

WNA Survey on Licensing

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2nd MDEP Conference, Paris, 16 Sept 2011



WNA Licensing and Permitting Task Force

- Created in 2010
- Jointly sponsored by WNA Working Groups “CORDEL” (Cooperation in Reactor Design Evaluation and Licensing) and “Nuclear Law and Contracting”
- Chairs: Paul Bowden (Freshfields) and Christian Raetzke
- Aims:
 - Promote efficient licensing to reduce uncertainty
 - Foster international harmonisation and standardisation
- Task: draft a Report based on a Survey among WNA member companies

Main Objectives of the Survey

1. Provide governments and regulators with industry's views on how regulatory regimes can best reduce project risk.
2. Support industry members involved as stakeholders in development and review of nuclear regulatory processes.
3. Support industry with international experience on how to manage the licensing/project development interface.
4. Identify aspects of the regulatory regime better suited for a multinational approach than a country-by-country approach.

Scope of the Survey and the Report

- **No duplication of work already being done by institutions such as IAEA, OECD/NEA and EU**
 - IAEA Milestones document (NG-G-3.1) and others
 - OECD/NEA WGRNR work (ongoing)
 - ENEF Licensing Survey and ERDA group
- **All nuclear stakeholders agree that safety and security is paramount in any licensing process**

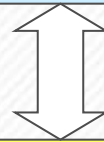
The Survey focuses on the interaction of regulatory processes with the industry's commercial activities, such as procurement, contracting, and finance.

Principles

- It is a “given” that any licensing process must ensure nuclear safety
- **Generally, there is no single “ideal” licensing regime. Licensing regimes are different because of**
 - History
 - Different needs of established and newcomer countries
 - General legal and regulatory approach
- **Differences may become apparent, for example, in**
 - Possibility of pre-licensing of designs/sites
 - One-step licensing (COL) vs. multi-step licensing
 - Prescriptive vs. goal-oriented approach
- **Main focus is on how to reduce regulatory/licensing uncertainty and facilitate investment**

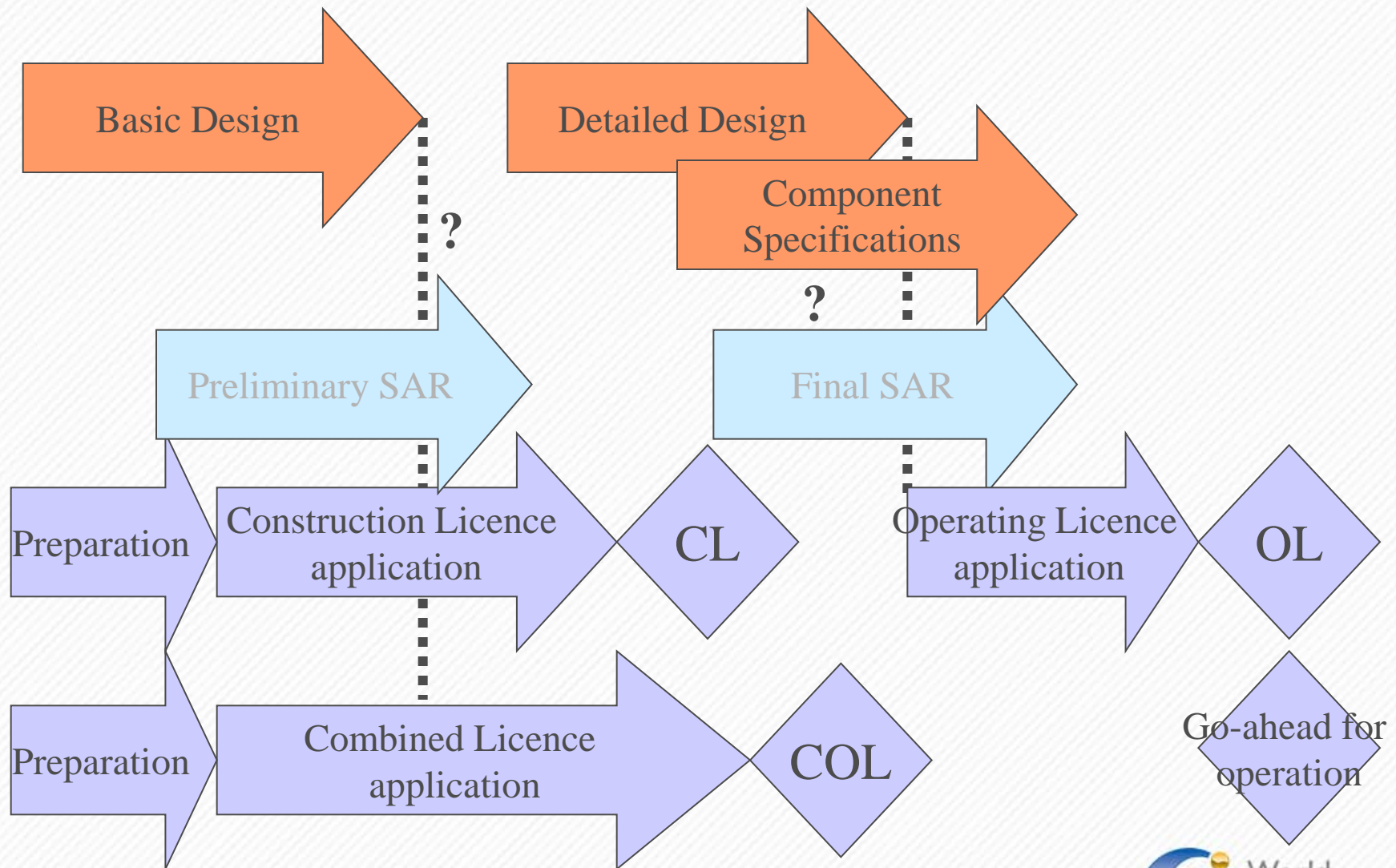
Licensing and nuclear project development

