



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

11/15/00
COMJSM-00-0003

✓ 5167

October 31, 2000

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COMMISSIONER

Approved with attached
comments.

MEMORANDUM TO:

Chairman Meserve
Commissioner Dicus
Commissioner Diaz
Commissioner McGaffigan

Nils J. Diaz
Nils J. Diaz 01/24/01

FROM:

Jeffrey S. Merrifield *JM*

SUBJECT:

STAFF READINESS FOR NEW NUCLEAR PLANT
CONSTRUCTION AND THE PEBBLE BED REACTOR

As you are aware, several utilities are seriously exploring the option of building new nuclear plants in the United States. Joe Colvin, the President of the Nuclear Energy Institute (NEI), recently announced that a new plant may be ordered in the United States within five years, but that conditions for doing so may be ready in as little as two years. In addition to these activities, PECO Energy (PECO) is actively involved in Pebble Bed reactor initiatives in South Africa. If such initiatives prove successful, it is not inconceivable to think that PECO may try to utilize this technology in the U.S. According to recent comments attributed to Corbin McNeill, PECO's President and CEO, PECO could apply for a design certification in as few as 15 months.

I am not prepared to address the likelihood of these initiatives, and I certainly do not want to give the impression that I am in any way promoting them—as I am not. However, given the magnitude of the technical, licensing, and inspection challenges associated with these initiatives, I believe the agency must approach them in a proactive manner. Specifically, I believe it would be prudent for us to take the steps necessary to ensure that the staff is prepared to carry out its responsibilities should new plant orders emerge or should PECO, or any other entity, pursue the Pebble Bed reactor in the United States.

I am sensitive to staff resource constraints, and appreciate that our limited resources must primarily be focused on immediate and definitive needs. However, consistent with the NRC's "Corporate Management Strategies," I believe the Commission must, at a minimum, better understand what general steps need to be taken and the timeframes required to do so, to assure agency readiness should these challenges arise. Therefore, I propose that the Executive Director for Operations (EDO) take the following actions.

1. Assess our staff's technical and licensing capabilities and identify enhancements, if any, that would be necessary to ensure that the agency can effectively carry out its responsibilities associated with a new plant application.

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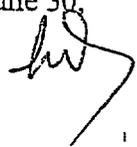
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COMMISSIONER DIAZ' COMMENTS ON COMJSM-00-0003

The staff has initiated a series of activities e.g., EDO's memorandum to the Commission on "Advanced Reactors", November 14, 2000, to address the issues that would arise should new plant orders emerge in the near future. However, I support Commissioner Merrifield's proposal as a more disciplined approach to become cognizant of and proactively address the requisite programmatic and resource issues. Therefore, I approve proposed actions 1, 2 and 3 as stated in Commissioner Merrifield's "Staff Readiness for New Nuclear Power Plant Construction and the Pebble Bed Reactor". I believe that proposed action 4 should be expanded to include Generation 3 + or Generation 4 light water reactors, like Westinghouse's IRIS.

It appears that more reliable information is to be available soon on the issues and schedules. The staff should provide the schedule requested in the COM, including the addition recommended above, by mid-March 2001 and provide a preliminary programmatic assessment by June 30, 2001.

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