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Nuclear Site Licence No:	97A		
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Hinkley Point C
Assessment of NNB Genco's Application for Relicensing

Project Assessment Report ONR-NR-PAR-16-001
Revision 0
01 August 2016

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EXECUTIVE SUMMARY

Title

An application by NNB Generation Company (HPC) Limited for a replacement site licence for Hinkley Point C.

Permission Requested

NNB Generation Company (HPC) Limited has requested a new nuclear site licence for Hinkley Point C.

Background

NNB Generation Company (HPC) Limited wishes to defer the requirements of Section 19(1) of the Nuclear Installations Act 1965 during the period of dewatering of the site in preparation for the start of construction. This is to allow the extraction of ground water which may contain minor amounts of radioactive tritium, originating on the Hinkley Point A licensed site, without the need for the licensee to have insurance or other financial surety to cover nuclear liabilities which would otherwise be required under Section 19(1) of the Nuclear Installations Act.

Assessment and inspection work carried out by ONR in consideration of this request

ONR has examined the licence application pack provided by NNB Generation Company (HPC) Limited and has taken advice from the Government Legal Department in drafting the wording for the deferral which will be included on the face of the new licence. The Environment Agency has also been consulted as required under the Act.

Conclusions

This assessment supports the granting of a new licence.

Recommendation

A new nuclear site licence (97A) should be granted to NNB Generation Company (HPC) Limited in respect of the Hinkley Point C site, to come into force on 15th August 2016.

LIST OF ABBREVIATIONS

DECC	Department of Energy and Climate Change
DBEIS	Department of Energy, Business and Industrial Strategy
EPR	European Pressurised Water Reactor
HPC	Hinkley Point C
HOW2	(Office for Nuclear Regulation) Business Management System
NIAct	Nuclear Installations Act 1965
NNB Genco	NNB Generation (HPC) Ltd
ONR	Office for Nuclear Regulation

TABLE OF CONTENTS

1	PERMISSION REQUESTED.....	8
2	BACKGROUND.....	8
3	ASSESSMENT AND INSPECTION WORK CARRIED OUT BY ONR IN CONSIDERATION OF THIS REQUEST	8
4	CONCLUSIONS	10
5	RECOMMENDATIONS	11
6	REFERENCES	12

ANNEX – PROPOSED LICENCE

1 PERMISSION REQUESTED

1. On 12th April 2016, Nuclear New Build Generation Company (HPC) Ltd (NNB Genco) applied to relicense the Hinkley Point C nuclear licensed site (Ref.1). This is in order to allow a change to wording in the present licence relating to the deferral of the requirement for NNB Genco to have nuclear liabilities insurance under the Nuclear Installations Act 1965 (NIAct) Section 19(1).

2 BACKGROUND

2. NNB Genco intends to construct two EPRTM reactor units at Hinkley Point C (HPC) near Bridgwater in Somerset. The site is adjacent to the Hinkley Point A nuclear licensed site. NNB Genco currently holds a nuclear site licence (Licence number 97) for the site, granted by ONR on 26th November 2012.
3. Since licensing, limited activities have been carried out on the HPC site, primarily in preparation for the start of construction of the buildings and structures that will comprise the twin reactor nuclear power station. These activities have included: erection of fences; site clearance; removal of existing buildings and vegetation; and preparation of various aspects of the construction site's infrastructure.
4. A near-term activity on the site will be to begin dewatering in order to allow for construction work within deep excavations. NNB Genco's site Environmental Impact Assessment, carried out in 2011, included a programme of groundwater quality monitoring which detected the presence of low levels of tritium on Hinkley Point A (HPA). Dewatering activities on the HPC site may cause the migration of tritium from the A to the C site, which would be detected by monitoring of the extracted water.
5. It is the potential migration of nuclear material onto the HPC site that has led to NNB Genco requesting ONR to grant a new licence with an amendment to the existing licence provision that allows deferral of the need for NNB Genco to put in place liability insurance (or otherwise make financial provision) as required under Section 19(1) of the Nuclear Installations Act 1965. This minor change can only be implemented by ONR granting a new site licence as there are no provisions in the Nuclear Installations Act for the wording in the licence to be amended once granted.

3 ASSESSMENT AND INSPECTION WORK CARRIED OUT BY ONR IN CONSIDERATION OF THIS REQUEST

Background

6. As discussed above, the purpose of this relicensing is to allow the insertion of amended wording into the HPC site licence regarding the deferral of the need for the licensee to have nuclear liability insurance (or other financial provision) in place before nuclear material is brought onto the site. The current licence (No. 97, see Ref. 2) contains the following provision at Paragraph 3 on the first page:
 3. *Section 19(1) of the 1965 Act is to apply in relation to the site from whichever is the earlier of the following times:*
 - (a) *The time when nuclear matter (which is not excepted matter) is first on the site; or*
 - (b) *The time when nuclear matter (which is not excepted matter) is first in the course of carriage on behalf of the licensee (as licensee of the site); or*
 - (c) *The time when nuclear matter (which is not excepted matter) is first in the course of carriage to the site with the agreement of the licensee from a place outside the relevant territories.*
7. This form of wording was proposed by the DECC legal team and ONR was requested to include it on the face of the licence by the DECC Minister (Ref. 3). At the time it was

believed that this deferral provision would be adequate to cover the activities undertaken at the site from the time of licence grant until nuclear fuel was sent to the site for the first time – a period then expected to be upwards of 5 years. It was not envisaged that any other ‘nuclear matter’ would be brought onto the site in that time and pose a potential for off-site damage.