Licensing



- **Manufacturing and construction, incl. preparatory phases**
- **Securing financing and investment**
- **Design work – from basic design to detailed design/specs**
- **Vendor selection**
- **Procurement, contracting, risk allocation**
- **Site selection, on-site activities**
- **Communication with stakeholders, public involvement**
- **Permitting, i.e. non-nuclear authorisations/licences/permits**
- **International standardisation**

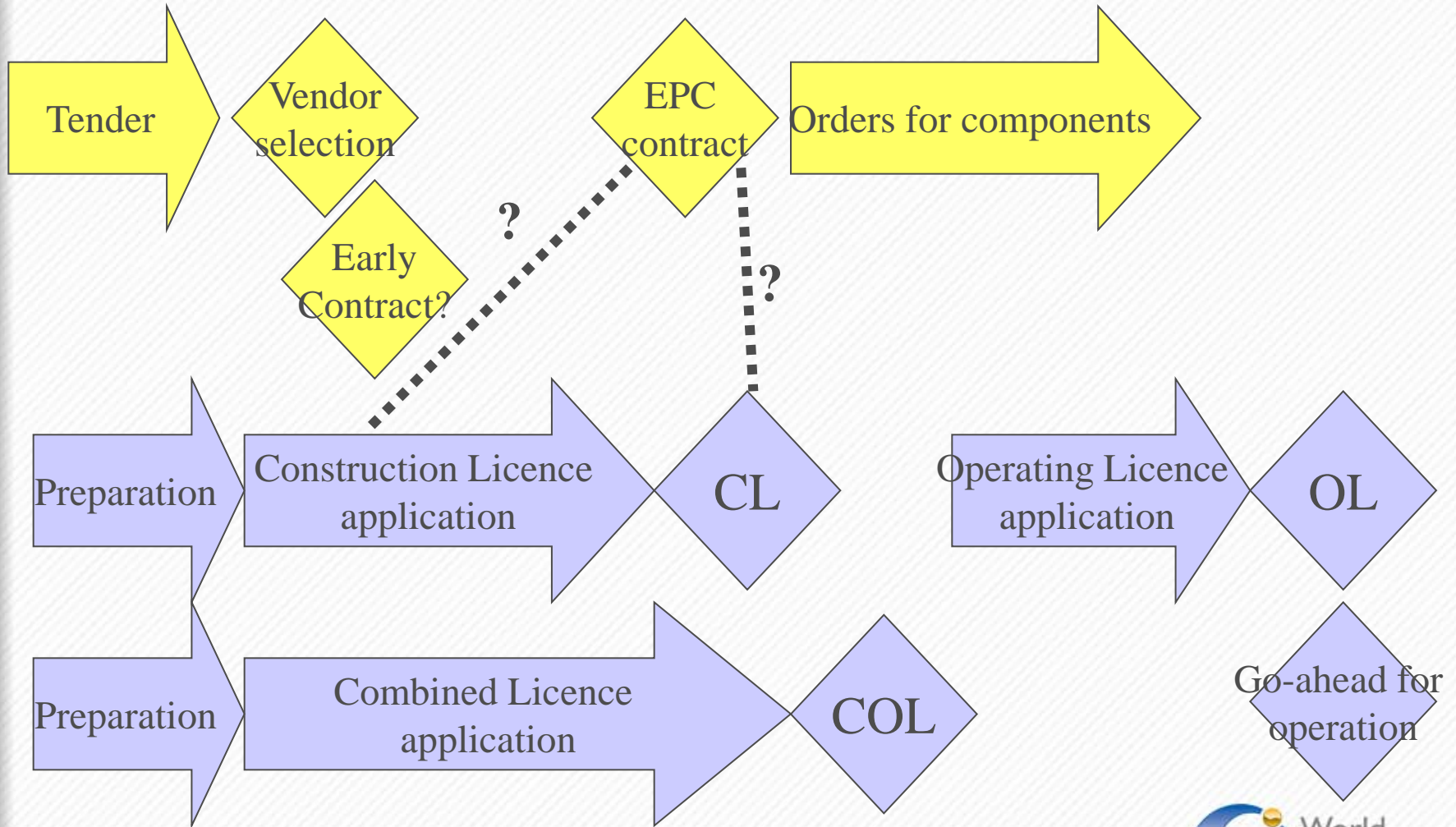
Example 1: Licensing and Design (1)



Example 1: Licensing and Design (2)

- Different steps of design work and licensing steps
- When is the design “sufficiently advanced” for the construction licence or for the COL to be applied for / given?
- Obtaining the licence as early as possible (e.g. for enabling site preparation work, securing financing...) vs. waiting for a mature design: what is the priority?
- Preference for a two-step system (construction licence) or a one-step system (COL) – the construction licence needing a lesser degree of design development?

