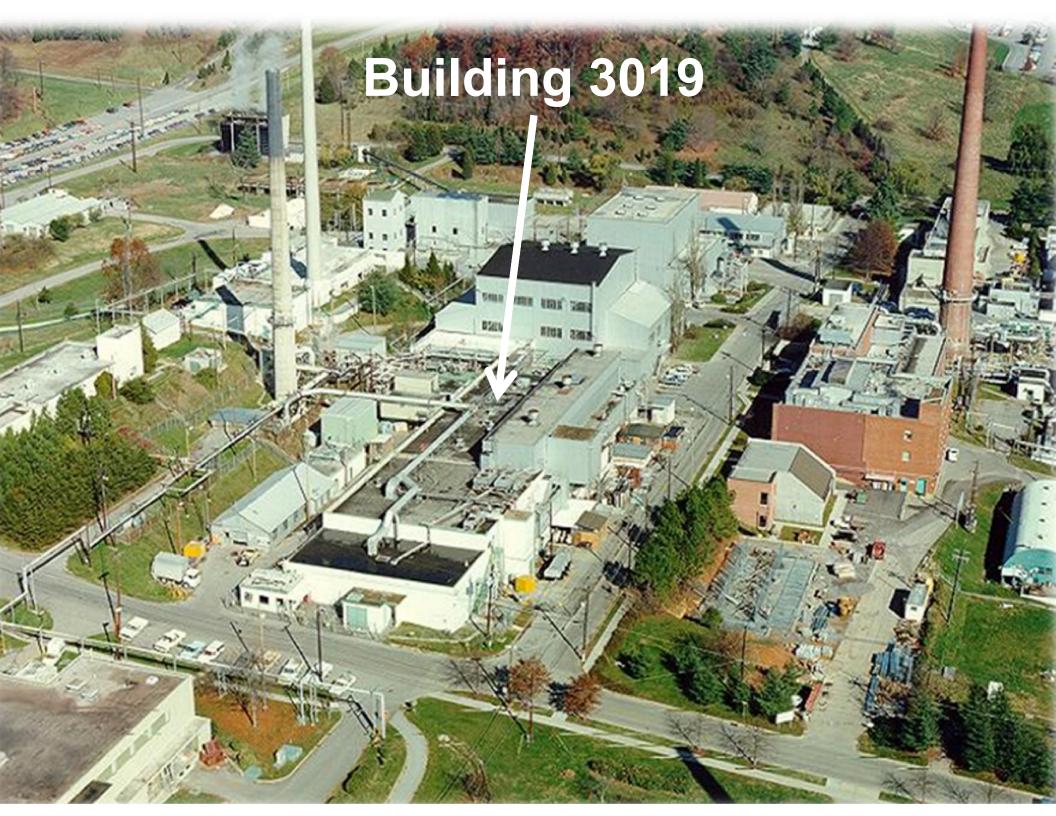
U-233 Disposition Program

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Inventory Complexities

- Building 3019 U-233 Inventory Properties
 - 1,098 canisters stored in tube vaults in heavily shielded hot cells within Building 3019 at Oak Ridge National Laboratory
 - U-233/U-232 radiological properties
 - Doses of 1-300 R/hr
 - Heterogeneous inventory
 - Consolidated Edison Uranium Solidification Project (CEUSP) Material
 - Molten Salt Reactor
 Experiment (MSRE) Traps
 - Oxide Powders
 - Metals
 - Zero Power Reactor (ZPR) Plates
 - Miscellaneous

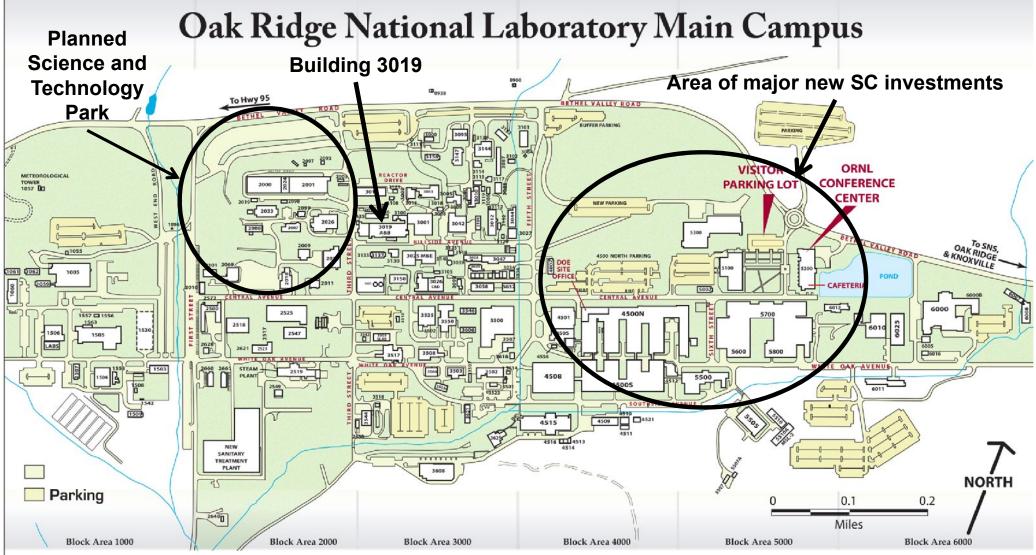




Mission Drivers

- Defense Nuclear Facilities Safety Board (DNFSB)
 Recommendation 97-1
 - Concern about safety of long-term storage in old nuclear facilities
- Security
 - Drives security posture of Oak Ridge National Laboratory (ORNL)
- Support to the Office of Science (SC) mission at ORNL
 - Threat removal
 - Re-development of the NW quadrant into an open campus





