and will now be fitted out and delivered later this year, along with her sister ship 'K3'.

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

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.

Thorp has operated well this year however operational throughput will remain limited by the lack of available supporting evaporative capacity. Reliability of the Thorp Main Pond Handler (MPH) has significantly improved to almost 95% to support fuel movements.



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Magnox reprocessing started up at the beginning of December following the return to service of Evaporator A. Magnox reprocessing rates are good and currently higher than Magnox fuel deliver rates due to the lack of available transport flasks in service.

INS is looking to maximise commercial revenue by offering existing customers extended services and add on features. New business development skills have been recruited and new proposals submitted to the NDA to help fund decommissioning operations.

Sean Balmer, Head of Commercial Revenue & Projects (NDA), reported on NDA assets and sales, revenue generation, along with the SMP Review.

Land sales have been very successful for the purpose of new reactor build, with Bradwell, Oldbury and Wylfa sales netting £387M and the Sellafield auction realising £70M. Land to the west of Sellafield has been sold however there is no strategy for the sale of land to the east of the site.

A NDA Corporate Asset Management Plan includes all assets and evaluates the rationale for holding onto them, otherwise consideration is given to their sale. Realising all major asset opportunities could reduce nuclear liabilities by £1–2bn.

The NDA board has approved the continual operation of SMP, whilst INS is pursuing commercial arrangements. SMP will continue to remain under review. On completion of the next campaign of fuel, the NDA will decide upon the future of the plant based on the commercial opportunities available to allow the plant to pay its way.

Mike Davidson summed up the meeting and praised the achievements outlined. There was an enthusiastic response to the call for agenda items for the next meeting including: Evaporator D project update; Public Value Programme (PVP) spending review; Life Time Plant (LTP10); DRS; Integrated Change Programme (ICP) and the Annual Results.