MANUAL CHAPTER 0350

OVERSIGHT OF OPERATING REACTOR FACILITIES IN A SHUTDOWN CONDITION WITH PERFORMANCE PROBLEMS

0350-01 PURPOSE

01.01 To establish criteria for the oversight of licensee performance for licensees that are in a shutdown condition as a result of significant performance problems or operational event(s).

01.02 To ensure that when the plant is in a shutdown condition as a result of performance problems, the NRC communicates a unified and consistent position in a clear and predictable manner to the licensee, public, and other stakeholders.

01.03 To establish a record of the major regulatory and licensee actions taken and technical issues resolved leading to approval for restart and to the eventual return of the plant to the routine Reactor Oversight Process (ROP).

01.04 To verify that licensee corrective actions are sufficient prior to restart.

01.05 To provide assurance that following restart the plant will be operated in a manner that provides adequate protection of public health and safety.

0350-02 OBJECTIVES

02.01 To provide guidelines for entering and exiting the oversight process for reactor facilities in a shutdown condition with performance problems.

02.02 To ensure that NRR and the regional offices are appropriately involved in restart decisions.

02.03 To establish a process plan for the actions necessary to approve restart and provide an objective basis to justify return of a plant to the ROP.

02.04 To provide a mechanism for communicating issues and corrective actions to the public and other external stakeholders.

0350-03 APPLICABILITY

This manual chapter may be implemented following a plant shutdown as a result of significant performance problems and/or after a significant operational event.

For the purposes of this inspection manual chapter (IMC), the following are definitions of specific terms used herein.

Significant performance problems. Those problems that meet the entry conditions for the Multiple/Repetitive Degraded Cornerstone or the Unacceptable Performance columns of the Action Matrix contained in IMC 0305, "Operating Reactor Assessment Program."

Significant operational event. Any radiological, safeguards, or other safety-related operational event at an NRC-licensed facility that poses an actual or a potential hazard to public health and safety, property, or the environment. See Management Directive (MD) 8.3, "NRC Incident Investigation Program," for additional discussion on assessment and determination of a significant operational event.

Issues with risk significance. Any inspection findings or performance indicators (PIs) that are categorized as having risk significance of "white," "yellow," or "red" as determined by the PI thresholds or through the significance determination process (SDP).

0350-04 RESPONSIBILITIES AND AUTHORITIES

04.01 Director, Office of Nuclear Reactor Regulation (NRR)

a. Notifies the Executive Director for Operations (EDO) and the Commission, as appropriate, of the NRC actions taken concerning a nuclear power plant under the guidance of this manual chapter.

b. Responsible for the development and maintenance of this manual chapter and the oversight of its implementation.

c. Decides, in conjunction with the Regional Administrator, whether this manual chapter applies to a specific reactor restart.

d. Consults and concurs with the Regional Administrator on the restart decision.

04.02 Regional Administrator

a. Decides, in consultation with the Director of NRR, whether this IMC applies to a specific reactor restart.

b. Discusses with the Deputy Executive Director for Reactor Programs, the Director of the Office of Enforcement, and the Director of NRR, as appropriate, the scope of an order or a confirmatory action letter specifying any immediate actions and/or

the actions required of the licensee in order to receive NRC approval to restart the plant.

c. Establishes an oversight panel (henceforth referred to as "the Panel") to maintain an ongoing overview of licensee performance while the plant is governed by this chapter. Selects the Chairman of the Panel and establishes the Panel's composition and responsibilities.

d. Reviews and determines, in conjunction with NRR, the acceptability of the licensee's corrective action plan for the problems related to the significant performance problems or operational event.

e. Approves restart of the shutdown plant, following consultation with the Deputy Executive Director for Reactor Programs and the Director of NRR. If preexisting orders are involved, Commission or EDO approval may be required.

f. Approves termination of the IMC 0350 oversight process and a return to the ROP.

04.03 Director, Division of Licensing Project Management, NRR

a. Implements the requirements of this IMC by coordinating NRR policy and guidance, in conjunction with the Chairman of the Panel, to ensure that the Director of NRR and appropriate staff are directly involved in agency policy or regulatory oversight decisions, when applicable.

b. Coordinates and implements actions prescribed in the Panel Process Plan and the Restart Checklist that are determined to be NRR's responsibility. These actions include licensing actions and, where applicable, appropriate NRC office or NRR division interaction with other Federal agencies (e.g., the Federal Emergency Management Agency [FEMA], the Environmental Protection Agency [EPA], the Department of Justice [DOJ]) pursuant to any applicable memoranda of understanding.

04.04 Chairman, IMC 0350 Oversight Panel

a. Implements the requirements of this IMC.

b. Coordinates the Panel's activities and develops the Panel Charter, the Panel Process Plan, and the Restart Checklist to assign responsibilities and schedules for necessary actions and interactions with the licensee and outside organizations. (See Section 06.01.b for typical responsibilities of the Panel.)

c. Coordinates and implements actions prescribed by the Panel that have been determined to be the responsibility of the regional office. These actions include, when appropriate, interactions with State and local agencies and with regional offices of Federal agencies.

d. In conjunction with the Director of the Division of Licensing Project Management, ensures that the Regional Administrator and the Director of NRR are directly involved, when appropriate, in agency policy or regulatory oversight decisions.

0350-05 BACKGROUND AND INITIAL ACTIONS

05.01 Background

An operating commercial nuclear power plant with performance problems may be shut down for a variety of reasons. Licensees may voluntarily or involuntarily place the plant in a shutdown condition because of significant performance problems or a significant operational event. These performance problems may be the result of slowly degrading material conditions, recurrent process or control weaknesses, or may be manifested in a single event.

In general, when significant performance problems are identified in one or more of the seven cornerstones, the level of NRC actions is governed by the Action Matrix as defined by IMC 0305. Although not a prerequisite, it is envisioned that before performance degrades to the threshold requiring implementation of this manual chapter, the staff will have performed supplemental inspections, including Inspection Procedure (IP) 95002, "Supplemental Inspection Procedures for Issues Categorized Contained in the Degraded Cornerstone Band of the Assessment Action Matrix," and/or IP 95003, "Diagnostic Inspection for Issues Categorized in the Multiple/Repetitive Degraded Cornerstone Band of the Assessment Action Matrix." However, unanticipated significant operational events may also occur that involve responses by an Incident Investigation Team (IIT), an Augmented Inspection Team (AIT), or a Special Inspection Team (SIT) as directed by Management Directive (MD) 8.3, "NRC Incident Investigation Program." The results of these inspections will constitute important input parameters that can be used to assist the NRC in the evaluation of licensee performance during implementation of this manual chapter.

