

# The German legislation of 2017 on re-allocation of responsibilities in nuclear waste management



# Why a new system?

- In the old system,
  - The State was responsible for planning and constructing final repositories; all cost was recovered on an annual basis from all waste producers, mainly the utilities
  - The Utilities were responsible for all other aspects of waste management
- Triggers for a change
  - In 2011, new phase-out legislation ordered phased shutdown of all NPPs, last ones in 2022
  - In 2013, new legislation ordered the search for a site for the German HLW repository to start again „from square one“.
- ▶ **Utilities would have to pay for waste management for many decades after their commercial nuclear activity had ended**
- ▶ **Was it realistic to assume annual financing of waste management was guaranteed for such a long period?**

# Elaborating the new system

- October 2015: Federal Government created a commission to develop a new system (*Kommission zur Überprüfung der Finanzierung des Kernenergieausstiegs – KFK*)
- April 2016: Report of the commission
- January 2017: Legislation package enacted (*Gesetz zur Neuordnung der Verantwortung in der kerntechnischen Entsorgung*) comprising four separate Acts
- June 2017: Contract under public law between the Federal Republic of Germany and the four Utilities

# Main pillars of the new system

- **New allocation of waste management responsibilities**
  - The State assumes the new task of intermediate storage of waste until it can be delivered to a repository
  - For this, a state-owned entity is created (Gesellschaft für Zwischenlagerung (BGZ))
  - In principle, the Utilities
    - Dismantle their NPPs
    - Do conditioning and packaging of all radioactive waste
    - Turn the packages over to BGZ and are relieved of future responsibility
- **New financing model**
  - The Utilities continue to finance their own waste management activities
  - State activities are financed via a newly created fund, the *Kerntechnischer Entsorgungsfonds (KENFO)*, which is fed by a one-off contribution from the Utilities

# Allocation of responsibilities until 2017

## Utilities

Decom-  
missioning  
and  
dismantling

HLW: Packaging in dual use  
(transport and storage)  
canisters

ILW/LLW: Conditioning and  
packaging according to  
repository criteria

Re-conditioning/packaging  
if necessitated by future  
changes in repository  
criteria

Construction and  
operation of  
intermediate storage  
facilities

Transport to repository

## State

Siting, planning,  
construction,  
operation and  
decommissioning  
of waste  
repositories

**Funding: Utilities**

# Allocation of responsibilities today

## Utilities

Decom-  
missioning  
and  
dismantling

HLW: Packaging in dual use  
(transport and storage)  
canisters

ILW/LLW: Conditioning and  
packaging **according to  
repository criteria as of  
2017**

**Funding: Utilities**

## State

Operation of  
intermediate storage  
facilities

Re-conditioning/packaging  
if necessitated by future  
changes in repository  
criteria

Transport to repository

Siting, planning,  
construction,  
operation and  
decommissioning  
of waste  
repositories

**Funding: Fund established with one-off  
utility contributions**

# Main considerations (1)

- Guiding principle of the KFK commission: consistent allocation of
  - Waste management obligations and
  - Waste management financing
- Polluter-pays principle
  - Is respected, since the fund is filled by the Utilities
  - The involved experts concurred that the funding is adequate from today's perspective

# Main considerations (2)

- Amount of funding
  - Payment based on provisions the Utilities had made in their balance sheets: appr. 17.4 bn Euros
  - Plus a voluntary 35 % risk premium to cover volatilities of financing/interest, resulting in a **total of appr. 24 bn Euros**
  - Upon payment of the premium (which they did), Utilities were exonerated from any future obligation to refill the fund
  - The Fund is managed by finance experts and has so far profited from considerable returns
- Once the NPPs are dismantled and all waste is packaged and turned over to BGZ, in principle the Utilities can dissolve their nuclear subsidiaries.