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JAN 30 2017

17-ECD-0003

Ms. Alexandra K. Smith, Program Manager
Nuclear Waste Program
Washington State
Department of Ecology
3100 Port of Benton Blvd.
Richland, Washington 99354

Ms. Smith:

HANFORD FEDERAL FACILITY AGREEMENT AND CONSENT ORDER (ALSO KNOWN AS TRI-PARTY AGREEMENT) INTERIM MILESTONE M-062-01, JANUARY 2017 TRI-PARTY AGREEMENT SEMI-ANNUAL PROJECT COMPLIANCE REPORT FOR MAY 1, 2016, THROUGH OCTOBER 31, 2016

This letter transmits the U.S. Department of Energy, Office of River Protection January 2017 Semi-Annual Project Compliance Report (Attachment) required by Interim Milestone M-062-01 for the period of May 1, 2016, through October 31, 2016. As stipulated in the M-062-01 milestone, this report includes project summaries of accomplishments, issues, and actions being taken for the M-062-00 milestone series.

If you have any questions, please contact William F. Hamel, Assistant Manager, Waste Treatment and Immobilization Plant Project, (509) 376-6727, or Glyn D. Trenchard, Acting Assistant Manager, Tank Farms Project, (509) 373-4016.

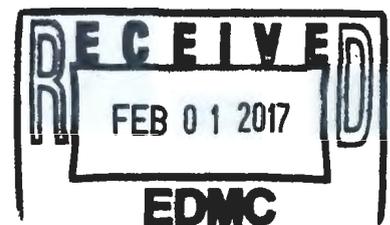
A handwritten signature in black ink, appearing to read "Kevin W. Smith".

Kevin W. Smith
Manager

ECD:BRT

Attachment

cc: See page 2



Ms. Alexandra K. Smith
17-ECD-0003

-2-

cc w/attach:

BNI Correspondence

TPA Administrative Record

WRPS Correspondence

cc w/o attach:

R.S. Skeen, CTUIR

S.L. Dahl, Ecology

J.J. Lyon, Ecology

J.D. McDonald, Ecology

J.B. Price, Ecology

C.L. Whalen, Ecology

D.A. Faulk, EPA

S.E. Hudson, HAB

R.E. Piippo, MSA

G. Bohnee, NPT

K. Niles, Oregon Energy

R. Buck, Wanapum

R. Jim, YN

D. Rowland, YN

**Attachment
17-ECD-0003
(6 Pages)**

**U.S. Department of Energy, Office of River Protection
River Protection Project – January 2017 Semi-Annual Project
Compliance Report per Hanford Federal Facility Agreement and
Consent Order Milestone M-062-01**

May 1, 2016, through October 31, 2016

**U.S. DEPARTMENT OF ENERGY, OFFICE OF RIVER
PROTECTION RIVER PROTECTION PROJECT – JANUARY
2017 SEMI-ANNUAL PROJECT COMPLIANCE REPORT PER
HANFORD FEDERAL FACILITY AGREEMENT AND
CONSENT ORDER MILESTONE M-062-01**

May 1, 2016, through October 31, 2016



**U.S. DEPARTMENT OF ENERGY
OFFICE OF RIVER PROTECTION
2440 Stevens Center Place
Richland, Washington 99352**

Ben Harp, Deputy Manager
Office of River Protection

1/27/17

Date

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LIST OF ACRONYMS

DOE	U.S. Department of Energy
Ecology	Washington State Department of Ecology
FY	Fiscal Year
ORP	Office of River Protection
TPA	Tri-Party Agreement
WTP	Waste Treatment and Immobilization Plant

1.0 INTRODUCTION

The U.S. Department of Energy (DOE), Office of River Protection (ORP) is submitting this January 2017 Semi-Annual Project Compliance Report to satisfy the requirements of the *Hanford Federal Facility Agreement and Consent Order*, commonly referred to as the Tri-Party Agreement (TPA), Milestone M-062-01. As detailed in M-062-01, this report documents ORP's compliance with the TPA Milestone M-062-00 series; provides updates, progress, and issues relative to those milestones; and identifies activities expected in the near future.

The M-062-00, *Complete Pretreatment Processing and Vitrification of Hanford High-Level (HLW) and Low-Activity (LAW) Tank Wastes*, major milestone series were created through the TPA Dispute Resolution process that led to the March 29, 2000, Director of Washington State Department of Ecology (Ecology) Final Determination. These milestones were then modified and added to during the negotiations that occurred from 2007 - 2009 and became effective under a series of TPA change packages¹ in conjunction with the Consent Decree in *State of Washington v. Dept. of Energy*, Case No. 08-5085-FVS,² as entered in Federal court on October 25, 2010. That Consent Decree was recently amended as a result of a dispute and litigation between the parties and many of the dates established by the 2010 Consent Decree were extended by the Court. See Amended Consent Decree (March 11, 2016) and Second Amended Consent Decree (April 12, 2016), Case No. 08-5085-RMP.