The ROP assessment program as described in IMC 0305, "Operating Reactor Assessment Program," provides for ongoing and periodic assessment of licensee performance data on a quarterly, mid-cycle, and end-of-cycle basis. The decision to implement this IMC will be made in "real time" whenever entry conditions are satisfied and will not be postponed until completion of a periodic assessment activity. Therefore, this manual chapter can be implemented during any of these assessment intervals, or on the basis of developing circumstances which require a more timely and direct assessment of licensee performance.

> NOTE: Plants under the IMC 0350 process typically have a significant unanticipated resource impact on the regions. Although resources have been added to the budget model to account for an unspecified plant being under the IMC 0350 process, care must be taken to minimize unnecessary resource expenditures against IMC 0350 plants at the expense of the inspection and assessment programs for other plants in the region.

When a plant is under the IMC 0350 process, it is still under the auspices of several aspects of the ROP, though each program area needs to be customized appropriately to conform to the IMC 0350 extended shutdown conditions as described in Section 06.03 of this guidance.

The focus of this manual chapter is to provide oversight of the licensee's performance until such time that a return to the ROP is appropriate. This IMC provides adequate assurance that the licensee is ready for a return to plant operation, and that after a plant has restarted, acceptable licensee performance is verified prior to the plant being returned to the routine oversight inspection and assessment schedules of the ROP.

05.02 IMC 0350 Entry Conditions

A plant will be considered for oversight under the IMC 0350 process when the following four criteria are met: (1) plant performance is in the Multiple/Repetitive Degraded Cornerstone column or the Unacceptable Performance column of the Action Matrix, or a significant operational event has occurred as defined by MD 8.3; (2) the plant is shut down or the licensee has committed to shut down the plant to address performance issues (whether voluntary or via an agency order to shut down); (3) a regulatory hold is in effect, such as a confirmatory action letter (CAL) or an agency order; and (4) an agency management decision is made to place the plant in the IMC 0350 process (see next paragraph). Note that even with entry conditions 1, 2, and 3 being satisfied, agency management has the discretion not to implement the IMC 0350 process.

When considering entry into this IMC, NRR and regional management should carefully consider the following: (1) expected length of the plant shutdown, (2) the degree to which the licensee has performed an extent-of-condition evaluation pertaining to the reasons for the shutdown, and (3) the amount of discovery still required of the licensee to identify all of the problems associated with the shutdown. It should be noted that heavier weight should be given to implementing this IMC if the licensee is found to be more in the discovery and extent-of-condition phase of the assessment, as opposed to having a more complete understanding of the issues and an appropriate course of action to resolve the issues. Examples of the appropriate level of regulatory engagement once a plant has entered the Multiple/Repetitive Degraded Cornerstone column of the Action Matrix and how IMC 0350 may be applied are provided in Section 06.06 of IMC 0305. The cognizant Regional Administrator and the Director of NRR determine whether this IMC applies to a specific reactor shutdown period and restart.

05.03 Initial Actions

In addition to making the determination whether to implement this IMC for a specific reactor shutdown period and restart, the Regional Administrator should consult with the Deputy Executive Director for Reactor Programs, the Director of the Office of Enforcement, and the Director of NRR, as appropriate, to determine the scope of an order or a CAL specifying any immediate actions and/or the actions required of the licensee in order for the licensee to receive NRC approval to restart the plant. A CAL is typically used to document the licensee's agreement to take certain actions to remove significant concerns about health and safety, safeguards, or the environment prior to plant restart, though an

order may be necessary in certain cases. Guidance on the uses of orders and CALs is provided in the NRC's Enforcement Policy.

As soon as practical after the determination is made to implement this IMC, the Regional Administrator should notify internal and external stakeholders of the NRC's initial understanding of the performance issues and the NRC's plans to implement the IMC 0350 process. The Regional Administrator will establish an oversight panel (henceforth referred to as "the Panel") to maintain an ongoing overview of licensee performance as described in Section 06.01 of this guidance. The Regional Administrator selects the Chairman of the Panel and establishes the Panel's composition and responsibilities.

0350-06 OVERSIGHT REVIEW ACTIVITIES

06.01 Oversight Panel (i.e., the Panel)

a. Membership. For each plant shutdown and potential restart subject to oversight consistent with this manual chapter, the Regional Administrator, in coordination with the Director of NRR, will decide when to establish the Panel. The Regional Administrator normally establishes the composition of the Panel and its responsibilities in writing. The Panel will typically consist of the following individuals, or those in similar positions:

- Director, regional office Division of Reactor Projects (DRP) or Division of Reactor Safety (DRS) (Chairman)
- Project Director, responsible NRR Project Directorate (Vice Chairman)
- Responsible regional office DRP Branch Chief
- Responsible regional office DRS Branch Chief
- Responsible Project Manager, NRR (or Section Chief)
- Responsible Senior Resident Inspector
- Responsible regional office Senior Reactor Analyst (as needed)

Members can be added to or removed from the Panel, as appropriate, depending on the specific details of the problems leading to the plant shutdown and the matters to be evaluated before restart is authorized. Though not typically a member of the Panel, the Chief of the Inspection Program Branch in NRR (or designee) will maintain cognizance of Panel activities to ensure proper implementation of the IMC 0350 process.

b. Panel Duties and Planned Accomplishments

1. Review all available information directly related to the reason for the plant shutdown for the past four quarters of plant operation. This activity includes a review of performance indicator data, inspection findings, and docketed correspondence from the licensee.

2. Develop the Panel Process Plan and the Restart Checklist. The Panel Process Plan should include a plan for implementing the checklist and for modifying it as necessary to ensure that all risk-significant performance issues directly relating to the plant shutdown, including extent of condition, are resolved or dispositioned before restart.

3. Develop and maintain a comprehensive Communications Plan to ensure effective communication with internal and external stakeholders. The Communications Plan should encompass the initial decision to enter the IMC 0350 oversight process, the ongoing oversight activities, and the restart decision.

4. Maintain cognizance over the status of the regulatory hold (CAL or order) requirements and recommend to the Regional Administrator, in consultation with cognizant program office management, any necessary modifications.