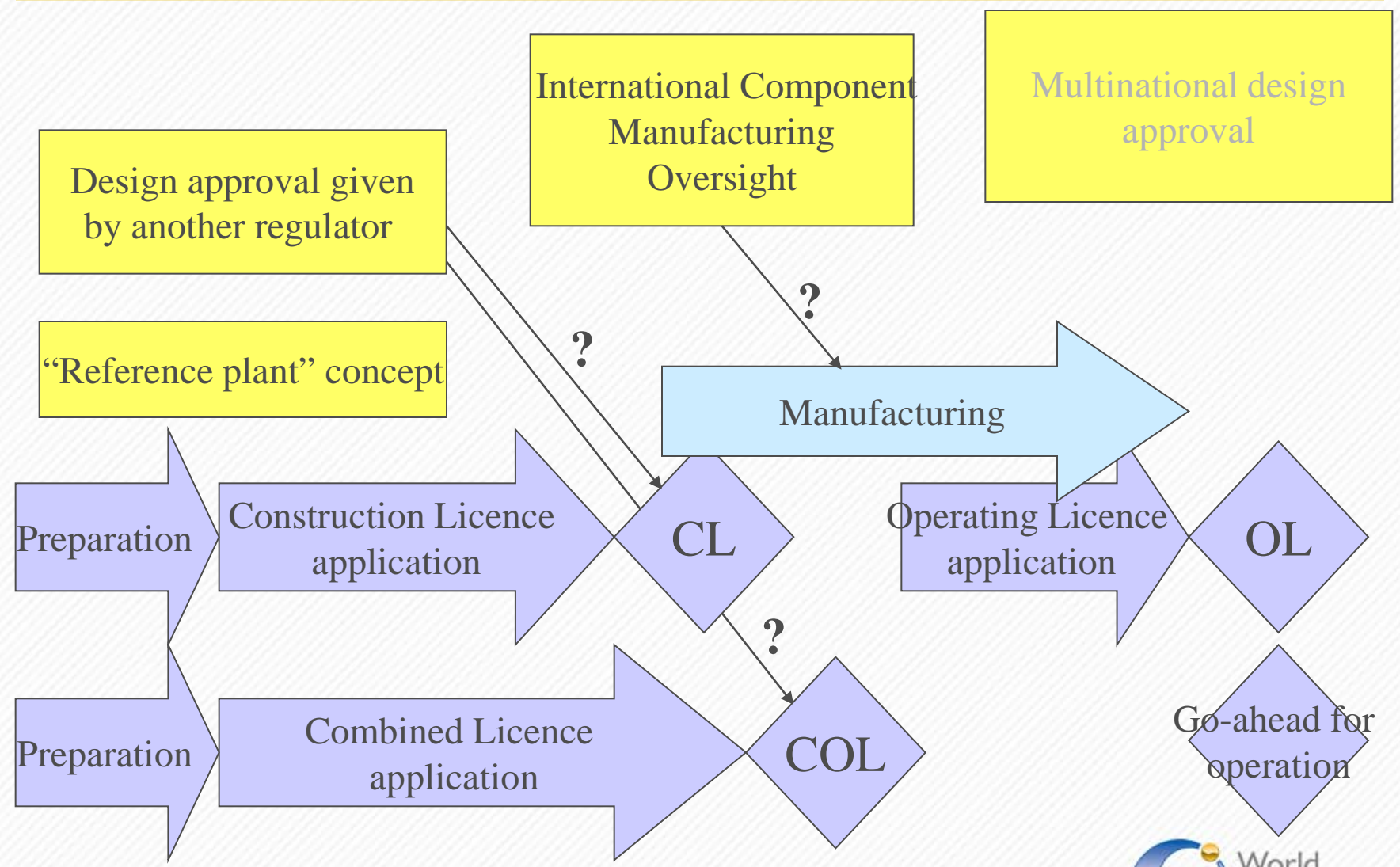
Example 2: Licensing and Contracting (1)



Example 2: Licensing and Contracting (2)

- **Is the choice of overall contract approach (e.g. turnkey or multi-lot) dependent on the licensing system?**
- **Tendency to finalise contracts as late as possible in the project timeline? Pre-contracts to cover the licence application phase?**
- **What are the consequences of this on the licensing process?**
- **What is the link between contracting and the regulator's approach to component manufacturing oversight (CMO)?**

Example 3: Licensing and international developments



Further issues (1)

Licensing and review of documentation:

- Must be addressed in detail in the contract
- How can the regulator be obliged to keep to timescales?

Licensing and Long Lead Items (“LLI”s):

- LLIs ordered before construction licence is awarded?
- Manufactured at the risk of the operator? Preliminary approval from the regulator?
- Project-independent, “off-the-shelf” production of LLIs?

Further issues (2)

Licensing and FID:

- Financial Investment Decision (“FID”) only taken after construction licence?
- Late certainty that NPP will be constructed: implications?

Licensing and site preparation:

- Which preparatory work can be done before (without) the construction licence?

Component Manufacturing Oversight (CMO):

- How can CMO by the national regulator be efficiently incorporated into worldwide manufacturing done by a number of subcontractors?
- Contractual mechanisms to guarantee safety?

Survey: Way forward

Next steps

- **Release of the Survey to WNA members in October**
- **Answers by end of 2011**
- **Draft final report in April 2011 (meeting of WNA Task Force)**

The final report should

- **Complement publications of governmental institutions**
- **Contribute industry view, expertise and experience**
- **Facilitate the challenging task of designing licensing procedures and of handling nuclear project licensing.**