



# Oregon

John A. Kitzhaber, M.D., Governor



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Stephen Korenkiewicz, Lifecycle Report Project Manager  
U.S. Department of Energy – Richland Operations Office  
P.O. Box 550, Mailstop A5-16  
Richland, WA 99352

Dear Mr. Korenkiewicz:

Thank you for meeting with me on April 24 to discuss the U.S. Department of Energy's (DOE) response to the State of Oregon's comments on the 2013 Hanford Lifecycle Scope, Schedule and Cost Report. Oregon provided similar comments on previous versions of the Hanford Lifecycle Report, dating back to the first such report in late 2011, yet we had seen few changes made in direct response to our comments.

Based on our discussion, I believe that Oregon and DOE have a fundamental difference of opinion on what types of information this document should contain. As it is currently formulated and structured, we see a decreasing value in this report.

The report identifies budget needs and requirements far in excess of traditional funding levels. DOE officials offer little hope that funding will be increased to meet those growing needs. We continue to believe that DOE is missing an opportunity to provide a more complete story on Hanford's funding needs by failing to identify the adverse consequences of constrained funding on schedule and on increased life cycle costs.

Funding at levels below the defined profile will cause considerable delays and those delays create additional costs that should be clearly identified in this report, such as:

- continued "safe and compliant" or "min-safe" costs that have to be made until a facility/structure is gone. For some of Hanford's facilities, those costs are tens of millions of dollars annually.
- maintaining/upgrading/replacing aging facilities, support systems and infrastructure that would not otherwise be necessary. We've seen numerous cases where upgrades are required for facilities that are targeted for demolition. The ventilation and safety upgrades required at Plutonium Finishing Plant and Waste Encapsulation Storage Facility are but two major examples. The requirement for replacement RCRA-compliant tank capacity for failing double-shell tanks is another. As the facilities and

infrastructure age, additional needs will become apparent and these costs will continue to rise over time. Nowhere in this report are those costs captured.

- keeping a treatment and/or disposal facility operational longer than planned. Hanford has made little progress in recent years on transuranic waste retrieval, processing, and packaging due to limited funding. This issue provides an opportunity to demonstrate the adverse consequences if retrieval is significantly delayed. Not only would the schedule at Hanford need to be extended and costs substantially increased, but another potential impact would be the need to extend the planned operating life of the Waste Isolation Pilot Plant (at what would be a considerable cost). Those potential costs should be identified and included in this document.

The “remaining estimated cleanup costs by Fiscal Year” (FY) shown in Figure ES-1, as in most other years, shows a huge bump necessary in funding for “next year.” The “next year” funding needs continue to grow with each passing version of this report, but those additional cumulative costs are generally not captured and are not highlighted.

As one example, estimated “min-safe” costs for the Plutonium Finishing Plant have increased more than \$44 million when comparing last year’s report to this year’s report. That is one specific example of increased costs at Hanford that should be highlighted as to how costs rise the longer the cleanup continues. These and other real costs that are incurred as cleanup moves along should be more readily identified.

Failure to identify these added costs hampers the ability of DOE, its regulators, and others concerned about the cleanup to make a compelling case for increased funding.

We are also frustrated that significant changes are made on specific projects from year to year, with no explanation as to the reasons for the changes. Section 1.5 lists changes from the previous report, yet provides very little detail or rationale. For example, funding needs identified in the 2014 Lifecycle Report for PBS RL-0013C have dropped by more than \$2.5 billion from the 2013 Lifecycle Report without explanation for the change. Section 1.5 does mention this report includes “updated cost and schedule planning,” yet offers no details, no explanation, and nothing beyond that statement.

We also believe a number of major assumptions contained in this document are unrealistic and inaccurately skew the projections.

In our November 2011 comment letter on the 2011 Lifecycle Report, Oregon encouraged DOE to add to this report the ramifications of the “inability to effectively use one or more double-shell tanks due to aging and potential leaks.” The leak in AY-102 removes one of the 28 double-shell tanks from use. It now seems more like wishful thinking than a likely outcome that the remaining 27 double-shell tanks will remain fully operational for a minimum of 40 more years.

We strongly suggested that the next version of this document include an analysis of the range of likely costs associated with leaks in double-shell tanks: pumping AY-102 and possibly

additional tanks as well; contingency plans for losing one or more additional double-shell tanks; and costs associated with building and putting into service additional storage capacity. None of that information has been provided.

Pumping AY-102 or any leaking double-shell tank without freely available tank capacity to receive it involves an extremely complex, dangerous and expensive set of tank-to-tank transfers, evaporator runs and changes in the chemistry of many other tanks. DOE has said that pumping AY-102 will require at least 18 months, and more than a dozen tank-to-tank transfers involving as many as eight double-shell tanks. These costs are also not captured in this report.

We understand that this report relies on the existing baseline, yet unrealistic assumptions within that baseline add further skepticism of the accuracy of this report. Section 5.3 indicates that supplemental LAW treatment capacity will be provided by a second LAW vitrification facility which will begin full operations in October 2021. DOE has yet to make a decision as to how to accomplish supplemental treatment. There is no design, no request for funds, and no effort to move forward with a second LAW facility. In addition, after 13 years of construction, the first LAW facility is not yet completed. Given all that, there is no way such a facility could reasonably be operational in just seven years.

When the Lifecycle Report was first published, we had some strong praise, as evidenced by our comments in November 2011: "The report provides some very useful information and it already has become a valuable reference tool...The document is well written and easily understandable. For the first time in the Hanford cleanup, a single report provides a comprehensive look at the extensive work that remains." We also provided comments at that time that are consistent with the comments explained above, to make the report more useful.

Based on our discussion in April, I realize now that DOE sees the purpose of this report differently than we do, and has no intention of making those types of changes. Because of that, we encourage the Tri-Parties to amend the Tri-Party Agreement to discontinue this document as an annually required report and as a result we have no specific additional comments to provide on the 2014 version of the document.

If you have questions about our comments, please contact me at 503-378-4906.

Sincerely,

A handwritten signature in black ink, appearing to read "Ken Niles". The signature is written in a cursive, flowing style.

Ken Niles  
Nuclear Safety Division Administrator

Cc: Jane Hedges, Washington Department of Ecology  
Dennis Faulk, U.S. Environmental Protection Agency  
Mecal Seppalainen, Chair, Oregon Hanford Cleanup Board  
Steve Hudson, Chair, Hanford Advisory Board