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Canada's GoCo Model

A UK NDA perspective

WM2017 Session 39, Tuesday, 7 March

NDA, NNL & Government

POLICY



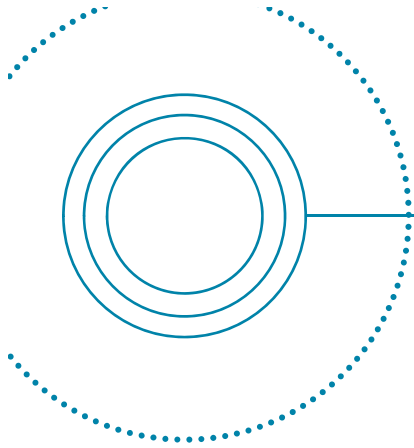
STRATEGY



DELIVERY

Through contracts
(Service Agreement for SL)





NDA vs. AECL

- NDA:
 - Employees: 210
 - Employees in the Estate: 18,100
 - Sites: 17
 - Liability estimate: £117bn / CAN\$192bn/ US\$145bn
 - Annual budget: £3.3bn / CAN\$5.4bn / US\$4.1bn
 - Timescale: 120y
- AECL:
 - Employees: 40
 - Employees in the Estate: 3,000
 - Sites: 6
 - Liability estimate: £6.0bn / CAN\$9.9bn/ US\$7.5bn
 - Annual budget: £0.6bn / CAN\$1.0bn / US\$0.8bn
 - Timescale: 8y



NDA & Canada

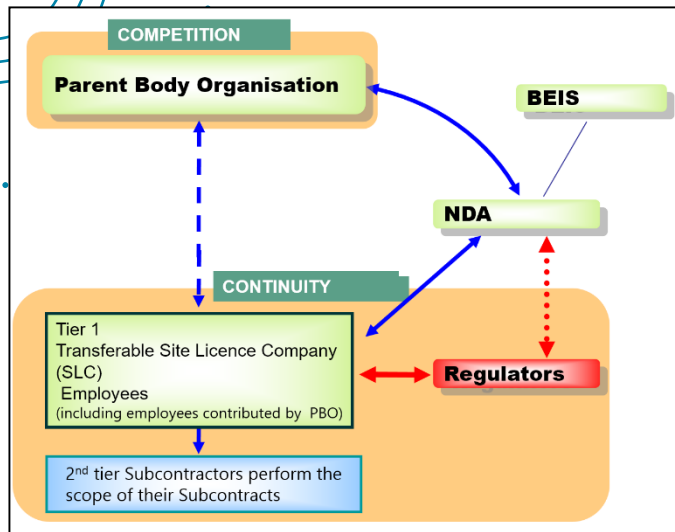
- Bilateral agreement with AECL – 2011
 - NDA Reviewed AECL liabilities methodology
- Provided advice to Natural Resources Canada (NRCAN) on NDA model & relationship with Government
- Continued exchanges with AECL since GoCo
 - Common technical challenges
 - Discussions with NDA on contractual arrangements with PBOs & SLC's
 - AECL gaining PBO and SLC perspective
- Joint Panel at WM2016 (with USDOE)
 - Technical exchanges & GoCo



UK Lessons Learned

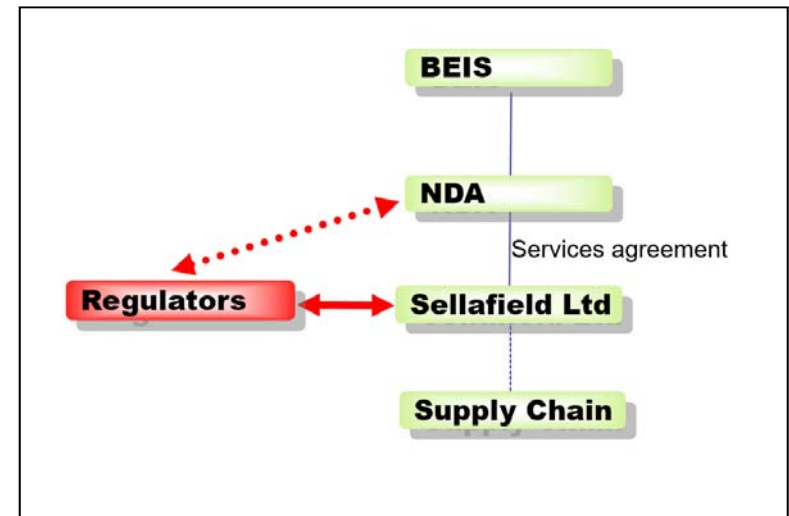
- Regulatory
 - Importance of its relationship with the site owner and the SLC
 - Regulation of decommissioning is different to that for operational facilities
- Contracting & risk transfer
- Uncertainty
- Culture change
 - Operation to decommissioning
 - Asset to liability
 - Transfer to PBO
- NNL Model
 - NNL originated from BNFL R&D
 - 2009 – Government owned Contractor operated, GoCo Model
 - Managing contractor: consortium of Serco, Battelle Memorial and Manchester University
 - 2013 – Government owned Government operated, GoGo Model

Why did we change Sellafield Model?



“Traditional” PBO Model

- Sellafield PBO contract awarded to Nuclear Management Partners in 2008
- Latterly: AECOM, AMEC Foster Wheeler, AREVA
- Transfer from PBO Model to Market Enhanced SLC model in March 2016
- Announced January 2015
- Timescales, costs and complexities requires a model which enables better planning for uncertainty



New Sellafield arrangement

- Public Sector retention of Sellafield uncertainties
- Secures best outcomes for Safety, expedited remediation of high hazard facilities
- Value for money (for the taxpayer) – including risk transfer
- Identification of Strategic Partner
- Continues to benefit from private sector expertise through suppliers rather than a private sector owner



Key conclusion

- “The owner is the owner – no matter what you try and do!”



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