

09 August 2017

## DECOMMISSIONING LARGE SCALE ENERGY PLANTS: DISCHARGING LIABILITIES SAFELY AND COST EFFECTIVELY

### PART I: EFFECTIVE DECOMMISSIONING PLANNING

A robust plan for discharging the liabilities associated with a facility's operation is important not just for compliance with legislation but to establish the correct basis for funding and implementing safe, environmentally sound, and cost effective decommissioning for that facility whether it be nuclear, conventionally hazardous, or physically complex. The plan will form the basis on which work is presented to market and, once contracted, performance monitored.

The UK's Nuclear Decommissioning Authority terminated a major clean up contract for 12 nuclear sites earlier in 2017 because of the emergent mismatch between the work that was specified in that contract which dated to 2012, and an emerging work that actually needed to be done ([click here to see Prospect blog covering Written Statement to Parliament by Energy Secretary Greg Clark on 27 March 2017](#)) While this was no reflection on the performance of the contractor it did illustrate the desirability of having a fully underpinned decommissioning baseline plan prior to any commercial commitment.

Of course the robustness of the baseline will be a function of the time prior to executing the work: while it is self evident that however well you plan, time and the reality on the ground will act to confound that plan, this should not put off the need for proper underpinning at appropriate points through the lifecycle of the facility irrespective of whether that facility is nuclear or conventional.

In that regard treatment of risk and uncertainty is a key factor. While this is recognised, rigorous analysis can often be overlooked when it comes to developing a decommissioning plan.

There are two principle objectives to risk and uncertainty analysis – informing contingency values in the cost estimate and identifying work required to mitigate or to retire each risk. While the former is well recognised the influence of the latter may not be, especially if budgets are tight. To help address this the UK has implemented a formalised and structured approach to risk mitigation within decommissioning planning, with its own technical baseline specifying for each relevant risk the work needed, timescale, owner and cost. Crucially this approach links execution of the work to the timescale required for the 'solution' within the decommissioning plan (which in turn influences, and should reduce, the cost contingency value going forward). Parking or transferring risk should not normally be an option: the operator should implement measures to address these even if not under its direct control.

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For this reason and others there are obvious attractions to both the operator and the regulator in having the facility's decommissioning plan independently verified in order to provide assurance to regulators, funding bodies, and others that the liabilities attaching to that facility can be discharged safely, cost effectively and in an environmentally responsible manner.

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