What has changed since initial licence grant?

8. Radioactive and hydrocarbon contamination from past station activities has been detected on the Hinkley Point A site – part of which abuts the C site. The radioactive contamination is in the form of tritium which has been detected at very low concentrations in the ground water beneath the A site.
9. NNB Genco has reported (Ref. 4) that tritium was detected at levels above the upper limit of those reported in the Radioactivity in Food and the Environment (RIFE) report background range (< 4 Bq/l), but well below the Drinking Water Inspectorate (DWI) screening value of 100 Bq/l.
10. Since the grant of the HPC site licence in 2012, NNB Genco’s proposals for dewatering and water management at HPC have developed. An assessment by NNB Genco of the expected consequences of dewatering the C site was that ground water from beneath the A station would be drawn into the C site, and that this would inevitably contain some of the tritium originating from the A station contaminated ground.
11. In 2015 NNB Genco reconsidered the extant wording in the site licence, which allowed for deferral of the need for nuclear liability cover, and decided that even the slightest trace of tritium in the groundwater migrating onto the HPC site would trigger the requirement for NNB Genco to provide insurance or other financial security pursuant to Section 19(1) of the Nuclear Installations Act.
12. Consequently, NNB Genco proposed to DECC (as the enforcing body for Section 19 of the NIA) that the wording of the deferral written into the existing site licence should be replaced by alternative wording which would allow for the removal of the requirement for nuclear liability insurance during the dewatering period (and until nuclear matter – in the form of nuclear fuel – is brought onto the site).

Proposed re-wording of the Deferral

13. NNB Genco’s licence application letter (Ref. 1) requests that the existing Paragraph of the HPC Site Licence is replaced by:

Subject to written approval from the Secretary of State in relation to dewatering activities at the site and the treatment and reuse of groundwater, Section 19(1) of the 1965 Act is to apply in relation to the site from whichever is the earlier of the following times:

- (a) *The time when nuclear matter (which is not excepted matter) is first on the site; or*
 - (b) *The time when nuclear matter (which is not excepted matter) is first in the course of carriage on behalf of the licensee (as licensee of the site); or*
 - (c) *The time when nuclear matter (which is not excepted matter) is first in the course of carriage to the site with the agreement of the licensee from a place outside the relevant territories.*
14. The change here is that NNB will, separately, seek approval from the Secretary of State for the dewatering activities to be conducted without nuclear liability insurance in place.
15. The proposed wording for the deferment was discussed with Government Legal Department (GLD) and they suggested a slight amendment, primarily to ensure clarity. This was discussed with the legal team at DBEIS (formerly DECC) and with NNB

Genco. Following some further slight amendments an agreed form of text was arrived at (Ref 6). The revised text is:

4. Subject to paragraph 5, section 19(1) of the 1965 Act is to apply in relation to the site from whichever is the earlier of the following times:

- a) the time when nuclear matter (which is not excepted matter) is first on the site; or*
- b) the time when nuclear matter (which is not excepted matter) is first in the course of carriage on behalf of the licensee (as licensee of the site); or*
- c) the time when nuclear matter (which is not excepted matter) is first in the course of carriage to the site with the agreement of the licensee from a place outside the relevant territories,*

and in the case of b) and c) is not on any other relevant site in the United Kingdom.

5. Despite paragraph 4, the conduct at the site of activities consisting of dewatering and the treatment and re-use of groundwater on it shall not cause section 19(1) of the 1965 Act to apply.

Consultation with the Environment Agency

16. As required under the NIAAct, ONR must consult the relevant environment agency before granting or revoking a nuclear site licence. The Environment Agency was consulted on the proposed re-licensing and confirmed that it had no objections or comments to make (Ref. 5).

Nuclear Safeguards

17. There are no safeguards considerations in this relicensing.

Nuclear Security

18. There are no security considerations in this relicensing.

Security of Tenure

19. There are no changes to the licensee's security of tenure on any part of the current nuclear licensed site.

Public Body Notification

20. ONR has discretionary power under Section 3(4) of the NIAAct to direct a licence applicant to serve notice on certain public bodies local to the site to be licenced. This is to ensure that local public bodies have an opportunity to comment and to suggest anything which ought to be provided for in the conditions attached to the licence. ONR concluded that public body notification would not be appropriate in this case because:

- no change is proposed in the prescribed activities
- there will be no changes to the duties of local bodies

Licensee Name Change

21. The licensee has recently changed its name to NNB Generation Company (HPC) Limited (from the previous NNB Generation Company Ltd). The Company Number stays the same however. The new nuclear site licence for HPC will therefore be granted to the licensee under the new company name. There are no other issues that arise from the change of licensee company name

4 CONCLUSIONS

22. This report explains the reasons why NNB Genco (HPC) Ltd has requested ONR to grant a new nuclear site licence for Hinkley Point C. The only change of substance is the replacement of the existing wording in Paragraph 3 of the licence by new wording

which explicitly references the proposed site dewatering activities. The change allows the dewatering activities to take place without the need for NNB Genco to have nuclear liability insurance in place.

