

ENSREG Fourth European Nuclear Safety Conference

28-29 June 2017

SESSION 2 – LICENSING

TITLE: LICENSING – HARMONISATION OR JOINED-UP REGULATION

[SLIDE 1 – TITLE]

Good afternoon.

It's a real pleasure to speak at this conference, and have the opportunity to address such a highly respected group with such a strong interest in the safety of global nuclear.

There are many challenges facing organisations around the world as they strive to meet the obligations associated with holding a nuclear site licence. This can be particularly challenging when it is a new organization, or where the availability of experienced personnel is scarce. I certainly recognise this in the UK, where new nuclear is gaining momentum.

The challenge for the regulatory body can also be significant - to ensure that it gives the right level of regulatory oversight, whilst balancing this against other priorities. Within ONR,

this is particularly challenging as we continue to strive to develop and deploy resources to ensure delivery of effective, prioritised, targeted and proportionate regulation across all of our regulatory activities.

I am sure these challenges are familiar to you all.

Of course, we already co-operate and work together as an international group of regulators, but are we sufficiently joined-up – and what would the public expect us to do?

It is vital that our regulation is effective and that we deliver against our safety and security duties, but also we must be efficient, recognising the global nature of nuclear.

So - can we do more collectively to share the work we do? and can we be more joined-up? - to the benefit of regulators, regulated and society.

[SLIDE 2 – GLOBAL NUCLEAR INDUSTRY – NATIONAL REGULATION]

The current UK nuclear landscape is undoubtedly moving fast.

And the key message from the UK Government is confidence in the “nuclear renaissance” – certainty confirmed through the recent decision to proceed with EPR construction at Hinkley C. This is of course the first nuclear power station to be built for 30 years in the UK.

This renaissance does place an increasing emphasis on the importance of regulatory processes, including licensing.

The safety of UK nuclear installations is secured primarily through the nuclear site licence and the conditions attached to it. In law, a nuclear site licence must be sought and granted before a reactor unit can be installed or operated in a defined location.

Globally at least 60 reactors are currently under construction – and more are planned. Of course most countries have a licensing regime in place as part of their national nuclear regulatory framework.

At the top level, I see a global nuclear industry, a global supply chain – and sovereign, or national, regulation.

There appears a mismatch, a dichotomy, or a disconnect between global industry and national regulation that to some degree seems at the heart of our session today.

Of course, the strong imperative to maintain national regulatory decision making on nuclear matters is understandable given the ultimate potential consequences should a serious accident occur. Nevertheless, different licensing processes, approaches, and design assessment across member states has possible safety and economic consequences.

To date we have undoubtedly taken important steps to harmonise and share to our mutual benefit, but can we push harder and do more? Do we really believe that there are significant and insurmountable differences in standards of safety and security for reactors operating across Europe?

I feel there are real opportunities to harmonise our licensing processes, further join-up our regulatory assessments and take assurance from each other's regulatory outputs.

[SLIDE 3 – HINKLEY POINT C CONSTRUCTION]

I have included this slide just to illustrate that construction has begun in earnest at Hinkley Point – with pour of first nuclear concrete in March this year, following our grant of consent.

[SLIDE 4 - WHY SHOULD WE BE MORE JOINED-UP?]

So – why should we be more joined-up?

As nuclear regulators, there are great expectations of us - and we can be faced with great cynicism on all sides - from the public, press, politicians, NGOs and the hard pressed regulated. Public confidence in nuclear is critical – so what would the public expect of us?

Nuclear is undoubtedly an important low carbon energy supply – vital for society – and as regulators we to a large degree provide a service - permitting, or allowing, the generation of electricity for the benefit of society.

I see therefore that joined-up approaches have significant potential to enhance our efficiency, help to underpin public

confidence, and avoid unnecessary regulatory burden given that the cost competitiveness of the sector cannot be ignored.

Regulation of new nuclear build is a significant commitment for a national regulatory body. It typically takes years to conclude and involves a significant number of experienced, and competent resources. As a result, it is also costly to deliver.

Regulatory approaches to licensing differ across Member States - and it would seem that there is scope to examine these, to see if there is an opportunity to reduce licensing risk - making the outcome of the licensing process more predictable and controlling costs to the mutual benefit of new build developers and regulators.

Furthermore, pre-licensing of a design, or a site, is seen as an important feature of a regulatory system, reducing the risk of licensing and making the outcome of the licensing process more certain.

In the UK, assessment of reactor designs proposed for construction was introduced on a generic basis – the Generic

Design Assessment - in advance of any site specific proposals with this de-risking aim in mind.