5. Maintain an ongoing overview of licensee performance throughout the licensee's pre- and post-restart activities.

6. Determine the inspection (scope and level of effort) necessary to review performance deficiencies and identified risk-significant issues for restart.

7. Assess the adequacy of the licensee's corrective action and/or improvement program and the ability of the licensee to identify problems.

8. Assess the physical readiness of the plant for restart.

9. Periodically provide NRC management and the Commission, if requested, briefings and updates on the status of the licensee's progress in resolving issues associated with the reasons for shutdown, corrective actions, and general licensee performance.

10. Conduct periodic meetings with the licensee to discuss progress toward satisfactory completion of the licensee's restart program. These meetings are Category 1 meetings in accordance with NRC Brochure NUREG/BR-0297, "NRC Public Meetings." Accordingly, the public is invited to observe the meeting between the NRC and the licensee and will have the opportunity to communicate with the NRC staff after the business portion of the meeting but before the meeting is adjourned. Separate Category 3 meetings may be held near the facility, and/or additional arrangements should be made to the

extent practicable (e.g., teleconferencing, advertising meetings in local papers, etc.) to further encourage active public participation and involvement.

11. On the basis of satisfactory inspection and assessment of the completion of the pre-startup portion of the licensee's restart program, provide a written recommendation and the basis for the approval for restart to the Regional Administrator and the Director of NRR.

12. Provide post-restart enhanced oversight of licensee performance until there is a return to the ROP.

13. Provide a written recommendation to the Regional Administrator and the Director of NRR for the return to the ROP.

14. Ensure a comprehensive record is developed and maintained that documents NRC decisions and actions related to IMC 0350 activities and lessons learned for future Panels.

06.02 Panel Process Plan and Restart Checklist

Upon implementation of this IMC and establishment of the Panel, the Panel should promptly determine the type and extent of inspections and oversight activities needed to assess the extent of the licensee's performance problems and the adequacy of licensee's staff to address them. The Panel should develop a Panel Charter, a Panel Process Plan, and a Restart Checklist using the guidance contained in Appendix A, "Generic NRC Restart Review Activities." The Panel Charter should state the purpose, objectives, and composition of the Panel, as well as the expected outcome of the process (e.g., development of the Restart Checklist, resolution of the restart issues, and a letter to the licensee terminating the process).

The Panel Process Plan should provide the following: (a) the specific inspection and oversight activities by which the NRC will determine the licensee's readiness for restart; (b) risk-significant issues related to the reason for the shutdown that must be resolved before restart (i.e., restart issues); and (c) who has lead responsibility for each action. Items a and b correspond to the "Process" and "Issues" portions of the Restart Checklist, respectively. Appendix A of this IMC contains guidelines on how to construct the plant-specific Restart Checklist. These guidelines should be evaluated for applicability to the plant in question. Issues from Appendix A will only be included in the Restart Checklist when they must be resolved before plant restart.

The Panel Process Plan (1) ensures that there is an adequate inspection plan and that there is a record to support the restart determination; (2) tracks restart issue status and reference documents which contain the inspection results associated with the resolution of the issues; (3) addresses new issues, including items identified by the extent-of-condition reviews; (4) provides the basis for why selected issues were not resolved before restart; (5) establishes the Communications Plan to ensure effective communication with internal and external stakeholders, including the responsibilities and methodologies for interactions with the Commission; the Advisory Committee on Reactor Safeguards (ACRS);

the media; Federal agencies; Federal, State, and local officials, and other stakeholders; and (6) establishes the plant-specific criteria for termination of the IMC 0350 process controls and return to routine ROP oversight.

The Restart Checklist is an itemized listing of restart issues that contains a description and the status of the issue, status of the NRC regulatory actions, inspection report documentation, and the corresponding identified root causes and corrective actions that require disposition or resolution prior to restart. The Restart Checklist should be focused on those issues related to the significant operational event or the performance categorization commensurate with the Multiple/Repetitive Degraded Cornerstone or the Unacceptable Performance columns of the Action Matrix. Criteria for the development and maintenance of the Restart Checklist are included in Appendix A, Section C.

Additional issues that are identified during the plant shutdown may be added to the Restart Checklist if they meet the criteria specified in Appendix A, Section C. The Panel, NRR, and the applicable regional office should discuss the specific circumstances for adding issues to the Restart Checklist. Additional issues are defined as issues that are unrelated to the initial reason(s) for the plant shutdown. Any issue that is characterized as white, yellow, or red by the SDP has enough risk significance to be considered a restart issue. For example, new inspection findings and licensee event reports should be screened for risk significance so a prompt decision can be made on the need to add to the Restart Checklist. The Regional Administrator and the Director of NRR will be made cognizant of the additional risk-significant issues added to the checklist.

06.03 Correlation Between the ROP and the IMC 0350 Process

Due to the depth and breadth of performance issues and the extended shutdowns associated with plants under the IMC 0350 process, the full array of ROP-related information is not always available and/or applicable. When plants are under the IMC 0350 process, they are still under the auspices of several aspects of the ROP, though each program area needs to be customized appropriately to conform to the IMC 0350 extended shutdown conditions.

The following paragraphs describe the applicable sections of each program area of the ROP, including the inspection program, the performance indicator program, the significance determination process (SDP), and the assessment program.

a. Inspection Program

The ROP inspection program should be utilized to the maximum extent practical in accordance with IMC 2515, “Light Water Reactor Inspection Program - Operations Phase.” When developing and modifying the Restart Checklist and associated inspection plan, the Panel should use the baseline inspection procedures in accordance with Appendix A of IMC 2515 to the extent they are practical based on plant conditions, the availability of samples, and upcoming plant activities. Although the Panel should attempt to complete at least the minimum number of samples for each applicable baseline inspection procedure, there may be cases where the minimum sample size may

not be available. In these cases, the actual sample size completed should be documented in the inspection report.