23. For ONR, there are no regulatory matters arising from this relicensing and I therefore conclude that ONR should grant a new site licence (No. 97A) to NNB Genco (HPC) Ltd in respect of the HPC site.

5 RECOMMENDATIONS

1. This project assessment report recommends that ONR grant a new site licence to NNB Genco in respect of the site at Hinkley Point C containing the deferral text set out in the proposed licence in the Annex.

2. It is recommended that the licence should come into effect on 15th August 2016.

6 REFERENCES

1. NNB Genco Site Licence Application letter and evidence pack TRIM 2016/154708
2. Scanned copy of Hinkley Point C nuclear site licence TRIM 2012/464403
3. Letter from DECC Minister John Hayes to Chief Inspector Mike Weightman, November 13th 2012. TRIM 2012/446749
4. NNB Genco. HPC reuse of pumped groundwater: Regulatory Submission NNB-308-REP-000270 8/10/15 TRIM 2015/393845
5. Email from Environment Agency dated 15th July 2016 TRIM 2016/284966
6. Emails from NNB Genco and DBEIS agreeing to HPC site licence revised deferral wording. TRIM 2016/313767

ANNEX – PROPOSED HPC LICENCE 97A

NUCLEAR INSTALLATIONS ACT 1965

NUCLEAR SITE LICENCE

NNB Generation Company (HPC) Limited

Hinkley Point C

1. The Office for Nuclear Regulation, in pursuance of sections 1(1), 3(9), 3(10), 3(11), 4(1), 4(2), 4(3) and 4(4) of the Nuclear Installations Act 1965 (hereinafter referred to as the “1965 Act”); with the consent of the Secretary of State to the provision in paragraphs 4 and 5 made in pursuance of section 3(9) of the 1965 Act; and having consulted the Environment Agency in pursuance of sections 3(2) and 5(2) of the of the 1965 Act, hereby licenses NNB Generation Company (HPC) Limited, a company registered in England and Wales under number 06937084 (hereinafter referred to as "the licensee") whose registered office is at 40 Grosvenor Place, London SW1X 7EN, to use the site described in Part 1 of Schedule 1 to this licence (hereinafter referred to as "the site") for the purpose of installing and operating the nuclear installations described in Part 2 of that Schedule.
2. This licence is granted subject to the conditions contained in Schedule 2 hereto.
3. The Office for Nuclear Regulation, in pursuance of section 5(1)(a) of the 1965 Act, hereby revokes the nuclear site licence (Site Licence No. 97) granted to the licensee in respect of the site dated 26 November 2012 (“Nuclear Site Licence No. 97”).
4. Subject to paragraph 5, section 19(1) of the 1965 Act is to apply in relation to the site from whichever is the earlier of the following times:
 - d) the time when nuclear matter (which is not excepted matter) is first on the site; or
 - e) the time when nuclear matter (which is not excepted matter) is first in the course of carriage on behalf of the licensee (as licensee of the site); or
 - f) the time when nuclear matter (which is not excepted matter) is first in the course of carriage to the site with the agreement of the licensee from a place outside the relevant territories,and in the case of b) and c) is not on any other relevant site in the United Kingdom.
5. Despite paragraph 4, the conduct at the site of activities consisting of dewatering and the treatment and re-use of groundwater on it shall not cause section 19(1) of the 1965 Act to apply.

6. For the purposes of paragraph 4, “nuclear matter”, “excepted matter”, “relevant territories” and “relevant site” have the meaning given to them in the 1965 Act.

7. In so far as any approval was given or made under previous licences of the site and is specified in Schedule 3 to this licence and could now be given or made under the condition attached to this licence which is specified in the last column of Schedule 3 on the same line as the licence instrument number of the original approval, that approval shall not be invalidated by the revocation of Nuclear Site Licence No. 97 but shall have effect for the purpose of this licence as if it had been given or made under such condition.

8. In so far as any requirement to preserve any document required, record made, authority or consent granted, approval given, or direction or certificate issued in pursuance of the conditions attached to, or having effect as if prescribed in, Nuclear Site Licence No. 97, was in force immediately prior to the coming into force of this licence it shall not be invalidated by the revocation of Nuclear Site Licence No. 97 but shall have effect as if that requirement had been prescribed by this licence.

9. This licence shall come into force on 15th August 2016.

Dated

For and on behalf of the
Office for Nuclear Regulation
Signed:

Dr. R.A. Savage
Chief Nuclear Inspector
A person authorised to sign in that behalf