

**Report to the West Cumbria Sites Stakeholder Group**  
**From the Commercial Sub Committee**  
**For**  
**2 October 2008**

The 1<sup>st</sup> Commercial sub committee meeting was held on 21 April 2008 at the Ennerdale Country House Hotel, Cleator.

David Moore, chairman of the West Cumbria Sites Stakeholder Group (WCSSG) chaired this first meeting.

Membership for the first meeting was made up of existing members of the WCSSG along with representatives from Sellafield Ltd, International Nuclear Services (INS) and the Nuclear Decommissioning Authority (NDA). Further representatives were requested from the Nuclear Installations Inspectorate (NII) and the West Cumbria Development Agency (WCDA). Martin Forwood of Cumbrians Opposed to a Radioactive Environment (CORE) declined to join the committee.

Mike Davidson, Allerdale Borough Council was accepted as the Chair of the Commercial sub committee and Ranald Stewart, Ponsonby Parish Council as Vice Chair of the group.

The terms of reference were discussed and changes agreed. The objective of the committee is to provide a forum to scrutinise and input into the operational, production and transport activities of the Site Licence Companies the WCSSG represents. It also gives the opportunity to scrutinise the Parent Body Organisation's (PBO) commercial proposals

It was agreed that the committee will:

- Provide a forum whereby Site Licence Companies, the NDA and the PBO can be scrutinised with regard to their commercial / operational / transport activities.
- Give an opportunity to input views into commercial / operational plans.
- Provide views and comments on performance.

All meetings are open to the public and members of the press.

Bob Churchill, Head of Stakeholder Engagement and Socio-economic Development, NDA gave a presentation on the NDA's commercial activities. There were a significant number of questions and it was agreed that the NDA would provide a more detailed inventory of the NDA assets and the plans for them.

There was an explanation of the PBO and SLC model and the competition process under EU procurement rules and legislation. The potential PBOs were described and that the preferred bidder for the Sellafield PBO would be announced in July. The contract would be for a period of between 5 and 17 years depending upon performance.

Neil Longfellow, Director of Recycling Operations, outlined the key facilities and strategic roles of his directorate. The Directorate provides significant revenue to the NDA and supports AGR electricity generation.

Following discussions on Thorp performance, it was explained that future reprocessing business for Thorp would require public consultation as set out in the government white paper

John Storer, Director of Production Operations, outlined the key facilities and strategic roles of his directorate. The Directorate's responsibilities include the reprocessing of spent fuel and waste management of current nuclear materials and remediation of historic materials, supporting the NDA's clean up focus.

The Magnox Operating Programme (MOP 8) coordinates the Magnox reactor fuel discharges with Magnox reprocessing throughput.

John Clarke, MD of INS, outlined the scope of INS' work. INS is now a wholly-owned subsidiary of the NDA managing existing contracts for Sellafield Ltd, primarily for reprocessing and MOX related business. They also operate an international nuclear transport service.

INS could not stay part of Sellafield Ltd as potential PBOs were unable to have due diligence and see the commercial contracts and so it was brought under the NDA. INS is currently testing the market for new business opportunities but is not actively marketing services.

David Moore summed up the meeting which had successfully outlined the commercial operations and in the future he hoped to have a report on the commercial opportunities available for Sellafield.

A 2<sup>nd</sup> Commercial sub committee meeting was held on 8 September 2009 which was chaired by vice chairman Ranald Stewart.

Three new organisations were welcomed to the committee – Colin Sharpe (West Cumbria Business Cluster, Bill Kings (NII) and Gary McKeating (West Lakes Renaissance). In addition to this there were a few replacement members due to changes in INS and the NDA.

John Clarke, the NDA's new Commercial Director gave a presentation on the NDA's commercial activities, in particular asset use and the future competition programme. There were a significant number of questions and it was agreed that the NDA would provide a more detailed report in the future.

There was an explanation of the PBO and SLC model and the role of the NDA. The preferred PBO bidder was announced on 11 July, transition and partnering contracts will be signed on 6 October and the plan is that the share transfer will take place on 24 November.

It was confirmed that the NDA is reviewing both Thorp and SMP's performances and that they are seeking solutions for the future use of the UK plutonium stockpile, which could potentially involve SMP.

Neil Longfellow, Director of Recycling Operations, outlined the key issues and challenges facing Thorp and SMP. He also detailed some of the achievements with respect to the Directorate. The Directorate continues to provide significant revenue to the NDA and supports AGR electricity generation.

Thorp's production performance is currently on target however the plant is currently shut down for planned engineering maintenance. There was some discussion on the importance of a new evaporator to Thorp's continued operation and AGR fuel storage capacity.

Dave Polkey deputised for the Director of Production Operations who was in Japan discussing high level waste return. He reminded members of the key facilities and strategic roles of the directorate. The key achievements and issues for the Directorate in each of the main plant areas were outlined.

There was some discussion about the Residue Export Facility (REF) and the arrangements for returning customers' high level waste to them as outlined in the contracts.

Dan Robson deputised for the MD of INS who was also in Japan. He reminded the committee of the scope of INS' work and that is now a subsidiary of the NDA.

The key business achievements for the period were highlighted in particular the acquisition of a new ship to the PNTL fleet and that an order has been placed for two new additional ships for waste and MOX fuel shipments.

The meeting concluded with calls for the new PBO to be invited to the next meeting in order to discuss potential future commercial opportunities.