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NRC APPROVES EXEMPTIONS IN ACCIDENT INSURANCE  
FOR NUCLEAR PLANTS PREMATURELY SHUT DOWN

The Nuclear Regulatory Commission has approved a NRC staff recommendation to allow exemptions in accident liability insurance that would reduce the amount of financial protection required of licensees of large nuclear power plants that have been prematurely shut down.

Under the Price-Anderson Act, the Commission has discretionary authority to grant relief from liability insurance requirements established under that Act and embodied in the NRC's Part 140 regulation.

The Commission has determined that relief from the amount of liability insurance required may be permitted by the NRC staff after a minimum spent fuel cooling period has elapsed at a plant prematurely shut down. The minimum cooling period would be one to three years, depending on fuel type and storage configuration, unless a licensee performed a plant-specific analysis which justified a different time period.

The NRC staff has evaluated offsite consequences associated with normal and abnormal operations, design basis accidents, and beyond design basis accidents for reactors that have been permanently shut down and defueled. The staff concluded that, aside from the handling, storage, and transportation of spent fuel and radioactive materials, no reasonably conceivable potential accident exists that could cause significant offsite damage.

The Commission also has directed the staff to proceed with rulemaking to determine more precisely the appropriate spent fuel cooling period and the level of primary insurance coverage after such cooling period.

The Price-Anderson Act provides for two layers of financial protection for an accident at a large nuclear power plant (having a rated capacity of 100,000 electrical kilowatts or more):

1) a primary layer of \$200 million of nuclear liability insurance available from two private insurance pools; and

-2-

2) a secondary layer made up of a premium that each commercial nuclear power plant licensee would be assessed in case of an accident. That amount of deferred premium charge is \$75.5 million for any one nuclear incident and no more than \$10 million within one calendar year.

Under the financial protection exemptions approved by the Commission, the NRC staff can grant a reduction of \$100 million in the primary layer of liability insurance and an exemption from participating in the secondary level of financial protection after the required minimum spent fuel cooling period has elapsed.

Reductions in coverage will be evaluated by the NRC on a plant-specific basis for each of the nuclear power plants involved.

As a consequence of premature decommissioning of five nuclear power plants, the NRC staff has pending before it exemption requests for the Rancho Seco, Fort St. Vrain, Yankee Rowe, San Onofre 1 and Shoreham plants.

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