

October 31, 2000

MEMORANDUM TO: Frank J. Miraglia, Jr.
Deputy Executive Director
for Reactor Programs

FROM: Anthony McMurtray */RA/*
Regional Operations and
Program Management Section, OEDO

SUBJECT: SUMMARY OF SEPTEMBER 26, 2000, PUBLIC MEETING WITH THE
NUCLEAR ENERGY INSTITUTE ON MUTUAL ITEMS OF INTEREST

On September 26, 2000, senior managers of the Nuclear Energy Institute (NEI) met with senior managers of the Nuclear Regulatory Commission (NRC) at NRC's headquarters offices in Rockville, MD. The purpose of the meeting was to provide an opportunity for the senior managers of both organizations to discuss items of current interest to the nuclear industry. Attachment 1 provides a summary of the meeting. Attachment 2 is a list of meeting attendees.

Attachments: As stated

cc w/attachments:
See next page

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SUMMARY OF NRC/NEI SENIOR MANAGEMENT MEETING
September 26, 2000

Opening remarks: Bill Travers of NRC and Ralph Beedle of NEI opened the meeting by acknowledging the value of these meetings. Mr. Beedle also briefly discussed some of the recent reorganization changes at NEI.

A summary of the topics discussed follows:

1. Spent Fuel Pool Risk Study

The NRC staff proposed a rulemaking plan (SECY-00-145) that would amend the requirements for emergency planning and insurance at decommissioning plants. The plan addressed the beyond-design-basis zirconium fire in the spent fuel pool at these plants. Two issues raised during the public comment period for the February draft report include: (1) the effect of ruthenium release due to oxidation in an air environment; and (2) the effect of partial drain down (or air flow blockage) events on event timing. The staff's final report is scheduled to be to the Commission on October 31, 2000.

While NEI agrees with the NRC staff that seismic events involving the spent fuel pool are the most important risk issues at decommissioning plants, NEI believes that seismic events are too low a probability to be considered. NEI noted that overall risk at a decommissioning plant is lower than at an operating plant; therefore, emergency planning and insurance requirements should be relaxed as soon as iodine in the pool has decayed (two to three months after shutdown). The NRC staff noted that the emergency planning and insurance requirements were in place to address beyond design basis events (ex. spent fuel pool events) and not just design basis accidents.

NEI also believes that EPRI hazard curves should be used for seismic analysis instead of the LLNL curves. The NRC staff agreed at a recent meeting with NEI that the current seismic analysis being performed by the staff would be analyzed with both the LLNL and EPRI curves. Despite NEI management's insistence that the NRC staff used bounding values in their analysis, the staff maintained that the analysis was performed using best estimate practices.

Action Item: NEI and NRC will attempt to clarify the application of risk insights to beyond design basis events requirements.

2. Industry Initiatives

The guidelines described in SECY-00-0116, "Industry Initiatives in the Regulatory Process," are currently issued for public comment. NEI discussed being allowed to take credit for industry initiatives in lieu of the NRC taking regulatory action. NEI questioned how the requests for industry initiatives fit in the context of the backfit rule. NEI is developing a White Paper describing how the backfit rule applies to industry initiatives. NEI also questioned how industry initiatives were handled with regards to inspection and enforcement.

3. Grid Reliability

The NRC has previously identified that deregulation may adversely affect electrical grid reliability. Additional concerns were noted following the Callaway degraded grid event. The NRC met with NEI to discuss grid reliability concerns on May 18, 2000. NRC plans to issue a Regulatory Issue Summary (RIS) to inform stakeholders of the status of on-going industry initiatives. NEI has sent a letter to all reactor licensee Chief Nuclear Officers regarding this issue. NEI noted that grid reliability at the plant depends on the relationship between the nuclear facility and the distribution system. NEI believes that licensees should take a graded approach for dealing with this issue. NEI also believes that the licensees capabilities for dealing with this issue have improved markedly in the last six months. NEI plans to conduct an industry workshop on grid reliability in April 2001.

