

April 23, 2003

MEMORANDUM TO: Mark Satorious, Chief
Performance Assessment Section
Inspection Program Branch
Division of Inspection Program Management

FROM: Jeffrey B. Jacobson, Program Manager */RA/*
Performance Assessment Section
Inspection Program Branch
Division of Inspection Program Management

SUBJECT: SUMMARY OF PUBLIC MEETING HELD MARCH 21, 2003, ON
ALLOWING CREDIT FOR LICENSEE SELF-ASSESSMENTS

On March 21, 2003, a public meeting was held at One White Flint North, Room 7B4 to discuss a joint Nuclear Regulatory Commission (NRC) and the industry initiative to allow inspection credit for certain licensee self-assessments. Attachment 2 contains the agenda for the public meeting.

Currently, the NRC's Reactor Oversight Process (ROP) requires that a minimum "baseline" level of inspection be completed at each operating reactor site. This level of NRC inspection is essentially fixed¹ and is independent of any licensee or industry assessments that might also be conducted in the same subject areas. Prior to the adaption of the ROP, the NRC allowed licensee's to take credit for certain specific self-assessments, in lieu of NRC inspection.

Over the last two years, the nuclear industry, as represented by the Nuclear Energy Institute (NEI), has proposed again allowing credit to be given for licensee self-assessments. In previous public meetings conducted on this topic, the NRC has stated the willingness to assess the feasibility of using licensee self assessments to substitute for NRC inspections in the engineering design area. During a meeting on this subject conducted on November 14, 2002, several key issues were raised regarding the industry's proposal. These issues were identified in the associated meeting summary and formed the basis for discussion during this meeting. Also, subsequent to the November 14, 2002, meeting, Westinghouse submitted to the NRC copies of a Combustion Engineering Owners Group Generic Assessment Plan for conducting Safety System Functional self-assessments, as well as the results of a self assessment that was conducted at the Palo Verde Nuclear Generating Station in June of 2002.

¹While all baseline inspection procedures are required to be implemented at each operating reactor site, the actual inspection hours that it takes to accomplish the inspection can vary. One factor that can influence the inspection hours is the degree of licensee preparation for the inspection, including any self-assessments that may have been performed.

During the meeting conducted on March 21, 2003, the following issues were discussed and the following agreements were reached regarding implementation of the self assessment process:

Self Assessment Team Staffing - in order to better maintain the objectivity of the team and minimize a "groupthink" scenario, it was agreed that the self assessment teams would include at least three peers who are not currently assigned to the plant being assessed. At least one of these three peers would be required to be from outside of the corporation.

Length of Self-Assessment - it was agreed that a one week period on site was sufficient, as long as at least 8 person-weeks were employed during the week. (There would also be pre- and post-assessment work, but at least 8 person-weeks on site would be expected.)

NRC Oversight of the Self Assessment - it was agreed that the level of NRC oversight of the assessments would vary based upon the plants placement in the action matrix and the relation of previously identified greater than green issues (Performance Indicators (PIs) or inspection findings) to the ability of the licensee to conduct a rigorous engineering self assessment. For most plants, this would consist of one or two inspectors throughout various phases of the self assessment process as necessary to review the licensee's self assessment plan, perform continuous oversight during the assessment, and ensure appropriate characterization of the issues raised. For plants in the degraded or multiple degraded cornerstone columns of the action matrix with risk significant issues in the engineering area, some independent review would also be performed. At all other facilities, the NRC oversight activities would generally be limited to ensuring that the licensee had appropriately implemented their assessment plan, appropriately characterized each of the issues identified during the assessment, and appropriately entered the issues into their corrective action program. The inspectors would also evaluate any issue that is potentially greater than green using the Significance Determination Process (SDP) process. The NRC observers would not participate in the assessment, but would provide the licensee a debrief of their observations at the conclusion of the self assessment. No pre-approval of the system selected by the licensee would be required by the NRC. If significant issues regarding the conduct of the assessment were raised by the observers, the NRC would reserve the right to either independently perform a comparable inspection, or require the licensee to specifically address the issues.

