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T. Rothschild / Nordlinger / Kim / S. Brock
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No Objection.

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POLICY ISSUE

(NEGATIVE CONSENT)

November 20, 2001

SECY-01-0207 -PDR

FOR: The Commissioners
FROM: William D. Travers
Executive Director for Operations
SUBJECT: LEGAL AND FINANCIAL ISSUES RELATED TO EXELON'S PEBBLE BED
MODULAR REACTOR (PBMR)

PURPOSE:

To inform the Commission of preliminary staff positions related to the staff's assessment of the Exelon Generation (Exelon) proposals on legal and financial issues and additional staff-identified licensing-related issues that may affect the Exelon application. Staff also requests Commission approval, by negative consent, to publish the preliminary staff positions so that the staff can engage stakeholders on these preliminary positions prior to providing the Commission with policy recommendations in June 2002.

BACKGROUND:

Exelon is considering pursuing a combined license (COL) and a design certification for the Pebble Bed Modular Reactor (PBMR) design pursuant to 10 CFR Part 52. The PBMR is a set of modular, high temperature, helium-cooled reactors. Each PBMR module contains its own reactor and power conversion system and produces 100 - 140 MWe. Exelon defines a PBMR "facility" as up to 10 reactors or modules operated from one control room. Exelon plans to operate the PBMR as a merchant plant. Merchant plants are owned and operated by independent power producers and generate electricity expressly for sale on the open, wholesale electricity market at market price.

DISCUSSION:

In a letter dated December 5, 2000, Exelon expressed interest in pre-application activities. The staff began its pre-application review at a meeting with Exelon on April 30, 2001. As a part of the meeting, Exelon discussed legal and financial issues that Exelon believes merit special consideration due to the unique features of the modular facility, the gas-cooled reactor

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