4. Okonite Bonded Jacket Cable

NRC sponsored testing of Okonite single conductor bonded-jacket cable which failed a LOCA test under conditions under which the cable was qualified. In June 2000, NEI issued a survey to all 103 operating reactors to determine which reactors used this cabling in environments that would experience high temperatures during a LOCA. This industry survey has been completed. NEI is continuing to review affected plants. Okonite still needs to perform additional testing on the cabling. The NRC is currently preparing an RIS on this issue. Cabling problems may be more generic than just Okonite cabling failures and may involve cable aging and cable qualification issues. The NRC will be briefing the ACRS on cable aging issues in the coming weeks.

Action Items: During the public meeting with NRR on October 12, 2000, NEI will discuss the industry survey results on the use of Okonite cables affected by previous LOCA tests that were conducted at the Brookhaven National Laboratories. RES will discuss research results on cable failures during an industry meeting scheduled for October 19, 2000. NEI will supply a summary of the industry survey results to the NRC by the end of October 2000. During any lessons learned reviews of NRC sponsored Okonite cabling testing, RES, in coordination with NRR, should consider the best method of quickly communicating research results that impact licensee facilities.

Note: NEI discussed industry survey results at the October 12, 2000 meeting. RES discussed research results on cable failures at the October 19, 2000 meeting.

5. Operator Fatigue

On September 14, 2000, NRC staff met with NEI in a public meeting to discuss data collected by NEI involving the working hours of plant operators. The staff concluded that there was inconsistency among sites in the scope of personnel covered by plant work hour limits and the frequency of deviations at several sites appeared to be inconsistent with NRC policies. NEI, however, concluded that the survey information indicated that there was no need to change the existing guidance on working hours.

The NRC staff is comparing the agency's work hour limits with other industries and professions. The NRC staff have discussed this issue with INPO personnel and noted that INPO has not identified any issues involving operator fatigue. The NRC and NEI believe that existing NRC guidance on work hour limits needs to be clarified. There is currently a rulemaking petition on this issue.

6. Data Collection (Burden Reduction)

The NRC staff wants to develop and implement a process for collecting data from external stakeholders on the safety impact and burden reduction of NRR activities that can be used to assign work priorities and allocate resources. NRC management would like the industry to help the NRC by supplying cost-benefit analysis with licensing actions so the NRC can measure outcomes instead of outputs. NEI expressed concerns about using cost-benefit analysis as a screening tool. Maintaining safety standards would always be the highest priority with any licensing actions. The NRC plans to issue a Federal Register notice in October 2000 requesting comments and/or suggestions for this proposal. The NRC asked NEI if the industry would be willing to send the cost-benefit analysis with requested licensing actions. This effort is similar to the previous cost-beneficial licensing action (CBLA) program and is being initiated to measure the regulatory burden on licensees. NEI noted that they will provide a group response to the Federal Register notice.

Action Items: In the Federal Register Notice seeking public comment on the data collection (burden reduction) initiative, NRR needs to further articulate to the stakeholders what information the NRC wants from licensees and why the NRC needs this information. NEI will coordinate industry comments on NRC's information collection initiative to develop improved performance measures on licensing actions. NRR will examine the need and existing use of plant monthly operating reports that are submitted to the NRC.

7. Steam Generators

NEI and the NRC reached a basic agreement at the end of 1999 on the content of proposed generic technical specifications and technical requirements manual wording. NEI submitted a steam generator requirements generic licensing change package to the NRC by letter dated February 4, 2000. NEI subsequently revised this package to include the EPRI primary to secondary leak guidelines and additional industry comments.

The NRC staff plans to hold a meeting on September 28, 2000 to discuss Indian Point 2 steam generator technical issues. In October 2000, the NRC staff plans to issue an RIS that will document the major findings from the steam generator reviews involved with the restart operational assessment for Indian Point 2 and license amendment for Arkansas Nuclear One 2. By November 1, 2000, NRC staff will be providing the lessons-learned report on steam generator problems at Indian Point 2 to the Commission. The NRC staff intends to factor the lessons-learned into the review of the generic licensing change package.

NEI will be meeting with the NRC staff in October 2000 to discuss steam generator technical issues. NEI has Revision 1 to NEI 97-06, "Steam Generator Program Guidelines," ready for issue. NEI also plans to send the NRC a letter detailing the lessons-learned, from an industry perspective, for the steam generator issues at Indian Point 2 and Arkansas Nuclear One 2.