In those cases where the baseline inspection program does not provide adequate assurance that each Restart Checklist item is appropriately addressed by the licensee, customized special inspections should be planned to augment the baseline inspection program. These customized inspections must be accompanied by an issue-specific inspection plan that identifies which inspection procedures are to be used in accordance with IMC 2515. If the circumstances require a unique inspection that is not currently documented in an inspection procedure, the inspection plan must be of sufficient detail to provide adequate guidance to the inspectors to evaluate the adequacy of the particular restart item. The customized inspection plan must be approved by the cognizant regional division director with concurrence of the Chief of the Inspection Program Branch. Consideration should also be given to the need for a new inspection procedure or temporary instruction to be created and issued in accordance with IMC 0040, "Preparing, Revising, and Issuing Documents for the NRC Inspection Manual," if the performance deficiency is generic in nature and may apply to other operating reactors.

The Panel Process Plan should delineate which baseline IPs are to be performed in accordance with the ROP and which baseline inspections are deemed not applicable and will not be performed. The justification for not performing certain baseline inspections should be clearly documented. In addition, inspections should be conducted as necessary to compensate for the unreported or incomplete PI data as discussed below. Additional inspections above and beyond the ROP inspection program and those necessary to verify adequacy of the restart items should not be planned or performed except as noted below.

Supplemental inspections should also be performed in accordance with Appendix B of IMC 2515 for all findings whose significance has been determined to be greater-than-green by the SDP, as practicable. Any exceptions to the supplemental inspection procedure requirements must be clearly articulated and justified in the supplemental inspection report. Only those supplemental inspections directly related to restart items need to be performed prior to plant restart.

Inspection results should be documented in accordance with IMC 0612, "Power Reactor Inspection Reports," to the extent practical. However, similar to the documentation requirements for Inspection Procedure (IP) 93812, "Special Inspections," due to the increased interest in plants under the IMC 0350 process, areas where no findings are identified may be documented in greater detail than required by IMC 0612, particularly to the extent necessary to defend the basis for closing a restart item. The inspection plan should be reviewed and modified as necessary, on at least a quarterly basis, to ensure that the inspection schedule is optimized with the licensee's corrective action schedule and that the restart items are adequately inspected by the NRC as necessary to support the restart decision.

b. Performance Indicator Program

Plants should continue to gather and submit PI data in accordance with IMC 0608, "Performance Indicator Program," to the extent that the data is applicable to extended shutdown conditions. Many indicators in the initiating events, mitigating systems, and barrier integrity cornerstones may not be particularly relevant, but indicators in the emergency preparedness, occupational radiation safety, public radiation safety, and physical protection cornerstones still provide useful indications of plant performance. To the extent necessary to assess the plant's readiness for restart, IP 71150, "Discrepant or Unreported Performance Indicator Data," should be conducted as prescribed by the Panel to compensate for performance information not being gathered due to the unreported or incomplete PI data until the plant has restarted and sufficient PI data has been collected.

c. Significance Determination Process

Findings discovered before and during the IMC 0350-related inspections should be evaluated using the applicable SDP in accordance with IMC 0609, "Significance Determination Process." The Panel should use the SDP along with the ROP Action Matrix as guidance for determining appropriate supplemental inspections for identified greater-than-green findings. Supplemental inspections should be performed in accordance with Appendix B of IMC 2515 to the extent practicable. Any exceptions to the supplemental inspection procedure requirements must be clearly articulated and justified in the supplemental inspection report. Only those supplemental inspections directly related to restart items need to be conducted prior to plant restart.

d. Assessment Program

Plants under the IMC 0350 process are considered outside of the normal assessment process in accordance with IMC 0305, "Operating Reactor Assessment Program." However, the ROP Action Matrix should be used as guidance for determining appropriate agency response for identified performance problems. Consideration should also be given to other ongoing activities and licensee assessments when determining the appropriate agency response. An IMC 0350 Process column has been added to the ROP Action Matrix (in IMC 0305) for illustrative purposes to demonstrate comparable agency response and communications with plants under the auspices of IMC 0305 versus IMC 0350.

Mid-cycle and end-of-cycle reviews should be performed for plants under the IMC 0350 process along with other operating reactors within each region. The IMC 0350 plants should be discussed at these meetings to integrate the inspection planning efforts across all regional sites and to keep internal stakeholders abreast of ongoing inspection and oversight activities. Mid-cycle and annual assessment letters are not typically issued for IMC 0350 plants. However, any updates to the inspection plan as a result of these reviews should be communicated to the licensee in docketed correspondence similar to any other changes to the inspection plan for IMC 0350 plants. In addition, the annual public meeting to discuss plant performance does not need to be conducted for IMC

0350 plants because detailed ongoing public status meetings with the licensee are conducted frequently to discuss plant performance and status.

Plants under the IMC 0350 process should also be discussed at the annual Agency Action Review Meeting (AARM) to provide a status update, along with those operating plants that meet the criteria for discussion at the AARM. The IMC 0350 plants should also be briefly discussed during the Commission briefing following the AARM. However, more detailed Commission briefings regarding the status of IMC 0350 plants and recommendations for plant restart are typically held separately, as requested.

Plants are typically transitioned back to the normal assessment process approximately one or two quarters after restart as determined by the Panel. If the Panel determines that continued oversight beyond three quarters is warranted to ensure the licensee continues to meet the commitments made in its performance improvement plan or for some other justifiable reason, then the Panel should recommend to the Regional Administrator and the Director of NRR to continue the oversight activities for an appropriate period of time.

At the beginning of the next calendar quarter following termination of the IMC 0350 process, the plant will no longer be considered under the IMC 0350 process and NRC oversight will be in accordance with the ROP Action Matrix. If enhanced oversight is deemed necessary by the Regional Administrator beyond that prescribed by the Action Matrix, the Regional Administrator must request a deviation from the Action Matrix in accordance with IMC 0305.

e. ROP Web Page

PIs, inspection findings, and other applicable oversight information will be posted to the ROP Web page in accordance with IMC 0306, “Information Technology Support for the Reactor Oversight Process.” In addition, pertinent plants should be clearly designated as “under the IMC 0350 process” on both the specific plant’s Performance Summary page and the Action Matrix Summary page. The regions should also consider developing and maintaining a specific Web page to clearly communicate ongoing IMC 0350 activities.

06.04 Restart Approval

Upon satisfactory completion of the pre-startup portion of the licensee’s restart program and all items on the Restart Checklist, the Panel will provide a written recommendation and the basis for the approval for restart to the Regional Administrator and the Director of NRR. The Regional Administrator, in coordination with the Deputy Executive Director for Reactor Programs and the Director of NRR, normally has the authority to approve restart. If preexisting orders are involved, Commission or EDO approval may be required.

