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| ONR Project Assessment Report  Sizewell C – Approval of Nuclear Safety Committee Terms of Reference |



ONR Project Assessment Report

**Project Name**: Sizewell C

**Report Title**: Approval of Nuclear Safety Committee Terms of Reference

**Dutyholder/ Applicant**: Sizewell C Limited

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# Executive Summary

**Permission requested**

Sizewell C Limited (SZC Ltd) has requested the Office for Nuclear Regulation’s (ONR) approval of the terms of reference (ToR) of its Nuclear Safety Committee (NSC) under Licence Condition (LC) 13(2). This Project Assessment Report (PAR) considers ONR’s assessment of the ToR and provides the basis for ONR’s decision to approve them.

**Background**

SZC Ltd was granted a nuclear site licence (NSL) to install and operate a nuclear installation at its Sizewell C (SZC) site, which came into force on 7 May 2024. LC 13 requires the new licensee to set up a properly constituted NSC which can consider and provide advice on matters which may affect safety on or off the licensed site. LC 13(2) requires the licensee to submit the ToR of the committee to ONR for approval. The committee cannot be formed under LC 13 without this approval.

**Assessment and inspection work carried out by ONR in consideration of this request**

We have assessed the proposed ToR for SZC Ltd’s NSC against our inspection guidance for LC 13. In addition we have reviewed the qualifications and experience of the proposed members of the committee to ensure they are appropriate for the early stages of the SZC construction project.

**Matters arising from ONR’s work**

There are no matters arising from this assessment.

**Conclusions**

We have assessed the submitted ToR and reviewed the qualifications and experience of the proposed members of the NSC. We consider that these adequately address the requirements of LC 13 and relevant expectations set out in our guidance.

**Recommendation**

On the basis of the request submitted by SZC Ltd and the conclusions of this PAR, we recommend that the Director of the New Reactors Division signs LI 500 to approve under LC 13(2) the terms of reference for the licensee’s Nuclear Safety Committee.

List of abbreviations

|  |  |
| --- | --- |
| Term/Acronym | Description |
| CV | Curriculum Vitae |
| HPC | Hinkley Point C |
| iSHA | Interim Shareholders’ Agreement |
| LC | Licence Condition |
| LI | Licence Instrument |
| NSC | Nuclear Safety Committee |
| NSL | Nuclear Site Licence |
| ONR | Office for Nuclear Regulation |
| PAR | Project Assessment Report |
| SZC | Sizewell C |
| SZC Ltd | Sizewell C Limited |
| TIG | Technical Inspection Guide (ONR) |
| ToR | Terms of Reference |
| WIReD | ONR business process management system |
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Table of Contents

[Executive Summary 3](#_Toc166650016)

[1. Permission requested 6](#_Toc166650017)

[2. Background 6](#_Toc166650018)

[3. ONR assessment of this request 6](#_Toc166650019)

[3.1. Previous operation of the SZC NSC 6](#_Toc166650020)

[3.2. Assessment of request for ToR approval 7](#_Toc166650021)

[3.2.1. ToR wording 7](#_Toc166650022)

[3.2.2. Membership 8](#_Toc166650023)

[3.2.3. Work instruction 8](#_Toc166650024)

[4. Matters arising from ONR’s work 9](#_Toc166650025)

[5. Conclusions 9](#_Toc166650026)

[6. Recommendations 9](#_Toc166650027)

[7. References 10](#_Toc166650028)

# Permission requested

1. Sizewell C Limited (SZC Ltd) has requested the Office for Nuclear Regulation’s (ONR) approval of the terms of reference (ToR) of its Nuclear Safety Committee (NSC) under Licence Condition (LC) 13(2). This report considers ONR’s assessment of the ToR and provides the basis for ONR’s decision to approve them.

# Background

1. A new licensee is required to establish a NSC to which it shall refer for consideration and advice matters, arrangements and documents in accordance with LC 13(1). LC 13(2) requires the licensee to submit the ToR of the committee to ONR for approval. The committee cannot be formed under LC 13 without this approval.
2. SZC Ltd was granted a nuclear site licence (NSL) to install and operate a nuclear installation at its Sizewell C (SZC) site, which came into force on 7 May 2024.
3. SZC Ltd submitted a request to ONR [1] for approval of the ToR of its NSC [2] on 8 May 2024. ONR was also provided with a list of NSC members with their curricula vitae [3] and the NSC work instruction [4]. This work instruction relates to both Hinkley Point C (HPC) and SZC NSCs and outlines the actions and steps necessary to deliver an effective and compliant NSC.

