

NDA Briefing Note for Berkeley SSG Meeting, 22 April 2009

NDA nominates land for new nuclear

The NDA has nominated land near Sellafield, Wylfa, Oldbury and Bradwell, for consideration under the Government's Strategic Siting Assessment (SSA) process to identify sites suitable for nuclear new build.

Whilst the NDA is not proposing to develop new nuclear plants itself and will not seek planning permission, it has nominated land into the SSA process in order to enhance the value of its land and in turn generate income which will help fund the decommissioning programme.

The NDA has significant land holdings in West Cumbria that are surplus to operational requirements which it intends to release to the market as part of a land disposal process announced last year. Market feedback indicates there is potential interest in the NDA's land adjacent to the Sellafield site for a variety of purposes including new build.

The NDA is also nominating land at three other sites which are currently being disposed of via an auction process. These sites are at Wylfa on Anglesey, Oldbury in Gloucestershire and Bradwell in Essex. As with Sellafield, on completion of the land sales, responsibility for taking the sites forward through the planning and development stages would pass to the new owners.

An announcement on the process and timing for the Sellafield land sale will be made in due course and in light of experience gained from the current auction of land for Wylfa, Oldbury and Bradwell.

Bidding for Land Adjacent to Nuclear Sites

Following an announcement in December 2008 by the NDA and EDF concerning the disposal of land adjacent to three NDA sites at Wylfa, Oldbury and Bradwell; the process has entered its final phase with the start of online bidding.

The bidding process is being run by Colliers CRE on their auction website and went live from 16 March. The online auction will allow pre-approved bidders to make bids in two windows each day. The auction will end once a period of 24 hours has elapsed without a bid on any of the three lots. All bidders will be able to view the current highest bid on each lot and the winner for each lot will be the party with the highest bid on that lot when the auction closes.

Following dialogue with bidders, single bids will be invited for a combined lot owned by the NDA and EDF at Wylfa.

Three separate lots are for sale in this process:

- The land at Wylfa, adjacent to an operating Magnox nuclear power station currently scheduled to close in March 2010, comprises NDA and EDF owned land totaling approximately 178 hectares (438 acres), together with an option to acquire any grid connection rights in respect of Wylfa held by any member of the EDF Group or the NDA.

- The land at Oldbury, adjacent to an operating Magnox nuclear power station currently scheduled to close in 2010, comprises NDA owned land totaling approximately 48 hectares (119 acres).
- The land at Bradwell, adjacent to a Magnox nuclear power station currently being decommissioned, comprises NDA owned land totaling approximately 200 hectares (493 acres).

Bidding has continued after an Easter recess.

Sam Hounslow, Project Manager for the NDA sale said:

"We are pleased that the innovative process applied to the sale is working well. The level of competition for the three sites has obvious benefits for both the NDA and UK taxpayer as a result of the revenue being generated."

Proceeds from the auction, which reopened on Tuesday 14 April, will assist the NDA to help fund the cost of decommissioning and to further its core mission.

NDA Business Plan

The NDA has published its Business Plan for 2009 to 2012, following a public consultation and ministerial approval.

This year's plan brings a sharper focus to the key deliverables the NDA seeks to achieve this year and also indicates the direction of activities over the following two years.

Richard Waite, NDA Acting Chief Executive said:

"The importance of the work programmes detailed in the Business Plan need to be seen in the broader context. The NDA is delivering the largest environmental restoration programme in Europe, making safe and disposing of some of the most hazardous material anywhere in the world whilst also providing essential services to enable current nuclear sites to 'keep the lights on' and developing the UK's waste management infrastructure for the benefit of this and future generations".

"In our first four years we have made substantial progress in getting to grips with the estate we inherited. This Business Plan demonstrates on a site by site basis that the UK has plans in place to effectively deal with its nuclear legacy."

At £8.44 billion over the three years from 2008/09 to 2010/11, the NDA budget includes the highest ever level of Government spending on nuclear decommissioning. This year site funding has been allocated to ensure we maintain a balance of decommissioning progress while addressing the cost pressures that continue to apply to Sellafield.

The NDA has made significant progress in its core mission of hazard reduction with the Government's strategic objective on target to be achieved. We will also deliver Government value for money targets by saving at least £240 million over the Comprehensive Spending Review period from 2008 to 2011. Our ability to realise these savings is borne out by the £450 million of cumulative savings made over the previous three years. These savings are then used to enable more work on the decommissioning mission to be achieved.