The Regional Administrator will issue a restart authorization letter to the licensee to include the basis for restart and the extent of continued Panel engagement. Interested stakeholders should also be notified of the restart authorization as specified in Section B.6 of the appendix to this chapter.

0350-07 POST-RESTART ACTIVITIES

07.01 Coordination of Post-Restart Activities

Once restart approval is granted, the Panel will continue in an oversight capacity for one or two quarters, or until completion of an appropriate period of time following plant restart. The length of time of post-restart oversight may vary, depending on licensee performance and resolution of identified problems, in order to reestablish applicable reliable PIs and to allow the staff to assess licensee performance before a return to the ROP is warranted. However, if the Panel determines that continued oversight beyond three quarters is warranted, then the Panel should recommend to the Regional Administrator and the Director of NRR to continue the oversight activities for an appropriate period of time.

The Panel should evaluate the licensee's docketed responses to inspection findings, program changes, corrective actions, and self-assessments for those issues that did not require resolution before restart. At the end of each quarter, the Panel will compare this information and other licensee performance data to the corresponding NRC response and action levels in the Action Matrix. The Panel should then determine or make adjustments to the appropriate level of NRC oversight activities. Detailed guidance on post-restart oversight is discussed in Section B.7 of the appendix.

07.02 Termination of the IMC 0350 Process

Once the plant is operating and the plant-specific criteria for termination of the IMC 0350 process controls as defined in the Panel Process Plan have been met, there are no additional criteria needed to terminate the IMC 0350 process other than documentation of the Panel's activities and decision.

The Panel's basis for the decision to terminate the IMC 0350 process must be documented in a final letter to the Regional Administrator. The NRC will notify the licensee of the termination of the IMC 0350 process for the licensee's facility via a letter signed by the Regional Administrator. This letter will include the results of the NRC's post-restart review and oversight efforts. Additional guidance on termination of the IMC 0350 process is contained in Appendix A, Section B.8.

At the beginning of the next calendar quarter following termination of the IMC 0350 process, the plant will no longer be considered under the IMC 0350 process and NRC oversight will be in accordance with the ROP Action Matrix. If enhanced oversight is deemed necessary by the Regional Administrator beyond that prescribed by the Action Matrix, the Regional Administrator must request a deviation from the Action Matrix in accordance with IMC 0305.

0350-08 ADDITIONAL GUIDANCE

08.01 Coordination of Followup Actions

The focal point for working-level discussions within the NRC for followup actions will be the Panel Chairman and the responsible NRR Project Directorate (Vice Chairman). These individuals should coordinate participation in conference calls, the Panel, and management discussions to ensure that the Regional Administrator, the Director of NRR, and appropriate staff are involved, when applicable.

08.02 Commission Involvement

The Commission must be kept informed of the staff's restart actions on a continuing basis. The Region and NRR will inform the Commission of the staff's and the licensee's restart actions through periodic Commission papers or memoranda to the EDO. On the basis of these interactions between the staff and the Commission, the need for Commission briefings will be determined.

For those plants requiring the Commission's approval for restart, the staff should anticipate Commission briefings with licensee participation (a) after a corrective action plan is agreed on and (b) after completion of the appropriate restart readiness team inspection(s) before plant restart is anticipated. At the final briefing before restart is granted, the NRC staff should provide its basis for finding the licensee ready for plant restart.

08.03 Independent Review

The Panel should keep the ACRS informed of NRC's actions involving plants using this IMC. The Panel should coordinate and plan any briefings of the ACRS, as requested. At a minimum, the ACRS should be notified when the plant has been placed under the IMC 0350 process and when restart has been authorized by the NRC. Additional notifications and briefings will be at the request of the ACRS.

08.04 Public Stakeholder Participation

NRC management will determine the need for and the level of NRC participation with the public stakeholders on a case-by-case basis, which will be incorporated into the actions necessary for restart. The level of appropriate public stakeholder participation varies greatly from situation to situation and depends on the cause of the shutdown, the interest of local citizens, the interest of elected officials, and the concerns of other Government agencies. Public stakeholder meetings have proven to be a valuable vehicle for the restart process. These meetings, which are often transcribed, are held to receive comments on licensee plans and to describe the results of the NRC review of licensee activities. Public stakeholder meetings in the local area should be strongly considered so that the concerns and comments on the licensee's restart activities can be heard and factored into the NRC's restart review.

08.05 Other Agencies and Government Organizations

The Chairman of the Panel will ensure that efforts have been made to establish an open dialogue with local and State government officials and agencies. The Panel Chairman should ensure that inquiries from the Office of Congressional Affairs, Congress, local and State government agencies, and various Federal agencies are promptly addressed. Appropriate caution should be exercised to avoid the release of predecisional, proprietary, or safeguards information when responding to inquiries. When interest extends to a foreign government (e.g., Canada), the Office of International Programs or its designee shall brief the foreign officials if the EDO deems a briefing appropriate.

The decision regarding the licensee's ability to restart will include consideration of the need to involve staff from other Federal agencies, such as FEMA, EPA, and DOJ, and State and local government representatives. Briefings with elected officials and observations of NRC inspections by State representatives have been an effective way of enhancing NRC communication regarding problem plants.

0350-09 RECORDS

Appropriate documentation of the restart process is important. The licensee and the NRC staff must understand the reasons for the plant shutdown and the necessary actions to be completed before restart. In addition, information related to NRC and licensee actions, as well as acceptance criteria and confirmatory actions by other agencies and Government organizations, must be made available to the public. Information on NRC and licensee actions related to plant restart should be attached to or included in NRC inspection reports. However, other forums, such as public correspondence between the licensee and the NRC or Commission papers, are acceptable. At a minimum, the records developed for the shutdown and the restart process shall consist of the following:

1. The licensee's docketed correspondence concerning plant performance.

2. A CAL or an order issued to the licensee specifying the action(s) to be taken.

3. The Panel Charter.

4. Panel membership and the Panel Process Plan.

5. The Restart Checklist, including any revisions.

6. Interim progress reports (e.g., Commission paper, EDO memoranda).

7. Meeting summaries from panel meetings and meetings between the NRC and licensee representatives. These summaries should indicate why any white, yellow, or red issues were or were not selected as restart items.

