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September 10, 2002

Mr. James E. Lyons
Director, New Reactor Licensing Project Office
Office of Nuclear Reactor Regulation
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

SUBJECT: Resolution of ESP-5, Mechanism for Documenting Resolution of ESP Issues

Dear Mr. Lyons:

We appreciate the significant progress that has been made toward first-ever early site permit (ESP) applications via our interactions over the past several months. During the course of these discussions, both the NRC staff and we have proposed establishing an issue tracking/resolution mechanism to aid in effective project management and stakeholder communication. Establishing such a mechanism is identified as ESP Topic 5 (ESP-5) on our list of generic ESP issues for discussion during the pre-application phase. An updated listing of generic ESP issues is enclosed for information.

The NRC has proposed that common understandings on various ESP topics be documented via a significant exchange of letters with NEI. This, our first "issue resolution letter," documents understandings and expectations related to establishing an ESP issue tracking/resolution mechanism. We believe these understandings and expectations are consistent with discussions during our public meetings on April 24, May 28 and June 13, 2002. We also addressed this topic in our letter to you of May 20. We request that, by reply to this letter, the NRC confirm the understandings and expectations described below. To ensure timely resolution of generic issues and continued progress toward ESP applications in 2003, we request that NRC respond within 30 days.

ESP-5 understandings and expectations:

1. A mechanism for tracking progress and documenting resolution of generic ESP issues is important for providing timely feedback to ESP applicants on matters bearing on the preparation of ESP applications and for providing all stakeholders a means to stay informed of progress toward resolution of ESP-related issues.
2. We understand that the NRC will implement an issue tracking system, consistent with that used during analogous license renewal interactions, to define, identify status and document the resolution of ESP applicant and/or NRC staff concerns through the end of the pre-application period. Use of this or a similar system may be extended to address generic issues that continue to be identified during NRC review of ESP applications.
3. The NRC staff will maintain issue tracking summary sheets, similar to the sample provided on April 24, that will summarize the status of each generic ESP issue based on the interactions to date.
4. Resolution of generic ESP issues, i.e., confirmation of significant understandings and expectations, will be documented via an exchange of letters between NEI and the NRC.
5. To ensure timely resolution of ESP issues and continued progress toward ESP applications in 2003, NRC responses to issue resolution letters will typically be requested within 30 days.
6. Resolutions of generic ESP issues will be reflected, as appropriate, in ESP application guidance (NEI 01-02) to be updated by NEI, and will inform NRC development of ESP inspection and review guidance.

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Upon resolution of additional generic ESP issues, we will send separate letters for each seeking NRC confirmation of significant understandings and expectations. We look forward to your confirmation of the understandings and expectations described above related to ESP-5. If you have any questions concerning this request, please contact Russ Bell (rjb@nei.org or 202-739-8087).

Sincerely,

Original Signed By:

Ronald L. Simard

Enclosure

c: Ronaldo V. Jenkins, NRC/NRR
Document Control Desk

Topics for Discussion in Support of ESP Applications and Reviews

ESP Discussion Topic	Status	Remarks
1. ESP application template a) Consistent Table of Contents for applications and review guidance b) Location of specific info	Discussions ongoing	Follow-up discussion planned for Sept. 25
2. ESP inspection guidance a) Nature of pre-application inspection activities by NRC b) ESP Review Standard and IMC-2511A (plans/objectives) c) ESP review fee structure d) Local public meetings	Resolution pending	Discussion of other ESP topics is expected to inform NRC development of ESP Review Standard and IMC-2511A
3. QA requirements for ESP information	Resolution pending	NRC to provide feedback on applicant-specific QA plans
4. Nominal NRC review timeline	Detailed discussion – Oct. TBD	
5. Mechanism for documenting resolution of ESP issues	NEI issue resolution letter submitted September 10, 2002	
6. Use of plant parameters envelope (PPE) approach a) Satisfying requirements for ESP applications & reviews b) PPE process and implementation	Discussions ongoing	Sept. 25 public meeting to discuss PPE process and implementation, including examples
7. Guidance for satisfying §52.17(a)(1) requirement for description and safety assessment of the facility	Discussions ongoing	Subset of ESP-6
8. Use of a bounding approach for providing fuel cycle and transportation info required by NEPA (Tables S-3 & S-4)	Initial discussion – Sept. 25	
9. Criteria for assuring control of the site by the ESP holder	Initial discussion – 4Q02	
10. Use for ESP of relevant findings from 10 CFR 51, Subpart A, Appendix B (License Renewal GEIS)	Initial discussion – Sept. 25	

ESP Discussion Topic	Status	Remarks
11.Criteria for determining the initial duration of an ESP (10-20 years)	Initial discussion – 4Q02	
12.Guidance for evaluating severe accident mitigation alternatives under NEPA a) When ESP application specifies facility type b) When using PPE approach	Discussions ongoing	Further discussion deferred pending discussion on ESP-6
13.Guidance for seismic evaluations required by 10 CFR 100.23 and 10 CFR 50, Appendix S	Discussions ongoing	Pilot demonstration activity in progress
14.Applicability of Federal requirements concerning environmental justice	Initial discussion – 4Q02	Related PFS decision pending by Commission
15.Appropriate level of detail for site redress plans	Initial discussion – 4Q02	
16.Guidance for ESP approval of emergency plans a) Physical impediments only b) Major features c) Complete plans	Initial discussion – a) 4Q02 b) 4Q02 c) 2003	
17.Elimination of duplicative NRC review of valid existing site/facility information (PRM-52-1)	Initial discussion – TBD	Staff recommendation on petition due in September 2002
18.NEPA-required review of alternatives (PRM-52-2)	Initial discussion – TBD	Staff recommendation on petition due in September 2002
19.Addressing effects of potential new units at an existing site a) Impacts due to operation of new units b) Impacts due to construction of new units	Initial discussion – 4Q02	
20.Practical use of existing site/facility information a) Incorporation in ESP applications b) Implications for NRC reviews	Initial discussion – Sept. 25	
21.Understanding the interface of ESP with the COL process.	Initial discussion – TBD	
22.Form and content of an ESP	Initial discussion – TBD	NEI draft provided Aug. 22