



NUCLEAR ENERGY INSTITUTE

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June 2, 2003

Mr. P.T. Kuo
Program Director, License Renewal and
Environment Impacts
Office of Nuclear Reactor Regulation
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

SUBJECT: Resource Needs for License Renewal Application Reviews

Dear Mr. Kuo:

We have reviewed your letter of April 18, 2003, and received additional NRC staff input during our License Renewal Steering Committee meeting of May 16. We are responding to your letter with recommendations in two areas:

- Resolution for license renewal application (LRA) submittals between now and September 2004 (Class of 2003/2004)
- Resolution for LRA submittals after September 2004

We recognize that a final resolution of LRA submittal scheduling may need to consider limitations of NRR resources beyond those devoted to license renewal, and we will be prepared to discuss this further at the senior management meeting on June 19.

Class of 2003/2004

As noted during the meeting on May 16, there is a significant impact on licensees who have to delay previously scheduled submittals. This impact can cost in the range of \$150,000 - \$200,000 per licensee per month in direct project costs. Your handout for the May 16 meeting shows proposed delays totaling 64 months for licensees in the Class of 2003/2004 alone, for a total impact of about \$13 million dollars. It should be noted that the class of FY 2005 is already well underway preparing applications and a similar impact would apply to that class also.

We understand your position that NRR's resources are limited and that shifting staff resources to reviewing LRAs may impact other important regulatory activities. However, it is too late for the Class of 2003/2004 to make substantial changes in submittal schedules without incurring significant impact. Licensee project teams are already in place to support development of the application and subsequent NRC review. NRC is currently reviewing five applications that include five stations and eight units. The industry will be submitting seven applications for seven stations and 14 units by the end of the first quarter in 2004. We believe NRC can achieve further efficiencies in the review/approval process and suggest possible actions to accommodate the short-term resource issue.

- NRC should target additional staff resources to permit the review of at least six to eight new applications per year. This can be addressed at the industry/NRC Senior Management meeting on June 19.
- NRC should direct staff reviewers to take advantage of the underutilized efficiencies inherent in the Generic Aging Lessons Learned (GALL) report. For the 2002 applicants, NRC staff reviewers appear to be giving little or no credit for licensee aging management program consistency with the GALL report. The optimum benefit of using the GALL report can be realized only by eliminating NRC review of program elements that are consistent with the GALL report. Such credit can result in up to a 30% reduction in staff review resources and would help ease the schedule constraints on the reviews for the Class of 2003/2004 LRAs. There is a significant cost for licensees to reference the GALL report in their applications, and maximum credit should be applied by staff reviewers to take advantage of its use.
- NRC can take advantage of efficiencies in (1) review of similar applications such as multiple site applications, (2) use of the standardized format for LRAs, and (3) controlling requests for additional information.
- NRC can defer in FY 2004 and 2005 (when the primary schedule impacts occur) certain generic activities such as GALL updates and Interim Staff Guidance (ISG) preparation. This should allow additional resources to be assigned to review the Class of 2003/2004 LRAs, albeit with a temporary impact on generic staff license renewal activities.

The submittal schedules for the Class of 2003/2004 applicants should be maintained. An appropriate combination of the actions noted above should resolve the scheduling issue for this class of plants and permit NRC to maintain 22-month review schedules for these applicants. These applicants are willing to meet collectively with NRC to discuss these and other actions that can be taken to maintain mutually agreeable submittal and review schedules. We request such a meeting as soon as all affected parties can be represented.

Long-Term LRA Submittal Scheduling

For applicants after September 2004, we believe that scheduling can be addressed through the following actions (again assuming a standard 22-month or better review schedule):

1. NRC identify six to eight submittal slots per fiscal year three to eight years in advance of the actual submittals. When this is done for the first time, six slots for the first six years will be opened, for a total of 36 to 48 slots. In each subsequent year, six to eight new slots will be added to the unfilled slots.
2. Licensees formally request a submittal slot per the current process. Those utilities that have already requested dates would have first priority for the closest available slot.
3. After NRC has filled the slots for those utilities that have already requested dates, NRC would assign the remaining slots for each fiscal year on a first-come, first-served basis, with the oldest plants requesting slots receiving priority.
4. Once the slots for a certain year are filled, NRC will not accept more submittal requests for that year.
5. In September of each year, the submittal schedule for the next six years is reconfirmed. Any changes require mutual agreement between affected licensees and the NRC. The schedule for the third year is frozen based on the LRA submittal slots requested by licensees.
6. As soon as possible, the schedule for FY2005 should be established in accordance with the new process.

In practice, the process would work as follows: As soon as practical, The NRC should open six to eight slots per year for FY2005 through FY 2010, and fill the FY 2005 slots in accordance with the requests already made by licensees. In a meeting with licensees requesting FY 2005 submittal dates, NRC and the licensees should reach agreement on the assignment of the six to eight slots and freeze this schedule. Also, as soon as possible, NRC should assign six to eight slots per year in FY 2006 through FY 2010 per the requests already made by licensees. After all currently identified requests (as of May 2003) have been assigned slots, additional slots will be assigned based on the age of the plant and the date the request was made. Conflicts will be settled based on mutual agreement among the parties involved. In September 2003, the FY 2006 schedule will be established and frozen per the new process. Schedule changes can be made in the frozen years by mutual agreement between affected licensees and in future years by moving to an open slot or by mutual agreement between licensees. In September 2004, the FY 2007 schedule

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would be established and frozen, and six to eight new slots for FY 2011 would be opened.

We believe that an orderly process such as this will achieve the maximum efficiency in scheduling the remaining applicants and minimize the likelihood of over- or under-utilization of staff and industry resources. We invite near-term discussion and adoption of this process.

Please contact me (202-739-8080 or am@nei.org) or Fred Emerson (202-739-8086 or fae@nei.org) with questions and to finalize a schedule for the meeting with the Class of 2003/2004 applicants.

Sincerely,

A handwritten signature in cursive script that reads "Alex Marion".

Alex Marion