



U.S. Department of Energy Hanford Site

13-HAB-0028

SEP 2013

Mr. S. E. Hudson, Chair
Hanford Advisory Board
Enviroissues Hanford Project Office
713 Jadwin, Suite 4
Richland, Washington 99352

Dear Mr. Hudson:

HANFORD ADVISORY BOARD (HAB) JUNE 7, 2013, CONSENSUS ADVICE #267, "2014 LIFECYCLE SCOPE, SCHEDULE, AND COST REPORT (LIFECYCLE REPORT)"

Thank you for advice #267 on the 2013 Lifecycle Scope, Schedule, and Cost Report (Lifecycle Report). The U.S. Department of Energy (DOE) appreciates the HAB's interest and comments on the Lifecycle Report. The 2014 Lifecycle Report is currently under development and your advice has assisted the three parties in determining the best path forward. Below are the responses to the specific points in your advice:

Advice Point #1: The Board advises DOE to use the Lifecycle Report as a tool to make the case for compliant funding of Hanford cleanup.

Response: DOE agrees and this is consistent with the Tri-Party Agreement (TPA) Milestone M-036-01 direction. Both DOE Richland Operations Office (RL) and Office of River Protection (ORP) have requested funding required to meet compliance obligations. Both RL's and ORP's requests place priority on funding for minimum safe operations, including funding required to address emerging risks as necessary.

Advice Point #2: The Board advises that DOE include a variety of Hanford funding scenarios that show the negative impact of reduced budgets on out-year cleanup schedules (e.g. the effect of \$2 billion flat funding through successful completion of cleanup).

Response: Consistent with TPA milestone direction, the Hanford Lifecycle Report is based on the "full compliance" planning case. Language does not include direction to provide multiple or reduced funding scenarios.

Advice Point #3: The Board advises DOE that the 2014 Lifecycle Report should contain all available information on the re-baselining cost and schedule of the WTP and pretreatment design and construction.

Response: The Lifecycle Report is configuration controlled and reflects the full compliance planning case of the existing Hanford baselines. When a new baseline is approved, the scope, cost, and schedule data will be included in the Lifecycle Report.

SEP 03 2013

Advice Point #4: The Board advises DOE to determine a path forward for interim, onsite storage and permanent offsite disposition for the vitrified high level waste from the WTP. The path forward and cost should be included in the 2014 Lifecycle Report.

Response: The Lifecycle Report is not a regulatory decision-making report. The report reflects regulatory decisions after they are made and the full compliance planning case (with assumptions noted) when decisions have yet to be made.

Advice Point #5: The Board advises DOE that construction of additional tank storage (per HAB Advice #263) should be addressed in, and a funding profile developed for, the 2014 Lifecycle Report. In addition, the Lifecycle Report should estimate the cost of responding to a double shell tank leak.

Response: The Lifecycle Report is not a regulatory decision-making report. After a regulatory decision or the baseline/planning case has been changed, the Lifecycle Report will reflect these changes. In addition, the Final Tank Closure and Waste Management Environmental Impact Statement (TC&WM EIS) analyzed a range of storage capabilities that might be needed. Once the TC&WM EIS Record of Decision (ROD) is issued then, that information will be reflected in the Lifecycle Report.

Advice Point #6: The Board advises that a range of impacts on River Corridor cleanup should be included in the FY14 Report. The document (Page 4-15, section 4.4, "River Corridor Cleanup Assumptions and Uncertainties") includes an assumption that "Final RODs will confirm that cleanup levels established in the interim RODs are protective of human health and the environment." This is a significant assumption, which may not be correct.

Response: The Lifecycle Report includes cost and schedule uncertainty estimates per standard project management practice. Included in project baseline summary (PBS) RL-0041 (River Corridor) is \$88M through 2018 (Table D-23) to account for project uncertainty.

Advice Point #7: The document lists an assumption that "WIPP will remain operational through the end of Hanford Site cleanup operations that have the potential to generate transuranic (TRU) waste" (page 5-37). The Board advises that the document include the impacts of delaying TRU retrieval at Hanford on the complex-wide cost of extending the planned operating life of WIPP. With continued delays in the TRU waste retrieval program, there is the potential for a major disconnect between Hanford cleanup and WIPP availability.

Response: The assumption regarding Waste Isolation Pilot Plant (WIPP) reflects the basis of the scope/cost and schedule planning basis, and uncertainty dollars are applied based on this risk. More information was added in the 2013 Lifecycle Report regarding the assumed shipping schedule to WIPP.