We have generated over £5.3 billion of commercial income over the past four years despite performance volatility at some plants. We plan to add a further £1.2 billion this financial year. Part of this income will come from extended electricity generation at Oldbury and Wylfa achieved via partnership working with our Site Licence Company, Magnox North Ltd.

The last year has also confirmed that competition attracts world-leading companies with the potential to deliver more cost-effective clean-up. Following on from the successful conclusion of the competition to find a parent body for Sellafield Ltd, we have established a working partnership with Nuclear Management Partners through which we expect to deliver significant improvements in operational efficiency, project management and cost control at Sellafield.

The competition to find a private sector parent body for Dounreay to become our new delivery partner will be launched later this year, followed by the selection of a single parent body for the two Magnox Site Licence Companies and Research Sites Restoration Ltd covering the former UKAEA sites at Harwell and Winfrith.

Reducing support costs will be key to maximising efficiency across our estate. We will continue to drive the development of a project-focused culture to improve cost control and simplify reporting.

In recognition of the difficult economic circumstances, the NDA will reduce its planned expenditure on its own running costs for this year by £7 million. This means a spend of approximately £60 million on core NDA activities and £20 million to spearhead the work on the geological disposal facility following the integration of Nirex into the NDA.

UK Radioactive Higher Activity Waste Storage Review published

The review was undertaken on behalf of UK Government to meet the NDA's Strategy commitment and a response to the Committee on Radioactive Waste Management (CoRWM) to look at the storage arrangements pending the availability of a Geological Disposal Facility. In the review reference to geological disposal only applies to UK and Welsh Assembly governments as the Scottish government does not support deep geological disposal and has a policy of long term interim storage for HAW.

Interim storage is an integral part of the long term management of Higher Activity Wastes. A key conclusion is that storage strategies should allow HAW to be stored safely for 100 years or more. Interim storage is an essential part of NDA Strategy however NDA will continue to deal with high hazard/environmental risk wastes at the earliest opportunity, ensuring that it is disposed of as soon as it is safe to do so.

Oldbury Nuclear Plant to Restart Electricity Production

The NDA announced in March that Reactor 1 at Oldbury nuclear power station in Gloucestershire had been given permission to restart by the Nuclear Installations Inspectorate, the industry regulator, after being out of action for 30 months.

The reactor is now likely to generate electricity for the National Grid through 2009 and 2010, taking account of fuel availability and reprocessing schedules at Sellafield.

The reactor's generating capacity is 217 megawatts and, dependent on performance and electricity prices over the period, projected income is anticipated to be in the region of £1 million per week.

Richard Waite, NDA Acting Chief Executive said:

"This is good news for UK plc, generating much needed electricity from a low carbon source while at the same time generating income to support our decommissioning mission."

Joe Lamonby, Oldbury Site Director for Magnox North, the contractor managing the site on behalf of the NDA, said:

"A considerable amount of work has been completed to ensure the reactor is ready to restart, including a successful readiness review and extensive sampling and testing of the graphite core. The inspections confirmed that the reactor is in good condition."

Magnox Operating Programme (MOP8) Update

The NDA, in conjunction with Magnox South, Magnox North and Sellafield Ltd, published the eighth update of The Magnox Operating Programme (MOP) in March 2008. The MOP defines the key deliverables of the whole Magnox fuel cycle covering fuel manufacture, electricity generation, fuelling and defuelling of reactors, and reprocessing of spent fuel.

Magnox has monitored progress against the MOP and based on its status at the end of August 2008 the forecast for completion of reprocessing has been adjusted by two months to March 2016 as opposed to the previously published date of January 2016.

This takes into account the following elements:

- Performance since August 2007
- The latest Magnox Reprocessing schedule and P80 forecast end date
- Updated fuel usage forecasts allowing Oldbury to generate
- Active commissioning of the Calder Hall fuel route before the start of bulk defuelling

As the change to the schedule is minimal, it has been agreed by all parties involved that MOP8 remains a valid and achievable programme and therefore there is no need to re-issue the full MOP document.

Forthcoming Events

17 June – 8th National Stakeholder Group Meeting