# ONR assessment of this request

## Previous operation of the SZC NSC

1. SZC Ltd (then NNB Generation Company (SZC) Ltd) established a preliminary NSC to advise it on matters relevant to nuclear and radiological safety early in the project. This held several meetings, the last being in March 2017. In anticipation of the company applying for a NSL, a ‘shadow’ NSC was formally established in mid-2019. This held its first meeting in July 2019, operating under terms of reference [5] derived directly from those then in existence at HPC. SZC NSC committees, when needed, were held immediately following the HPC NSC meetings, and members were largely the same for both committees. The key difference was that the SZC NSC operated outside the licensing regime.
2. Following the application for a NSL in June 2020, we embarked on a rigorous assessment of that application. The SZC NSC operated throughout the assessment period, with the 12th meeting taking place in February 2022.
3. Although having an operating NSC is not a requirement for licence grant, we took an interest in the operation of the ‘shadow’ SZC NSC during its initial assessment period (which ended in March 2022). This was largely to ensure that if the licence was granted, we would have confidence that the NSC already established would be a fit and proper body to continue its work under the requirements of the NSL.
4. During the NSL assessment period, we observed part of the 3rd meeting of the SZC NSC on 17 June 2020 [6]. We concluded that the meeting (which was operating under the original ToR):

“*was well chaired, where the members had clearly read and understood the material to be discussed. The members were able to demonstrate both their technical knowledge and specific site knowledge by a series of considered and challenging questions covering all aspects of the topic discussed”.*

1. During February/March 2022, we carried out an inspection of SZC Ltd’s draft LC 13 arrangements [7]. The inspection examined SZC Ltd’s compliance matrix and compliance thread for the licence condition arrangements. This included a review of SZC Ltd’s competency assessment of its NSC members.
2. We interviewed a sample of the committee members including independent members, the outgoing and incoming chairs and the secretariat, on the functioning of the committee. The outgoing chair noted that the SZC NSC was replicating HPC arrangements and that this was logical and allowed for a shared experience between HPC / SZC. To enable continued learning, it was intended that a minimum of two members of the NSC will remain consistent across HPC and SZC. Our inspection report did not raise any substantive concerns regarding the operation of the NSC.
3. In the light of the positive conclusions of its 2020/22 assessment, in planning for its proportionate reassessment of the licence application during September 2023 to March 2024, we took the decision not to re-examine the operation of the extant SZC NSC. Nevertheless, we have maintained oversight of the NSC business and advice provided through routine review of the committee minutes.

## Assessment of request for ToR approval

1. The submitted ToR is very similar to that applied to the shadow NSC meetings between July 2019 and February 2024. That ToR was closely modelled on the one for the current HPC NSC, which we approved in September 2018. Given the perceived satisfactory functioning of the SZC ‘shadow’ NSC and our satisfaction with the HPC ToR, this assessment therefore considers the differences between the proposed ToR currently in place, and that in place (at the time of drafting) at HPC.

### ToR wording

1. There are some minor differences between the extant SZC NSC ToR and the proposed ToR. Most of these, we judge to be trivial, for instance:

* Change of company name (from NNB Generation Company (SZC) Ltd to Sizewell C Ltd);
* Some reordering of sections;
* A useful new section on ‘Notices’ which underlines the role of the secretariat in notifying members of the meetings; and
* A new section on ‘Interfaces’, which notes that the NSC will work/liaise with other SZC Ltd committees as required, as well reporting to the Board.

1. Two new paragraphs reference the interim shareholders’ agreement (iSHA). The first is in paragraph 4.4 of the ToR which states that, in accordance with the iSHA, shareholder appointed non-executive directors shall be entitled to receive papers and minutes for the committee and to attend the NSC as an observer. We do not consider this to be consequential for the proper functioning of the committee.
2. The second reference to the iSHA, is in paragraph 11.4, which states that the NSC cannot take decisions on any ‘Reserved Matters’ (as defined in the iSHA). During our proportionate reassessment, we considered the contents of the iSHA and was satisfied that [8] “*actions mandated by nuclear safety and security regulatory requirements … fall within the purview of [the licensee’s] decision-making regime. The shareholders will not decide matters in respect of nuclear safety, security and environmental matters*”. Further, we are satisfied that the ‘Reserved Matters’ in the iSHA relate to broader commercial and financing matters, and hence outside of the normal NSC business [9]. On the basis of these reassurances, we are satisfied that the caveat introduced by paragraph 11.4 does not affect the expected functioning of the NSC and is therefore acceptable to us.