1005 Laboratory for Comparative and Functional Genomics

1503 Emergency Operations Center

1505 Environmental Sciences

1520 Joint Institute for Biological Sciences (under construction)

2518 Fire Station

3001 Graphite Reactor

4500N/4500S Chemical and Material Sciences Facility

4508 Metals and Ceramics Facility

4512 Laboratory Shift Superintendent Office

4515 High Temperature Materials Laboratory

5100 National Institute for Computational Sciences/Oak Ridge Center for Advanced Studies

5200 Research Support Center - Visitor Center/Conference Center/Cafeteria

5300 Multipurpose Research Facility (under construction)

5600 Computational Sciences

5800 Engineering Technology Facility

5700 Research Office Building

6000 Holifield Radioactive Ion Beam Facility

6008 Joint Institute for Heavy Ion Research

ORNL 2007-G00360A/asq



The Challenge

- The Problem: FPD forecasted additional cost growth and project risk due to design complications
 - Exacerbated by predictions of constrained funding
- Proposed Solution: Re-examine past alternatives in light of changed conditions over the past 10 years, and determine whether new opportunities exist to disposition the inventory more efficiently
- Implementation Approach: Assemble inter-disciplinary, interdepartmental team of experts from around the country, and involve policy-level decision makers
- Changed conditions included:
 - TRU Waste Processing Center (TWPC) in Oak Ridge now operational
 - Expressions of programmatic interest in certain inventory elements
 - National Criticality Experiments Research Center (NCERC) at the NNSS Device Assembly Facility now operational

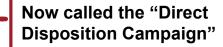


Alternatives Analysis

"I want to express my full support of another rigorous look at...alternatives, and an evaluation of any new ideas which may emerge...for purposes of determining whether changed circumstances could render a different technical solution more attractive in today's context."

- DOE Deputy Secretary Poneman

- Draft Phase I Alternatives Analysis report (Jan, 2011) favored a combination of direct disposition and co-processing
 - Transfer components desired by other DOE programs
 - Direct dispose of the CEUSP material
 - Co-process remaining inventory with other ORNL wastes
- Direct Disposition Campaign will eliminate 52% of canister inventory, 77% of total Uranium and 85% of U-232 isotope





Phase I Processing Recommendation

- Phase I preferred approach: Dissolution and downblending of remaining inventory in Building 3019 using completed design (as appropriate), followed by co-processing with Melton Valley Storage Tank (MVST) sludges at the ORNL TRU Waste Processing Center (TWPC)
 - Avoids annex construction and a separate waste packaging and transportation campaign, without significantly impacting TWPC operations or their final waste form
 - Eliminates risk of unproven drying and packaging technology
 - Provides acid that TWPC needs for caustic sludge mobilization
- Need a Phase II analysis to make a final determination of the most efficient, lowest risk processing technique



Phase I Summary: All Parties Win

- Faster and cheaper than the existing baseline
 - >\$100 million savings potential
 - Possible three-year acceleration (benefits Office of Science)
 - Results in earlier initiation of material movement (builds project momentum)
- Still could utilize much of the "sunk" design cost
- Significant risk reduction
- Preserves an opportunity for multiple program uses
- Synergy with TWPC



Phase II: A New Level of Savings?

- Is additional direct disposal or programmatic transfer possible?
- Can we increase the number of CEUSP canisters per cask?
- Can we avoid a capital project altogether?
 - Recall, Phase I obviated the annex via co-processing
 - Can we eliminate capital upgrades to Building 3019 too?
- Emerging solution: Process in existing ORNL hotcell facility - Building 2026
 - Not yet a consensus recommendation



The Phase II Alternatives Analysis

- Phase II preliminary conclusions: A whole new level of savings
 - Only 10-20 additional canisters are eligible for direct disposal
 - Additional programmatic demands have emerged for small quantities
 - Preservation of a "strategic reserve" for certified reference material (CRM) may precipitate a follow-on direct transfer campaign
 - Re-activate ORNL Building 2026 for processing on a can-by-can basis instead of using Building 3019 for downblending
 - Completely avoids a major capital acquisition
 - Requires upgrade of Building 2026 from hazard category III to hazard category II
 - Preliminary total "to go" cost:
 \$250-300M (including Direct
 Disposition efforts in FY12)
 - Requires \$35-\$45M per year through FY17 (completion in Q1, FY18)

Represents a potential savings of 10 years and \$600M relative to the original approach, when both are constrained to \$40M/yr!



Status

- Fixed price contract option for direct disposition executed on January 1, 2012
- First ZPR plate shipment completed on December 19, 2011
- Draft Phase II Alternatives Analysis will be published in March
 - Still requires joint endorsement of EM and the Office of Science
- Plans are maturing for CEUSP disposal
 - Disposal concept done
 - Subcontract awarded for LWT cask and SARP development
 - Security strategy underway





Summary of Innovations

- Recognition of changed conditions, and open-minded reexamination of previous alternatives and past decisions
 - Use of policy-level officials to challenge earlier conclusions and preconceived notions
 - Focus on the desired outcome, rather than the means to an end
- Adapting the LWT cask for CEUSP shipments
- Partnering for early initiation of the direct disposition campaign
 - Strategic focus on early initiation of material movements
- Potential use of existing facilities owned by other programs to help solve EM problems
 - 'Capital investment in a non-enduring facility is a last resort'
 - Alignment of programmatic interests
 - Evolution of Building 3019 and 2026 DSAs (start with the easy stuff)