The NRC plans to hold a steam generator operational assessments workshop in January or February 2001. NEI also plans to hold an industry workshop on steam generator issues in May 2001. The NRC staff estimates that the Generic Change Package will be issued sometime around June 2001.

Action Item: NRR will follow-up with NEI regarding whether the license change package for steam generators can be approved prior to May 1, 2001.

8. MAAP Code

Issues involving the MAAP computer analysis code came up during the review of the Callaway steam generator electro-sleeving amendments. The MAAP computer analysis code was developed by EPRI for use by licensees in severe accident and risk analysis of various transient and accident scenarios.

Comparisons between MAAP results and staff analysis using RELAP/SCDAP show significant differences. The staff needs to review the MAAP code to understand its limitations and to reconcile the differences between it and the staff analyses results. NRR management would like the NRC technical staff to get together with EPRI to go through and understand the MAAP code. The NRC will not give credit for MAAP code calculations until the staff is satisfied that the calculational results are reasonable.

The NRC staff has not been able to review the MAAP code because EPRI does not wish to submit the code for review. Since EPRI has not submitted the code for review, licensees using this code for other electro-sleeving amendments could have problems getting these amendments approved. The industry has used the MAAP code previously in other licensing amendments.

Action Item: NEI will work with EPRI to attempt to provide the MAAP computer analysis code for NRC review. Based on the results of this effort, NEI and NRC will address industry use of this code for licensing submittals.

9. Risk Informing Part 50 (Options 2 and 3)

The Option 2 rulemaking effort involves risk-informing the special treatment requirements of 10 CFR Part 50 (i.e. requirements imposed on systems, structures and components (SSCs) that provide assurance that such SSCs meet design basis functional requirements). On September 7, 2000, SECY-00-194, "Risk-Informing Special Treatment Requirements," was issued. This SECY describes the status of on-going efforts with Option 2. The NRC staff noted that pilot plants are still needed for testing Option 2.

The NRC staff and NEI discussed PRA quality and Options 2 and 3 during a PRA steering committee meeting on September 21, 2000. A Commission briefing on Option 2 is scheduled for September 29, 2000. The NRC staff intends to provide comments on two NEI guidance documents in September 2000. These documents are a PRA Peer review process guideline and NEI Guidelines for Categorization and Treatment of SSC (under Option 2).

NEI noted that they continue to have significant concerns with Option 2. NEI wants the NRC staff to explain to external stakeholders what are the various functions of the requirements in SECY-00-194. NEI stated that emphasis placed on low safety significant systems in SECY-00-194 could result in licensees not pursuing Option 2.

NEI believes that the availability and reliability of SSCs are already monitored by the Maintenance Rule so that there is no need for a new monitoring of (risk-informed safety class 2) RISC-2 SSCs under Option 2. NEI also noted that equipment qualification (EQ) and fire protection requirements would still apply to SSCs under Option 2. NEI thinks that RISC-3 SSCs do not need to have commercial grade programs that are highly prescriptive. NEI wants minimal details for requirements for RISC-3 SSCs. NEI believes that Appendix D details in SECY-00-194 do not need to have highly prescriptive regulatory controls on commercial grade programs. NEI also believes that it will take licensees three years to perform a risk-ranking review of all of the plant SSCs under Option 2 and between four and a half to five years to complete risk-ranking of the SSCs. NEI stressed that much of the categorizing of risk-significant SSCs should be performed by a peer review group. NEI did not believe that licensees needed to perform detailed risk rankings of every system to risk categorize various SSCs.

Option 3 involves revising certain technical requirements in 10 CFR Part 50 using risk information. SECY-00-198, "Status Report on Study of Risk-Informed Changes to the Technical Requirements of 10 CFR Part 50 (Option 3) and Recommendations on Risk-Informed Changes to 10 CFR 50.44 (Combustible Gas Control)," went to the Commission on September 14, 2000. The NRC staff plans to meet with NEI on September 28, 2000 to discuss Option 3 proposals on 10 CFR 50.44 and the staff will be conducting a workshop on Option 3 on Monday, October 2, 2000. The NRC staff continues to note concerns about PRA quality to support both the Option 2 and Option 3 initiatives.

10. Revised Reactor Oversight Process - Unavailability Definition for Performance Indicators

The NRC staff is concerned with the complexity of the guidance with the current unavailability definition for performance indicators. The industry has been concerned with inconsistencies in the unavailability definitions. This is a complicated performance indicator with a complex definition of unavailability.