8. Inspection reports and related correspondence.

9. Pertinent licensing actions completed by the NRC.

10. Other agency and Government actions communicated to the NRC.

11. The basis for restart approval.

12. The basis for the licensee's return to the ROP.

13. A letter to the licensee documenting termination of the IMC 0350 process.

14. A memorandum to NRR providing the lessons learned to be considered for incorporation in the next revision to IMC 0350.

All documents relating to the restart process are to be included in the docket file and, to the extent permitted by 10 CFR 2.790, made public in accordance with NRC policy. Pre-decisional information will not be made public until after the applicable decision has been made.

0350-10 REFERENCES

IMC 0305, "Operating Reactor Assessment Program."

IMC 0608, "Performance Indicator Program."

IMC 0609, "Significance Determination Process."

IMC 2515, "Light Water Reactor Inspection Program - Operations Phase."

NRC Management Directive 8.3, "NRC Incident Investigation Program."

END

Appendix

A. Generic NRC Restart Review Activities

APPENDIX A
GENERIC NRC RESTART REVIEW ACTIVITIES

A. GENERAL A-2

A.1 PURPOSE . . . . . A-2 |
A.2 OBJECTIVES . . . . . A-2 |

B. PANEL PROCESS PLAN . . . . . A-2 |

B.1 VERIFICATION OF APPROPRIATE AGENCY RESPONSE . . . . . A-3 |
B.2 VERIFICATION OF APPROPRIATE NOTIFICATIONS . . . . . A-3 |
B.3 ESTABLISHMENT AND ORGANIZATION OF THE NRC REVIEW PROCESS . . . . . A-3 |
B.4 ASSESSMENT OF LICENSE PERFORMANCE A-4
B.4.1 Licensee Performance Evaluation A-4
B.4.2 External Stakeholder Comments A-5
B.4.3 Closeout Actions A-5
B.5 RESTART AUTHORIZATION A-6
B.6 NOTIFICATION OF RESTART AUTHORIZATION A-6
B.7 POST-RESTART OVERSIGHT A-7
B.8 TERMINATION OF THE IMC 0350 PROCESS A-8

C. RESTART CHECKLIST A-8

C.1 RESTART ISSUES AND RESOLUTION A-9

A. GENERAL

A.1 PURPOSE

| To provide specific guidance and anticipated tasks for planning and coordinating NRC activities associated with NRC's oversight of nuclear power plants that are restarting after a shutdown.

A.2 OBJECTIVES

To ensure that NRC oversight efforts are consistently developed, communicated, and implemented. Specific guidance is provided in this appendix to Inspection Manual Chapter (IMC) 0350 to support the following:

a. using established criteria to screen, prioritize, and identify issues requiring resolution before restart,

b. tracking, documenting, and followup of non-restart issues commensurate with established inspection program guidance,

c. identifying the level of effort needed to review and approve a plant restart,

d. coordinating, overseeing, and tracking restart-related activities, and

e. coordinating, overseeing, and tracking post-restart activities.

| B. PANEL PROCESS PLAN

| This section outlines the NRC's IMC 0350 oversight process and provides guidance for
| constructing the Panel Process Plan. The major steps are outlined below:

1. Verification of appropriate agency response
2. Verification of appropriate notifications
3. Establishment and organization of the NRC review process
4. Assessment of licensee performance
5. Restart authorization
6. Notification of restart authorization
| 7. Post-restart oversight
| 8. Termination of the IMC 0350 process

These major steps are broken down into potential tasks and are specified in a menu format. However, only those tasks that are applicable should be selected for incorporation into the Panel Process Plan.

When appropriate, the typical lead responsible organization is indicated in parentheses next to the task. When an NRC action responsibility is not indicated, the Panel will determine responsibility. This responsibility may be shared in some cases.

B.1 VERIFICATION OF APPROPRIATE AGENCY RESPONSE

The Panel should focus its restart review efforts on those performance issues and conditions related to the reasons that IMC 0350 was implemented. The performance data, root causes, and their apparent risk impact are to be established early in the process. This information will assist the NRC in characterizing the problems, the appropriate regulatory response, and the adequacy of the licensee's corrective actions. Early management appraisal of the situation is also important to ensure that the proper immediate actions are taken. The initial NRC actions listed below are to be performed as soon as practical following the decision to implement the IMC 0350 process.

TASK

a. Verify that the IMC 0350 entry conditions have been met (region).

b. Issue and modify Confirmatory Action Letter (CAL) or order, as appropriate (region).

c. Issue supplemental inspection report(s) (when plant performance was in the Multiple Repetitive Degraded Cornerstone column or the Unacceptable Performance column of the ROP Action Matrix) or reactive inspection report (when a significant operational event has occurred as defined by MD 8.3), as appropriate (region).

d. Document the basis for the management decision to place the plant in the IMC 0350 process (region/NRR).

e. Provide a written letter to the licensee notifying it of the NRC's plans and basis to implement the IMC 0350 process (Regional Administrator).

B.2 VERIFICATION OF APPROPRIATE NOTIFICATIONS

Notification to industry and public stakeholders of implementation of this manual chapter should be promptly communicated through press releases, letters, and a posting on NRC's Web site. Notification should include the NRC's understanding of the performance issues, the performance trend history over the last four quarters, and any other pertinent issue or regulatory concern. As the review process continues, additional and continuing notifications may be necessary.

TASK

a. Issue Daily and Director's Highlight, when appropriate (NRR).

b. Issue Preliminary Notification, when appropriate (region).

c. Conduct Commissioner assistants' briefings, when requested (NRR).

d. Issue Commission paper, when requested (region).

e. Notify cognizant Federal agencies: Federal Emergency Management Agency (FEMA), Environmental Protection Agency (EPA), Department of Justice (DOJ) (region).

f. Notify State and local officials (region).

g. Notify Congress and provide periodic updates, as requested (NRR/regions).

h. Notify media (by a press release) (OPA).

i. Notify International Programs for those sites in which emergency planning zones cross international boundaries (Office of International Programs).

j. Notify Native American Tribal Governments, as applicable (OSTP).

B.3 ESTABLISHMENT AND ORGANIZATION OF THE NRC REVIEW PROCESS

It will be necessary to establish and organize the NRC restart oversight to ensure the effective coordination of resources in evaluating the licensee's readiness for restart. Effective interactions within and outside the NRC are critical to ensure that the pertinent issues are properly identified and resolved.

