

REGDOC-3.3.1: Comments received in advance of the workshop with industry

REGDOC-3.3.1: Commentaires reçus en vue de l’atelier avec l’industrie

Note: Comments submitted, including names and affiliations are intended to be made public, in the official language in which they are received.

Remarque : Les commentaires reçus, y compris les noms et les affiliations, seront rendus publics, dans la langue officielle dans laquelle ils auront été reçus.

	Section	Organization / Organisation	Comment / Commentaire	CNSC Response / Réponse de la CCSN
1.	General	Bruce Power, BWXT, Cameco, CNA, CNL, CANDU Owners Group, Hydro-Québec, Kinetrics, NB Power, NWMO, OPG, Orano	<p>MAJOR This REGDDOC continues to refer to the ‘licensee’ and ‘applicant’ throughout the document, but does not clearly recognize there is an important difference between ‘owner’ and ‘licensee.’ Decommissioning and financial guarantee is the responsibility of the owner (not the licensee). In most cases, they are one and the same. However, in some instances (such as the Bruce Power lease with Ontario Power Generation), the licensee is not the owner.</p> <p>Suggested change: As per industry’s suggestions with other, interdependent REGDOCs, this document needs to replace “licensee” with “owner” in most cases throughout the document. Alternatively, a clarifying paragraph should be added at the beginning of the document which clearly addresses the situation.</p> <p>Impact on industry:</p>	<p>REGDOC-3.3.1 does not address specific arrangements between the licensees.</p> <p>The NSCA applies to licensees and applicants. The Commission includes conditions on the licence requiring the CNSC licensees or applicants for a new licence to establish a financial guarantee for decommissioning.</p> <p>Specific relationships between “owners” and licensees are arranged through additional agreements. The ultimate responsibility for complying with the requirements of the Act, Regulations and Licence conditions remains with the licence holder.</p>

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			As issues related to financial guarantees and decommissioning draw increased political and public scrutiny, it's imperative that all readers of this REGDOC understand the relationships, commercial agreements and regulatory obligations between "owners" and "licensees."	
2.	General	Bruce Power, BWXT, Cameco, CNA, CNL, CANDU Owners Group, Hydro-Québec, Kinetrics, NB Power, NWMO, OPG, Orano	<p>MAJOR While Industry is grateful for the opportunity to review and offer feedback on draft REGDOCs, we are concerned that this document may be in draft form and subject to change.</p> <p>Suggested change: We know that the CNSC will address the editorial issues. What is concerning is the incompleteness of the scope (e.g., referenced legislation in Section 1.3).</p> <p>Impact on industry: The document is incomplete and may be subject to change.</p>	Based on comments received from public consultation, CNSC staff reviewed and revised the purpose and scope of the document.
3.	2, 3.4, 4 & 5	Bruce Power, BWXT, Cameco, CNA, CNL, CANDU Owners Group, Hydro-Québec, Kinetrics, NB Power, NWMO, OPG, Orano	<p>MAJOR Section describes CNSC as the beneficiary of the guarantee when applicable provincial or other jurisdictional legislation may also require a guarantee from an applicant or licensee provided that an understanding or arrangement exists between the jurisdiction that requires the financial guarantee and the CNSC.</p>	<p>The CNSC must be assured that it can, upon demand, access or direct adequate funds if a licensee is not available to fulfill its obligations for decommissioning. The funds must be structured such that the instrument can be drawn upon only with the prior acceptance of the CNSC and that such pay-out is not prevented, delayed or compromised, and must be structured such that the instrument can provide full assurance of value.</p> <p>Section 5.1, 2st paragraph was revised for clarity and precision: "In cases, such as for uranium mines in the province of Saskatchewan,</p>