SEP 03 2013

Advice Point #8: The Board advises that the “previous experience and modeling” criteria used to determine the timeframes for pump-and-treat groundwater remediation as represented in this report (Table 5-4) be further quantified to ensure that the estimated cost as listed is accurate.

Response: When the cleanup decisions are made, the costs and schedules of these cleanup actions in the Lifecycle Report will be updated.

Advice Point #9: The Board advises DOE to provide an explanation for the funding profile for Safeguards and Security. The funding profile shows a large increase from 2018 to 2019 (\$76 million to \$101 million), and then a drop in 2020 (to \$62 million). The funding profile also shows a large drop from 2037 to 2038 (\$103 million to \$54 million) with no explanation.

Response: The funding profile for 2016 through 2019 includes support for the consolidation of material within the DOE Complex. The change in profile from 2037 to 2038 reflects the assumption for the completion of the transfer of materials to a national repository. This correlates to activities and related assumptions in PBS RL-0013C (Waste Management).

Advice Point #10: The Board advises that a detailed examination of “Disposition Cesium/Strontium Capsules” and “Restore 200 West Groundwater to Beneficial Use,” should be performed prior to “Disposition B Plant Canyon” and “Disposition PUREX Canyon” (Table A-6).

Response: This advice will be considered for a subsequent Lifecycle Report. The TPA agencies reviewed the alternative analyses included in the 2011, 2012 and 2013 Lifecycle Reports, the level of effort required to conduct those analyses and the benefits and insights gained from those analyses. After considering the remaining cleanup actions to be analyzed (Table A-6), the timing of anticipated regulatory decisions, the potential benefits, and the effort required to conduct the analyses, the TPA agencies agreed that the 2014 Lifecycle Report will not include an alternative analysis.

Advice Point #11: The Board believes the costs for the Waste Encapsulation Storage Facility (WESF) Base Operations, Waste Repackaging and Processing facility (WRAP) Min-Safe Operations and Maintaining Safe and Compliant Fast Flux Test Facility (FFTF) Complex costs had significant increases in the 2013 Lifecycle Report, with no explanation. The Board advises that the 2014 Lifecycle Report should contain justification for the cost increases.

Response: Major changes from the previous report are highlighted in Section 1.7. The Waste Encapsulation and Storage Facility (WESF) Base Operations increased in the 2013 Lifecycle Report because the WESF Upgrades noted in the 2012 Lifecycle Report were incorporated into the Base Operations category in 2013. In addition, the 2013 report included WESF ventilation upgrades during 2016/2017.

The Waste Receiving and Processing Facility Min-Safe Operation increased in the 2013 Lifecycle Report because work scope noted under Base Operations in the 2012 Lifecycle Report was moved to Min-Safe Operation in 2013.

The Lifecycle Report cost increase for "Maintain Safe and Compliant Fast Flux Test Facility (FFTF) Complex" between the two years (FY12 vs. FY13) represents a maturity in the estimate and is not due to any scope change. The 2012 Maintain Safe and Compliant FFTF Complex Lifecycle Report data reflects a Budget Formulation quality estimate which was based upon limited historical costs with utilization of parametric estimating. The slight increase to cost in the 2013 Lifecycle Report reflects a detailed, resource loaded estimate from CH2M HILL Plateau Remediation Company (CHPRC), our Prime Contractor's baseline submittal (CHPRC Rev 3). Therefore, the latest estimate reflects a higher quality estimate. The scope is unchanged between the two years.

Advice Point #12: The Board again advises that the 2014 Lifecycle Report provide sufficient information to fully understand the impacts of delaying or accelerating individual cleanup projects. An estimated project dollar cost does not provide a full understanding of what additional costs may be incurred if a project is delayed, or what costs could be reduced if the project is accelerated. Additional costs could include ongoing "safe and compliant" costs; worker retraining costs; costs to upgrade or replace infrastructure; costs to maintain adequate and available disposal facilities; and other relevant costs.

Response: The Lifecycle Report follows the direction in the enabling milestone and provides the full compliance planning case for the Hanford cleanup mission. The report is not designed to include multiple funding scenarios or analysis that might be found in a "Systems Plan" document.

Thank you again for your advice on this subject. If you have any questions, you may contact us or you may contact Kim Ballinger at (509) 376-6332.


Matt McCormick, Manager
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Kevin W. Smith, Manager
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OCE:KSB

Enclosure

cc w/encl: See page 5

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13-HAB-0028

-5-

SEP 03 2013

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