TASK

a. Establish the oversight panel and panel charter (region).

b. Assess available information (e.g., performance indicator [PI] data, baseline and supplemental inspection findings, results of risk studies and event analyses, licensee self-assessments, allegations, performance improvement plan, and industry reviews, lessons learned reports and other third party reports). This information includes issues and inspection findings that were not directly related to the reason for the shutdown, particularly if they were determined to have risk significance (Panel).

c. Develop the Restart Checklist. The criteria for the development and maintenance of the Restart Checklist is included in Appendix A, Section C. The initial Restart Checklist needs to be broad enough to include extent of condition for the performance deficiencies of concern. (Panel).

d. Develop and maintain a comprehensive Communications Plan (Panel).

e. Determine the inspection necessary to review performance deficiencies and identified risk-significant issues for restart. Issue and maintain a comprehensive inspection schedule (Panel).

f. Obtain input from involved parties both within the NRC and at other Federal agencies, such as FEMA, EPA, and DOJ (region).

g. Conduct periodic Regional Administrator briefings (region).

h. Conduct periodic NRR Executive Team briefings (NRR).

i. Approve the Restart Checklist (Regional Administrator).

j. Approve the Restart Checklist (for those issues for which NRR has the technical lead) (Director of NRR).

k. Implement the Restart Checklist (Panel).

l. Modify the Restart Checklist as necessary (Panel).

m. Conduct periodic meetings with the licensee to discuss progress toward satisfactory completion of the licensee's restart program. Encourage active public participation and involvement (Panel).

n. Issue revisions to panel charter, as applicable (Panel).

o. Modify the CAL or order as necessary (region).

p. Support senior manager site visits (region).

q. Develop the plant-specific criteria for termination of the IMC 0350 process controls and modify as necessary (Panel).

B.4 ASSESSMENT OF LICENSEE PERFORMANCE

Early establishment of the review areas of concern will help define the methods and the appropriate level of oversight. When the licensee has developed its performance improvement plan (or equivalent), the NRC shall review that plan for completeness and adequacy. The NRC will also need to determine which corrective actions must be required to be implemented before restart and which can be deferred to some later date as long-term, post-restart corrective actions. Corrective actions determined to be required to be implemented prior to restart should be included in the Restart Checklist. All conditions of the order or confirmatory action letter required to be implemented prior to restart should also be included in the Restart Checklist.

B.4.1 Licensee Performance Evaluation

TASK

a. Evaluate NRC inspection findings, including Augmented Inspection Team, Incident Investigation Team, or other team inspections performed after formation of the Panel.

b. Evaluate the licensee's performance improvement plan and associated root cause determination, extent-of-condition reviews, and corrective action plans. These

reviews should consider both the technical soundness of the licensee's evaluations and management's commitment to performance improvement.

c. Evaluate all allegations involving reactor safety, radiation safety, or security. Any allegations determined to have merit and risk significance should be included on the Restart Checklist.

B.4.2 External Stakeholder Comments

Throughout the duration of the plant shutdown and until the plant is returned to the ROP, solicitation of comments from diverse sources may be appropriate. The decision to solicit comments from a group and determination of the level of participation should be made on a case-by-case basis. Input from these groups should be factored into the restart process, as appropriate. If needed, comments concerning the adequacy of State and local emergency planning and preparedness should be obtained from FEMA headquarters through NRR.

TASK

a. Obtain public comments (region).

b. Obtain comments from State and local officials (region).

c. Obtain comments from applicable Federal agencies (region/NRR).

d. Obtain comments from Native American Tribal Governments, as applicable (OSTP).

e. Review and respond to 10 CFR 2.206 petitions (Panel).

B.4.3 Closeout Actions

When the licensee has completed actions to resolve the restart issues and has substantially addressed significant concerns, the NRC needs to conduct closeout activities to independently verify that corrective actions required before restart are complete and that the plant is physically ready for restart. This section specifies actions associated with completion of significant NRC reviews and preparations for restart.

TASK

a. Evaluate the licensee's restart readiness self-assessment (region).

b. Resolve all restart issues described in the Restart Checklist (Panel).

c. Conduct appropriate NRC restart readiness team inspection(s). The Panel determines which inspection procedures (IPs) from the IP 93800 series are necessary to ensure readiness for restart based on plant-specific situations (For example, the operational readiness assessment team inspections per IP 93806,

the operational safety team inspection per IP 93802, the safety system functional inspection per IP 93801, and others).

d. Develop restart coverage inspection plan. Use guidance contained in IMC 2515 Appendix B, IMC 0305, and other appropriate documents (region).

e. Disposition comments from other parties (Panel).

f. Determine that all conditions of the order or confirmatory action letter are satisfied. (If applicable, the NRC and the licensee should clearly understand what actions remain to be completed and how the licensee will demonstrate their completion [Panel].)

g. Verify that the Restart Checklist is complete (Panel).

Conduct a meeting with the licensee to discuss restart readiness (Panel).

B.5 RESTART AUTHORIZATION

When the IMC 0350 oversight process has reached the point at which the issues have been identified, corrected, and reviewed, the restart authorization process is begun.

TASK

a. Prepare the restart recommendation memorandum to the Regional Administrator and the restart authorization letter to the licensee establishing the basis for restart (Panel).

b. Determine that no restart objections from the region, NRR, or other applicable Headquarters offices or Federal agencies exist (Panel).

c. Obtain approval of the Regional Administrator for restart (region).

d. Obtain concurrence for restart from the Director of NRR (Panel).

e. Obtain concurrence for restart from the Deputy Executive Director for Reactor Programs (Panel).

f. Obtain concurrence for restart from the Executive Director for Operations, if required (Panel).

g. Conduct a briefing for the Advisory Committee on Reactor Safeguards (ACRS), if requested (NRR).

h. Conduct a briefing for the Commission, if requested (NRR).

i. Obtain the Commission approval or concurrence for restart, if required (NRR/EDO).

j. Authorize restart (note: once approval is given, external stakeholders should be notified by phone and provided a copy of the restart authorization letter and press release, as applicable) (Regional Administrator).

B.6 NOTIFICATION OF RESTART AUTHORIZATION

Notify the applicable parties of the restart authorization. Notification should generally be done by memorandum or other format consistent with the level of formality required. Communication of planned actions is important at this stage to ensure that NRC's intentions are clearly understood.