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			<p>Suggested change: Replace ‘funds available to the CNSC’ with ‘funds available to the beneficiary’.</p> <p>Impact on industry: Some licensees could not comply.</p>	where the province has a legislative framework in place, the financial guarantee may be payable to a provincial entity which is qualified to conduct the decommissioning of the mine following the acceptance of this arrangement by the Commission. The provincial entity is also responsible for the following institutional control program as legislated by the province.”
4.	4.6	Bruce Power, BWXT, Cameco, CNA, CNL, CANDU Owners Group, Hydro-Québec, Kinetrics, NB Power, NWMO, OPG, Orano	<p>MAJOR A letter from the Crown can be used to address all associated costs of decommissioning.</p> <p>Suggested change: Edit “...if used to cover all otherwise unfunded aspects...”</p> <p>Impact on industry: A letter from the Crown can be used to cover all aspects of decommissioning a facility or site for which the federal government has assumed liability.</p>	<p>As a result of this comment, the document was revised for clarity and precision.</p> <p>Section 4.6, 1st paragraph was revised to: “Expressed commitments from a Canadian federal, provincial or territorial government, may be an acceptable financial guarantee instrument to cover all aspects of decommissioning a facility or site for which the government has assumed liability.”</p>
5.	2 & 8	Bruce Power, BWXT, Cameco, CNA, CNL, CANDU Owners Group, Hydro-Québec, Kinetrics, NB Power, NWMO, OPG, Orano	<p>Section 2 last paragraph and section 8 1st paragraph, refer to facility lifecycle as “stages” rather than phases</p> <p>Suggested change: Request that they use the same description as applied in the CSA standards – “life-cycle phases”.</p>	No change to the REGDOC. This terminology is aligned with the terminology used in CSA N294, <i>Decommissioning of facilities containing nuclear substances</i> ”, stages of the facility lifecycle and phases of decommissioning.
6.	3.3	Bruce Power, BWXT, Cameco, CNA, CNL, CANDU Owners Group,	Last sentence - clarity is required as to what it’s meant to imply – “Financial guarantees for other licensed activity must be linked to their license.”	As a result of this comment, the document was revised for clarity and precision. Section 3.3 was revised to : “The value of the financial guarantees for nuclear facilities must be linked to the cost estimate associated with the most up to date decommissioning plan for nuclear

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		Hydro-Québec, Kinetrics, NB Power, NWMO, OPG, Orano	Suggested change: What does “Financial guarantees for other licensed activity must be linked to their license” mean?	facilities or activities authorized under Class I, uranium mines and mills and waste nuclear substances licences.” Financial guarantees for other licensed activities, addressed in Part II of this document, must be linked to their licence for nuclear substances and radiation devices, prescribed equipment, and Class II facilities.
7.	6	Bruce Power, BWXT, Cameco, CNA, CNL, CANDU Owners Group, Hydro-Québec, Kinetrics, NB Power, NWMO, OPG, Orano	Section 6 does not acknowledge that it might not be the licensee that holds the liability for the financial guarantee (e.g., government agency, lease arrangement). Suggested change: Provide clarifying text.	The reporting requirements indicated in Section 6, are based on the conditions included on the licence and expectations for complying with those conditions. The expectations for reporting on financial guarantees are specified in the licence conditions handbook and in REGDOC-3.1.2, <i>Reporting Requirements, Volume I: Non-Power Reactor Class I Facilities and Uranium Mines and Mills</i> , and REGDOC-3.1.3, <i>Reporting Requirements for Waste Nuclear Substance Licensees, Class II Nuclear Facilities and Users of Prescribed Equipment, Nuclear Substances and Radiation Devices</i> .
8.	13.1	Bruce Power, BWXT, Cameco, CNA, CNL, CANDU Owners Group, Hydro-Québec, Kinetrics, NB Power, NWMO, OPG, Orano	G-206 qualified “worst-case” with “credible worst-case”. Suggested change: Replace “worst-case” with “credible worst-case” as qualifying “worst-case” provides more certainty.	The text was changed to: “credible worst-case scenario”. The cost estimate for decommissioning should provide that, if impacts of proposed operations are difficult or impossible to estimate with precision, a credible worst-case scenario must be used.
9.		Saskatchewan Environmental Society	REG DOC 3-3-1 Financial Guarantees, paragraph 14: In estimating future costs, reference is made to projecting future inflation and discount rates. In post-decommissioning of mine/mill sites we are dealing with monitoring and maintenance costs that extend many thousands of years into the future. Isn't it unrealistic to assume that projections of	REGDOC-3.3.1, <i>Financial Guarantees for Decommissioning of Nuclear Facilities and Termination of Licensed Activities</i> applies to a large variety of licensees regulated by the CNSC. The CNSC requires that the established financial guarantees reflect the complexity, risk level and timeframe of the licensed activities. In the case of uranium mines, the majority of the established financial guarantees cover for the decommissioning of the mines/mills until

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			inflation and discount rates over such a time period can be based on the experience of the past few years? Even suggesting that estimates could be adjusted when major economic changes occur would not solve the problem, as such changes could well happen after the original proponent had handed over responsibility to an institutional control agency and adjustment of the financial guarantee would be impossible.	they reach a state allowing for their release from CNSC regulatory control and transferred to the provincial institutional control program. The cost of the institutional control program is only a portion of the FG and is expected to decrease overtime when the required long-term monitoring and maintenance activities decrease. The proposed institutional control program and the projected cost should meet applicable provincial regulations and is reviewed by the Province.