Since the milestone dates in the M-062-00 and other TPA milestones were, to a large part, predicated on the milestones established in the 2010 Consent Decree, and those dates have been extended by the Court, many of the existing interim milestones in the M-062-00 and other series are at risk or cannot be met. TPA milestones affected by the modified milestones in the 2016 Amended Consent Decree need to be adjusted accordingly and are under discussion as part of the System Plan, Rev. 8, process.

While this litigation was ongoing, DOE submitted a change request (CR M-62-14-02, dated January 30, 2015) on the negotiations required under TPA milestone M-062-45, suggesting that these negotiations be deferred until after the Consent Decree litigation was resolved. After Ecology disapproved this change request, DOE submitted the disapproval to the dispute resolution process under Article VIII of the TPA that had been extended at the Project Managers' level until August 1, 2016. Dispute resolution was resolved by the Interagency Management Integration Team with agreement to start negotiations by September 8, 2016, which occurred. Negotiations are ongoing.

DOE and Ecology have developed scenarios to be addressed in System Plan, Rev. 8, which is due to be issued in accordance with TPA milestone M-062-40 by October 31, 2017. DOE believes that the analysis of these scenarios in System Plan, Rev. 8, will provide information that

¹ M-36-09-01, M-42-09-01, M-46-09-01, M-45-09-01, M-047-09-09, M-50-09-01, M-51-09-01, M-61-09-01, M-62-09-01, M-90-09-01, P-09-09-01, and I-09-01.

² This Consent Decree resulted from litigation filed by the State in 2008, alleging that DOE had already missed or was certain to miss several TPA milestones, including many in the M-045-00 and M-062-00 series.

is essential for the parties to adjust the Consent Decree-affected TPA milestones in an appropriate manner.

This compliance report discusses each of the M-062-00 milestones due during the reporting period. The project progress, budget, and cost information in the report is based on the period of May 1, 2016, through October 31, 2016.

2.0 NEAR-TERM M-062-00 SERIES TRI-PARTY AGREEMENT MILESTONES

2.1 M-062-40

In support of M-062-040E, scenario selection was completed and agreed to between Ecology and ORP on October 11, 2016, for System Plan, Rev. 8.

2.2 M-062-45

As previously reported, on January 30, 2015, ORP provided Ecology Change Control Form M-62-14-02, which proposed adding language under TPA Milestone M-062-45 to defer negotiations required under M-062-45. Ecology did not respond within the 14-day review period that ended February 13, 2015, which is deemed disapproval in accordance with the TPA. In letter 15-TF-0014, "Initiation of Dispute Resolution Regarding Disapproval of Hanford Federal Facility Agreement and Consent Order Change Control Form M-62-14-02," dated February 20, 2015, ORP initiated a dispute resolution. Ecology provided a justification for their disapproval on March 12, 2015, via letter 15-NWP-036, "Hanford Federal Facility Agreement and Consent Order (Tri-Party Agreement) Change Package, Change Number M-62-14-02," dated January 30, 2015. Ecology and ORP signed an extension of the dispute resolution period at the TPA project manager level until August 1, 2016. Decision document 2016-005 signed August 22, 2016, requires this milestone be addressed with the negotiations supporting M-062-45. Negotiations began on September 8, 2016, and are ongoing.

As noted above, DOE believes that, as a result of the schedules created by the Amended Consent Decree, the parties should employ the System Plan required by TPA milestone M-062-40 to readjust TPA milestones that are affected by that Amended Consent Decree. Milestone M-062-40 requires DOE "[to s]ubmit a System Plan to Ecology describing the disposition of all tank waste managed by the Office of River Protection, including the retrieval of all tanks not addressed by the Consent Decree in *Washington v. DOE*, Case No. 08-5085-FVS, and the completion of the treatment mission." The System Plan must address Tank Waste Treatment, Supplemental Treatment, Tank Waste Retrieval, and Contingency Planning. DOE intends to discuss this process in more detail with Ecology and to make the appropriate formal submittals as are determined to be necessary to accomplish this suggestion.

3.0 WASTE TREATMENT AND IMMOBILIZATION PLANT

3.1 Budget/Cost Status

Total funding available for the Waste Treatment and Immobilization Plant (WTP) Project during fiscal year (FY) 2016, is \$960 million, which includes \$690 million of new budget authority and \$270 million of FY 2015 carryover funds. To date, the WTP Project has received \$10.555

billion of funding. For FY 2016, the WTP Project spent \$742 million through the end of September. At the end of September 2016, the total amount spent on the WTP Project was \$10.336 billion.

4.0 TANK FARMS

4.1 Budget/Cost Status

Total funding available for the Tank Farms Project during FY 2016, is \$779 million, which includes \$724 million of new budget authority and \$35 million of FY 2015 carryover funds. For FY 2016, the Tank Farms Project spent \$639 million through September 2016.

5.0 SCHEDULE MITIGATION

No schedule mitigation has been necessary during the reporting period.