We have extensive experience amongst Member States, but are we prepared to take further steps to maximise use of it. The drivers for closer working are there and I suggest that we cannot afford to be complacent; we need to be progressive, confident, and agile to address the challenges that we collectively face.

[SLIDE 5 – REGULATORS WORKING TOGETHER]

There are a number of good examples where ONR has, and does, work very effectively with other statutory regulators in the UK – and I'm sure you will have your examples too.

Our Generic Design Assessment is a joined-up assessment with the UK's Environment Agency undertaken by a co-located team that is closely co-ordinated through a joint programme office. We share assessment effort and have achieved a consistent regulatory position and we have moved to minimise the duty holder burden.

Ultimately separate, but co-ordinated, regulatory decisions are taken based on common understanding, in accordance with our statutory obligations - ONR issues a

Design Acceptance Confirmation (DAC), and

The EA issues a Statement of Design Acceptability (SODA).

The approach has been well received and successful.

We also have a mature joined-up regulatory approach with the UK's Defence Nuclear Safety Regulator. We co-ordinate and share inspection plans, conduct joint inspections and take assurance from their assessment conclusions where competence is with them. Our arrangements provide for an efficient regulatory approach, maximising use of scarce specialist resource, and are underpinned by formal arrangements or Letters of Understanding.

There would appear to be a number of perceptions in relation to how we as statutory regulators, from different nation states, work together to regulate the safety of nuclear plant. I don't believe there are significant and insurmountable differences in standards of safety and security for reactors operating in Europe. We must therefore be prepared to take credit for assurances provided by other recognised regulators. Surely, this way of working could bring about a number of efficiencies that could benefit us all.

Collectively through interactions such as this, various working level groups, international committees, development of IAEA standards and guidance, there are significant areas of commonality in national regulatory approach - and a major area of international agreement on safety expectation.

Recent international co-operation in the new reactor design area has been really effective across numerous member states and realised improvements in safety and security as a result. The work of the Multinational Design Evaluation Programme, including the various sub-groups, has proved to be of great value to ONR and I'm sure all regulatory bodies involved.

Nevertheless, if we really are to make the most out of these shared expectations, we may need to capture formally the areas where there is agreement, and document the fact that we are relying on the work of others. This will be a challenge, but I believe the benefits could be significant.

[SLIDE 6 – ENABLING APPROACH]

As a sovereign regulator, ONR is legally empowered to hold industry to account on behalf of the public.

However, we recognise that some issues cannot be tackled in isolation and we believe that a constructive, joined-up working approach - with licensees and other stakeholders - that focuses on agreed safety and security outcomes can be highly beneficial. We have taken this 'Enabling Approach' to long-standing problems, such as the remediation of very hazardous legacy nuclear facilities at Sellafield, with considerable success. The slide gives some of the key characteristics of the approach.

At ONR we are seeking to implement this approach across all of our regulatory activities – with the intent to consistently use practices and behaviours that have been proven to deliver successful safety and security outcomes. There are particular benefits to be gained in constructive early engagement between prospective new licensees and regulators – for example to ensure clarity about the requirements needed in terms of organisational capability -

and then as regulators to continue effective working with prospective licensees on their journey to ensure necessary requirements are met.

Both industry and government have a vital part to play in creating and sustaining the conditions where an enabling approach can be successful and we plan publication of a guide on 'Enabling Regulation in Practice' later this year. Possibly a productive area for further international sharing.

[SLIDE 7 – OUR CHALLENGE]

In considering the challenge of furthering our working together, it may be useful to consider the following questions:

- Can we make greater use of design assessments carried out by other national regulatory organisations?
- Can we take effective credit for the work of other recognised national regulators and avoid repeat work?
- Is there a need to build trust between different national regulatory organisations?
- Can we leverage our limited technical and financial resources in a more efficient and effective manner?

These are all excellent questions, but for me there is first a need for us to understand and accept the top level challenge of a global industry regulated by a plethora of national regulators.

[SLIDE 8 – OPPORTUNITIES]

The need for national decision making is understood. However, it is evident that there are considerable benefits to us continuing to enhance effective regulation together, and through enabling we have shown that constructive, early engagement with our licensees can bring significant success in terms of achieving positive outcomes.

I therefore believe that there must be further opportunities for member states and global regulators to:

- Harmonise licensing processes
- Join-up our design or regulatory assessment - pushing the boundaries of international assessment
- And take assurance from each other - adopting formal protocols as necessary

And if we don't do this, then who will?

Overall, I see great benefits in joined-up international approaches that maximise our sharing, and the assurance we give and take, to support national decision making.

In summary, our vision might be:

**Joined-up international regulatory assessment,
that enables national decision making.**