The NRC staff has noted two specific challenges with the current definition. First, reliability of systems (i.e., inclusion of fault exposure hours) is included in the current definition of system unavailability. Also, the thresholds for the current performance indicators are based of 1995 to 1997 industry data and do not include any site specific data. The NRC staff is trying to remove the fault exposure time from the unavailability definition and address any fault exposure through the inspection program and the significance determination process (SDP). The NRC staff is also trying to develop reliability and availability performance indicators. Demand failures such as failure during a surveillance test or failure when called upon would be counted in a reliability indicator.

Additionally, the NRC staff is conducting a pilot test, involving 22 plants, with a new performance indicator for reactor scrams.

Action Item: NEI will continue developing a single, common definition for safety system unavailability using WANO, INPO, Industry, etc. definitions. NEI should provided this definition to the NRC once it is fully developed.

11. Revised Reactor Oversight Process - Federal Advisory Committee Act (FACA) Panel

A previous FACA panel, the Pilot Program Evaluation Panel (PPEP), was established to monitor and evaluate the results of the proposed revised reactor oversight program (RROP). This panel was effective in building consensus for the new RROP. The Commission SRM from SECY-00-049 directed the staff to convene another evaluation panel under FACA during the first year of implementation of the RROP. This second panel will evaluate the first year of implementation of the RROP and will comprise of various stakeholders including a resident inspector and a senior reactor analysis. This panel should determine if the new RROP is meeting the agency performance goals of being risk-informed, predictable, understandable and transparent. The first meeting for this panel is scheduled for November 1 and 2, 2000.

12. Status of the Generic Aging Lessons Learned (GALL) Report

A public workshop was held on September 25, 2000, to facilitate public comments and stakeholder feedback on the improved license renewal guidance including information in the GALL report. NEI made several comments about this information during the meeting. NEI wants the NRC to be explicit about the purpose of the GALL including what is within the scope of the GALL. NEI also wants to know how the NRC staff will deal with deviations to the GALL.

The improved license renewal information is scheduled to be promptly submitted to the Commission for approval.

Action Item: NRR will ensure that the GALL report, Regulatory Guide and Standard Review Plan for license renewal are sufficiently clear as to the purpose and use of the GALL.

13. Fire Protection Plant System Changes

Action Item: NRR will consider revising guidance in the draft Regulatory Guide (RG)-1097 to reflect the correct guidance for making fire protection system changes, as noted in draft RG-1095.

14. Licensing Action Task Force - Unintended Technical Specification Actions

NEI has discussed several options for resolving unintended technical specification actions with the staff and OGC changes to the current way that the NRC deals with unintended technical specification actions outside of the NOED process will require rulemaking. OGC noted that there are several statutory and rulemaking constraints with this issue. NRC believes that insights and comments from other stakeholders, should be obtained if we are to propose changes to the current process.

Action Item: NEI will consider whether they want to pursue changing the processes for resolving unintended technical specification actions and any possible options for addressing this issue.

NRC/NEI SENIOR MANAGEMENT MEETING
LIST OF ATTENDEES
September 26, 2000

<u>NAME</u>	<u>ORGANIZATION</u>
Bill Travers	NRC
Frank Miraglia	NRC
Carl Paperiello	NRC
Pat Norry	NRC
Sam Collins	NRC
Brian Sheron	NRC
Margaret Federline	NRC
Steve Burns	NRC
Tom King	NRC
Dick Wessman	NRC
Tim Collins	NRC
Cindi Carpenter	NRC
Bill Dean	NRC
Glenn Tracy	NRC
Susan Uttal	NRC
Chris Nolan	NRC
Tom Koshy	NRC
Bill Ruland	NRC
Tony McMurtray	NRC
Ralph Beedle	NEI
Alex Marion	NEI
Steve Floyd	NEI
Dave Modeen	NEI
Tony Pietrangelo	NEI
Lynnette Hendricks	NEI
Jim Davis	NEI
Nancy Chapman	SERCH
Charlie Brinkman	Westinghouse
Mike Callahan	GSI
Jim Riccio	Public Citizen
Jenny Weil	McGraw-Hill
Gary Vine	EPRI