### Membership

1. Accompanying the application letter [1] the licensee provided a list of proposed members along with brief curricula vitae (CVs), in accordance with LC 13(5), setting out each member’s experience and qualifications [3]. The list consists of ten members, including the Chair and five independents. This meets LC 13(4) requirements for at least seven members including one or more independents. Several of the proposed members (including independents) are currently members of the HPC NSC. The presence of members of the HPC NSC will allow for learning from that project. The members on the list provided are all current members of the SZC NSC, so there will be continuity between the pre-licence and post-licence period.
2. Based on the CVs provided, it is evident that all the proposed members are highly qualified and with extensive, relevant experience in the nuclear industry and/or its regulation. We can see no reason to object to the proposed membership.

### Work instruction

1. Also supplied with the application letter, is a copy of the current version of the ‘Nuclear Safety Committee – Work Instruction’ [4]. This provides additional guidance on a variety of matters relating to the efficient and effective running of the NSC. This guidance covers both the HPC and SZC committees. Amongst the matters covered is a wide range of NSC processes including:

* produce and manage ToR
* manage membership and assess competence
* meeting code of conduct
* conduct effectiveness review
* Retention of records

1. Our principles for the effective operation of a licensee’s NSC are set out in the relevant Nuclear Safety Technical Inspection Guide (TIG 13) [8]. We are satisfied that the SZC NSC work instruction adequately addresses these principles.

# Matters arising from ONR’s work

1. We will assess the adequacy of implementation of SZC Ltd’s arrangements for compliance with LCs 13(1) to 13(10) through routine post-licensing regulatory oversight.
2. LC 13(11) permits a licensee’s NSC to consider or advise on urgent safety proposals in accordance with arrangements considered by the NSC and approved by ONR. Such a provision is included as an appendix to the submitted ToR. However, as this will need to be formally discussed by the newly constituted NSC, SZC Ltd intends to write to us separately to request approval under LC 13(11) of its arrangements for consideration of urgent safety proposals. We anticipate that such a request will follow discussion of the proposed arrangements at the licensee’s first post-licensing NSC. Our assessment of the adequacy of these arrangements will be the subject of a separate Project Assessment Report (PAR).

# Conclusions

1. Based on the work described above, we are satisfied that ONR can issue an approval under LC 13(2) for the proposed ToR of SZC Ltd’s NSC.
2. The approval will be implemented via a standard LC 13(2) Licence Instrument (LI); this will be LI 500 in the sequence of SZC LIs (which, by ONR convention, starts at 500). Because the approval is a ‘primary powers’ action, the LI will be signed by a Director of Regulation.

# Recommendations

1. On the basis of the request submitted by SZC Ltd and the conclusions of this PAR, we recommend that the Director of Regulation, New Reactors Division signs LI 500 to approve under LC 13(2) the ToR for the licensee’s NSC.

# References

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| [1] | SZC Ltd, *ONR-SZC-21780Y - Request for approval under LC13(2), May 2024, CM9 2024/20969.* |
| [2] | SZC Ltd, *Nuclear Safety Committee ToR, EDRMS 101069713 R03, May 2024, CM9 2024/20989.* |
| [3] | SZC Ltd, *NSC members Curricula Vitae 7 May 2024 CM9 2024/20975.* |
| [4] | SZC Ltd, *NSC approved Work Instruction, EDRMS 100966901 R03, May 2024, CM9 2024/20990.* |
| [5] | SZC Ltd, *NSC ToR, Revision 1, 2019, EDRMS 100197655, CM9 2020/203860.* |
| [6] | ONR, *ONR-NR-CR-20-260, Observation of June 2020 SZC Ltd Nuclear Safety Committee, CM9 2020/205594.* |
| [7] | ONR, *ONR-NR-CR-22-003, Sizewell C Licensing Assessment: LC 13, March 2022, CM9 2022/21711.* |
| [8] | ONR, *ONR-NR-AN-22-004, Governance changes at GID, CM9 2022/49606.* |
| [9] | ONR, *internal email, May 2024, CM9 2024/21081.* |