Eligibility Requirements - it was agreed that a plant that had been designated to have a cross cutting issue in the area of problem identification and resolution would not be eligible to receive inspection credit under this process. All other plants would be eligible to participate under this process; however, as stated above, the NRC's oversight of the assessments would vary based upon the plants placement in the action matrix and the relation of previously identified greater than green issues (PIs or inspection findings) to the ability of the licensee to conduct a rigorous engineering self assessment. Credit for the self-assessment would only be allowed once every four years or for every other regularly scheduled inspection.

Documentation of the Self Assessment - the licensee would submit to the NRC a summary of the self assessment results within 45 days after completion of the assessment. This summary would be a public document. The details regarding the licensee's self assessment would also be made available for review by NRC inspectors but would be maintained on-site by the licensee. The results of the NRC's oversight of the self assessment would be documented in

an inspection report. Included in the inspection report would be the NRC's analysis of any issues potentially greater than green and associated enforcement actions.

Request Requirements - licensees would be required to request credit under this process for an upcoming inspection within 30 days after receiving the integrated inspection schedule that is provided by the NRC as part of the mid cycle and end of cycle assessments. The licensee would also be required to inform the NRC of the system selected for review within 6 months of the beginning of the self assessment.

Pilot Inspections - NRC oversight during the pilot inspections will consist of two observers during the assessment. In addition, the NRC observers will independently review selected aspects of the system selected for review for a one week period following the licensee's self assessment. Following the completion of the NRC's review, an assessment will be made regarding the rigor of the licensee's assessment. Additional details concerning pilot success criteria will be discussed at the next meeting.

Next Meeting - It was agreed that we should attempt to schedule another meeting on this subject in the beginning of May. During this meeting, specific plants for the pilots would be discussed as well as pilot success criteria.

Attachments:

1. Meeting Attendees
2. Development of Industry Sponsored Self-assessment
Guidance - Agenda
3. CEOG SSFA Generic Assessment Plan

Request Requirements - licensees would be required to request credit under this process for an upcoming inspection within 30 days after receiving the integrated inspection schedule that is provided by the NRC as part of the mid cycle and end of cycle assessments. The licensee would also be required to inform the NRC of the system selected for review within 6 months of the beginning of the self assessment.

Pilot Inspections - NRC oversight during the pilot inspections will consist of two observers during the assessment. In addition, the NRC observers will independently review selected aspects of the system selected for review for a one week period following the licensee's self assessment. Following the completion of the NRC's review, an assessment will be made regarding the rigor of the licensee's assessment. Additional details concerning pilot success criteria will be discussed at the next meeting.

Next Meeting - It was agreed that the we should attempt to schedule another meeting on this subject in the beginning of May. During this meeting, specific plants for the pilots would be discussed as well as pilot success criteria.

Attachments:

1. Meeting Attendees
2. Development of Industry Sponsored Self-assessment
Guidance - Agenda
3. CEOG SSFA Generic Assessment Plan

Distribution:
IIPB r/f

Accession Number:ML031050016 (package)

OFFICE	DIPM/IIPB
NAME	JJacobson:kig
DATE	04/23/03

OFFICIAL RECORD COPY

Meeting Attendees

<u>Name</u>	<u>Organization</u>
Jeffrey Jacobson	NRC/NRR
Mark Satorius	NRC/NRR
Charles Marschall	NRC/Region IV
Larry Doerflein	NRC/Region I
James Moorman	NRC/Region II
Tom Houghton	NEI
Mike Winson	APS
Lenny Sueper	NMC
Greg Gibson	SCE
Dale Ambler	Exelon
Chalmer Myer	SNC
Brian O'Donnell	INPO
Scott Fulmer	SNC
Fred Emerson	NEI
Ian Rickard	Westinghouse

DEVELOPMENT OF INDUSTRY SPONSORED SELF-ASSESSMENT GUIDANCE

AGENDA

OWFN 07B4

March 21, 2003

- 09:00 a.m. Introduction and Overview of Current Status of Industry Initiative
- 09:30 a.m. Discussion of Latest Industry Guidance and Recent Self-Assessment Results
- 10:00 a.m. NRC/Industry/Public Discussion on Key Issues
- 12:00-1:00p.m. Lunch
- 1:00 p.m. Discussion of Pilot Success Criteria
- 2:00 p.m. Discussion of NRC Oversight of Pilots
- 3:00 p.m. Discussion of Potential Pilot Plants
- 4:00 p.m. Adjourn