

## A teaming agreement between Studsvik and Westinghouse to provide a full range of decommissioning services - Is it a major contribution to utilities' decommissioning business or just a vulture business? –

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On August 16<sup>th</sup>, Studsvik and Westinghouse have signed a teaming agreement to jointly offer a full range of decommissioning services for nuclear power plants in Europe. The joint work will be marketed under the separate brand name of “ndcon,” the Nuclear Decommissioning Consortium by Studsvik and Westinghouse. Their first potential market would likely be Germany, in which eight reactors have been shut down soon since the Fukushima accident in March 2011, and Sweden, home to the headquarters office of Studsvik. “Studsvik already holds today a strong position in Europe, with a broad range of services for the whole life cycle of nuclear power plants and other nuclear operations,” comments Anders Jackson, president and Chief Executive Officer, Studsvik. “Westinghouse has planned and executed D&D<sup>1</sup> services in Spain, Sweden, Germany and other countries, each having different regulatory regulations and reactor designs,” comments Yves Brachet, president, Westinghouse Europe, Middle East & Africa. Based on their abundant experiences and technological readiness, the joint team will develop new clients in Europe and will provide all of the services that are necessary to offer turnkey contracts in connection with the decommissioning of nuclear power plants.

One of the major drivers of this agreement would be the political decision of Germany to shut down all commercial reactors by 2022, however, that is not the only clue.

More than 50 years have been passed since the first commercial nuclear power plant in the UK was commissioned, and now, many old European plants have already shut down or are approaching their designed operating life within 15 or 20 years. The major international nuclear organizations, such as the International Atomic Energy Agency (IAEA) and the Nuclear Energy Agency in the Organization for Economic Co-operation and Development (OECD/NEA), have placed decommissioning and waste disposal as significant issues and have executed many multilateral R&D programs. Both Westinghouse and Studsvik have contributed to these programs in many years, and today, they have both rated their decommissioning business segment as one of their core businesses.

Meanwhile, where should electric utilities place the decommissioning business in their overall

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<sup>1</sup> D&D: Decontamination and Decommissioning

strategies? Actually, it would not be the most welcome business for them due to a number of unsolved problems. The major issue would be that many works are required of the utilities with utmost consideration on licensing and safety assessment procedures due to unestablished licensing rules. It might take a very long time, perhaps a few decades, until the completion of the decommissioning. Various innovative technologies have been under development – some of them already completed – for dismantling reactor vessels and related equipments, such as remote robotics and so on. However, thorough evaluation and feasibility assessment of these innovative technologies have not yet been established even in such advanced countries as the US and France. Not only licensees but also licensors (regulators) should be ready to have expertise in the establishment of assessing procedures.

Then, what is mostly required for the establishment of licensing procedures in decommissioning businesses? It is, actually, social acceptance of the decommissioning business. Most of the up-to-date technologies and methods for decommissioning are only known to limited experts and most of the related parties in the public and private sectors lack knowledge. These experts should be, therefore, well conscious of the importance of the social acceptance required for the economical feasibility of decommissioning business. Conscientious and well-trained activities for spreading these technologies by presenting at international academic conferences or by publishing papers would be highly expected from the experts.

Westinghouse and Studsvik are not utilities but suppliers, which mean that they are not the licensees, but rather only support licensees in their assessing activities. Proposing various solutions for technical problems involved in dismantling heavy and high-radioactive components in decommissioning processes and in processing various kinds of radioactive wastes would be their role as engineering companies, which have been partially already carried out. The crucial points for electric utilities, however, are not necessarily state-of-the-art technologies but proposals which are economically acceptable, tolerable against long and perpetual questions during licensing periods, and most of all, contributory to the completion of reasonable and feasible licensing processes.

Highly qualified and state-of-the-art technologies are usually expensive and most electric utilities by and large do not have such room to bear their costs. The business concepts, strategies and the positions of suppliers and those of utilities are quite different. Expensive and state-of-the-art technologies often bring suppliers a large profit ratio while often bringing a large burden to utilities. Moreover, suppliers can exaggerate potential radioactivity risks using their knowledge so that utilities are forced to buy expensive technologies for decommissioning, all because of insufficient licensing schemes. Suppliers can gain high profit in a short term and it would contribute to their business, however, such business strategies are so-called “opportunistic behavior.” This might be a

major obstacle in constructing a reasonable decommissioning procedure equipped with social acceptance and ultimately might lead to less cost-competitiveness in the nuclear power generation business itself.

In Japan, several decommissioning projects are ongoing – at Tokai Power Station of the Japan Atomic Power Company, at Hamaoka Unit 1&2 of Chubu Electric Power Company, and at Fukushima Daiichi Unit 1-4 of Tokyo Electric Power Company. Reasonably acceptable proposals for smooth proceeding of these decommissioning projects would be highly welcome for all of these utilities. Will the joint team of Westinghouse and Studsvik contribute to the sustainable nuclear decommissioning business or is it just a “vulture” business? All electric utilities in the world, especially the three in Japan, are watching their marketing activity.

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