TASK

Notify the following:

a. Commission (if the Commission did not concur in the restart authorization) (NRR).

b. EDO (if the EDO did not concur in the restart authorization) (NRR).

c. Office of Congressional Affairs (OCA) (NRR).

d. ACRS (a briefing may be substituted for the written notification if the ACRS requests one) (NRR).

e. Applicable Federal agencies (NRR).

f. Office of Public Affairs (OPA) (region and NRR).

g. State and local officials (region).

h. Congress (OCA).

i. Media (by a press release) (OPA).

j. Citizens or groups that expressed interest during the restart approval process (region).

k. International Programs for those sites in which emergency planning zones cross international boundaries (Office of International Programs).

l. Native American Tribal Governments, as applicable (OSTP).

B.7 POST-RESTART OVERSIGHT

After the NRC has granted approval for the licensee to resume reactor operations, the Panel should remain involved in an oversight capacity for at least one quarter following plant restart. The Panel should assess whether a longer period of time is warranted based on licensee performance. The length of time of post-restart oversight may vary, depending

on a case-by-case basis and evaluation. If post-restart oversight beyond two quarters is warranted, then a recommendation to the Regional Administrator and the Director of NRR to continue the oversight activities should be made.

At the end of each quarter, the Panel should evaluate the performance data and any inspection findings and make subsequent step adjustments in the appropriate level of NRC oversight activity.

TASK

a. Issue an inspection plan for the next 6 months, even if the post-restart oversight period is less. Include inspections in areas not covered by the PIs and that are beyond the normal baseline inspection program (Panel).

b. Determine if adjustments are needed to the level of required inspection oversight on a quarterly basis. Use the Action Matrix to aid in the determination of required inspections (Panel).

c. Monitor licensee performance to assess whether corrective actions implemented since startup were effective to prevent recurrence of the problem. This review will be conducted at least quarterly and will include quarterly PIs and inspection findings (Panel).

d. Review docketed correspondence, performance improvement plan changes, long-term corrective actions, and licensee self-assessments for those issues not implemented before restart (Panel).

e. As appropriate, conduct public meetings with the licensee to discuss performance improvements. Meetings with the public should also be considered (Panel).

B.8 TERMINATION OF THE IMC 0350 PROCESS

After an acceptable post-restart period of operation of the plant, and upon determination that the criteria for termination of the IMC 0350 process controls as defined in the Panel Process Plan have been met, the Panel may recommend termination of the IMC 0350 process and a return to the ROP. Although it is expected that at least one or two quarters of operation is required, the Panel may recommend continuing the oversight activities, provided the Panel provides adequate justification and documentation.

The criteria for termination of the IMC 0350 process should include verification that the licensee has established an effective long-range improvement program, is sufficiently implementing the corrective action program, has demonstrated safe plant operation and overall improving performance, and has adequate controls in place to address the plant-specific issues that caused IMC 0350 to be implemented.

The Panel should send a final letter documenting the results of its post-restart review and oversight efforts to the Regional Administrator. The letter should give the basis for the Panel's recommendation to terminate its oversight activities and return the plant to ROP

oversight. The letter should address the resolution for each of the plant-specific criteria for termination of the IMC 0350 process as defined in the Panel Process Plan. On the basis of the recommendations of the Panel, the Regional Administrator, in consultation with the Director of NRR and the Deputy Executive Director for Reactor Programs, will decide whether a return to the ROP is warranted. Once the decision is made to terminate the IMC 0350 process, a letter should be sent to the licensee informing it of the staff's position, including pertinent information such as the Panel's summary assessment of the resolution of the Restart Checklist issues, the basis for the decision to return the plant to the ROP, and the expected termination date.

TASK

a. Provide a written recommendation to the Regional Administrator and the Director of NRR to return the plant to the ROP (Panel).

b. Approve return to the ROP and terminate the IMC 0350 oversight process (Regional Administrator).

c. Provide a written letter notifying the licensee that the plant has returned to the ROP (Regional Administrator).

C. RESTART CHECKLIST

C.1 Restart Issues and Resolution

The establishment of the issues that require resolution before restart requires a clear understanding of the risk significance of the issues and the actions required of the NRC and the licensee to address them. It is important to note that the Panel has oversight of the assessment process before the return to the routine reactor oversight assessment process. Therefore, the scope of the issues to be considered is not limited by strategic area or by cornerstone but by the importance of the issues in protecting the public health and safety within the criteria specified below.

The Restart Checklist should contain (1) a listing of restart issues and their risk significance sorted by the cornerstone, (2) a brief description of the issue, (3) the criteria met for placement on the checklist, (4) who has the lead (both NRC and licensee), (5) issue status, (6) corrective action status, (7) closure completion date, and (8) the corresponding inspection report number.

The criteria for determining which issues are added to the Restart Checklist are as follows:

- The issue involves any inspection finding, performance indicator, or condition that when evaluated by the SDP process, is determined to have a risk significance of "white" or higher, even if not directly related to the initial IMC 0350 entry condition.

- The issue results in a cited violation of the facility's license, technical specifications, regulations, or orders under any mode of plant operation (for example, operating at power with all emergency ac power out of service).

- The issue results in a loss of the licensee's ability to maintain and operate the facility in accordance with the design and licensing basis (for example, a programmatic breakdown such as repetitive examples of inadequate design control, including 10 CFR 50.59 plant modifications of equipment important to safety or plant operating practices).

- A licensing action is necessary to address a performance issue prior to plant restart.

- The issue results in a condition in which the NRC lacks assurance that the licensee can or will conduct its activities without undue risk to public health and safety or the environment (for example, multiple repetitive failures to adhere to procedures that affect risk-significant equipment, equipment important to safety, or plant operation).

- The issue represents a failure of licensee management controls to effectively address previous significant concerns to prevent their recurrence (for example, repetitive examples of inadequate root cause evaluations and corrective actions affecting risk-significant equipment and/or plant operation).

- Corrective actions and the conditions of the order or confirmatory action letter determined to be necessary prior to restart.

TASK

a. Review and evaluate licensee-generated restart issues to determine completeness (Panel).

b. Perform independent NRC identification of restart issues (region).

c. Obtain agreement on the restart issues and changes to the Restart Checklist (NRC and licensee).

d. Evaluate the licensee's plan for resolving restart issues. Use guidance contained in Section B of this appendix (Panel).

e. Verify that all conditions of the order or confirmatory action letter required to be implemented prior to restart have been met.

END