April 1, 2004

Ms. Maryann Ellsworth
Municipal Clerk
Borough of Point Pleasant Beach
416 New Jersey Avenue
Point Pleasant Beach, NJ 08742

Dear Ms. Ellsworth:

I am responding on behalf of the Nuclear Regulatory Commission (NRC) to the Borough of Point Pleasant Beach Council's Resolution dated February 17, 2004. The resolution called for the immediate decommissioning of Oyster Creek Nuclear Generating Station (OCNGS), owned and operated by AmerGen Energy Company, LLC (AmerGen), in Lacey Township, New Jersey, based on the Council's concerns regarding the plant. In particular, you expressed concern about the age of the plant, vulnerability of stored spent fuel to terrorist attacks, and implementation of evacuation plans in the event of an accident.

The NRC requires that AmerGen (the licensee) comply with all the conditions set forth in the license as well as all applicable NRC regulations. NRC monitors licensee performance through our Reactor Oversight Program (ROP), and documents findings in inspection reports and other assessment documents. In our most recent summary assessment of OCNGS dated March 3, 2004, we found that plant performance for the most recent quarter was within the Licensee Response Column of the NRC Action Matrix. This classification indicates that OCNGS has operated safely and merits regulatory attention consistent with our baseline inspection program. Information on our ROP, including additional information on OCNGS performance, can be found on the NRC's website at http://www.nrc.gov/NRR/OVERSIGHT/ASSESS/index.html.

In the resolution, the Council raised a concern about the age of OCNGS. NRC requires plant operators to continuously test and monitor the condition of safety equipment and to keep equipment in top condition. NRC has also required licensees to correct design deficiencies that could impact plant safety. While OCNGS has been in operation since December 1969, over the years, the licensee has replaced many pieces of equipment and performed overhauls of other plant equipment. The licensee has also installed new, more modern systems to replace or supplement original systems that are obsolete or no longer considered adequate.

The current license for OCNGS expires on April 9, 2009. In a press release dated February 19, 2004, AmerGen announced its intention to seek renewal of the OCNGS operating license for a period of up to twenty (20) years. However, AmerGen has not yet submitted an application for NRC review. Accordingly, NRC cannot at this time make any statement about a pending application. Should the NRC receive an application in the future, the NRC staff will review both the safety and environmental issues associated with this license renewal. Specifically, the licensee must provide the NRC with an evaluation that addresses the technical aspects of plant aging and must describe how the aging will be managed. In addition, the licensee must prepare an evaluation of the potential impact on the environment to support plant operation for the additional 20 years. License renewal is a process open to public participation in a number of ways, including public meetings and the opportunity for adjudicatory hearings. See the NRC website at http://www.nrc.gov/reactors/operating/licensing/renewal.html for more information.

You raised a concern about emergency evacuation. It is important to note that emergency planning is one of many layers of NRC's defense-in-depth approach to protecting public health and safety. The NRC has established requirements to design, operate, and maintain nuclear facilities, such as OCNGS, to minimize the likelihood of a severe accident that would result in a release of radioactive material and necessitate initiation of the emergency plan. However, to ensure readiness for the unlikely occurrence of a significant release, Federal regulations require that comprehensive emergency plans be prepared and periodically exercised to assure that actions can and will be taken to notify and protect the public in the vicinity of a nuclear facility in the event of a radiological emergency. While the NRC has overall responsibility for nuclear safety, the Federal Emergency Management Agency (FEMA) takes the lead in reviewing and assessing offsite planning and response and in assisting State and local governments. Federal evaluation of emergency preparedness is an ongoing process. Commercial nuclear power plants and offsite response authorities are required to regularly conduct exercises to demonstrate their ability to implement their emergency plans. Based on the most recent full-scale emergency exercise for OCNGS conducted in September 2003, both FEMA and NRC determined that the plans in place for OCNGS provide reasonable assurance that the public would be protected. We also recognize that emergency plans must be regularly reviewed and improved.

Emergency planning for commercial nuclear power plants specifies two concentric emergency planning zones (EPZs), centered around a plant. The EPZs are the areas for which planning is needed to assure that prompt and effective actions can be taken to protect the public in the unlikely event of an accident. The first zone, called the plume exposure pathway EPZ, is an area of about 10 miles in radius. The major protective actions planned within this EPZ are evacuation and sheltering in order to protect members of the public from adverse health effects due to inhalation or direct exposure to airborne radioactive material (i.e., the plume) which may be released by the plant during an accident. The second zone, called the ingestion pathway EPZ, is an area of about 50 miles in radius from the plant to deal with potential lower-level, long-term risks primarily due to exposure from ingestion of contaminated food and water. Outside of 10 miles, direct exposure is expected to be sufficiently low that evacuation or sheltering should not be necessary. Exposure to a radioactive plume would not likely result in immediate or serious long-term health effects. Consideration of public sheltering and evacuation in the emergency plans is very conservative and recommended at very low dose levels, well below the levels where health effects would be expected to occur.

Any radioactive release and consequent exposure would be affected by wind direction, wind speed, humidity, distance from the source, and other factors. In general, based on the wind direction, most people in the EPZ will be unaffected by a release of radioactive material. For those affected, plans are in place to minimize their exposure. Emergency plans typically only call for protective measures for a portion of the EPZ (i.e., the area downwind of the plant). The State and local agencies in concert with the licensee would continually reassess the need to expand the protective measures as conditions dictate. Additionally, all licensees are required to have an Evacuation Time Estimate (ETE) for the area surrounding the plant. The ETE is used in the development of the emergency plan, and during the emergency phase of a response by the licensee, local, State, and Federal emergency management agencies. The ETE is factored into the protective measures that the State implements. These ETEs identify potential traffic impediments and allow for development of traffic management plans and the efficient use of traffic control personnel during an evacuation. It is our understanding that the ETEs for the affected communities around OCNGS are currently being updated using the latest Census data.

You also raised concerns about the security and safety of the spent fuel stored at OCNGS. The NRC believes that spent fuel can be safely stored at the OCNGS site until it can be shipped to a centralized interim spent fuel storage facility or a permanent disposal facility. The NRC applies a fundamental defense-in-depth strategy for protection of public health and safety. The strategy encompasses design, construction, operation, training, event mitigation, and contingency planning including emergency planning. The spent fuel pool design and operation employs the defense-in-depth strategy. Spent fuel pools are robust structures constructed of thick concrete-reinforced walls and stainless steel liners. Contingency measures are in place to address situations associated with a loss of water inventory or pool heat removal. While it is unlikely that a situation at a spent fuel pool would result in an offsite emergency, plant operators, including those at OCNGS, have plans to respond to such an emergency, and these plans are developed in consultation with State and local officials. Both the spent fuel pool and the spent fuel storage casks are protected by the licensee's security program. Additional information regarding spent fuel storage can be found on the NRC website at http://www.nrc.gov/waste/spent-fuel-storage.html.

As a result of the terrorist attacks of September 11, 2001, the NRC has increased its focus on security and emergency preparedness at nuclear power plants. Contingency measures are in place to address situations associated with a terrorist attack on the OCNGS facility. Additional information on emergency preparedness, potential health effects, and actions taken since September 11th can also be found on the NRC website (http://www.nrc.gov).

Regarding your concern that the containment system could be bypassed in the unlikely event of a severe reactor accident, we note that OCNGS installed a hardened vent on the containment torus air space in the early 1990s to address this concern. In the remote event that the containment will require venting after an accident, the hardened plant vent design allows operators to reduce the pressure in the containment before any core damage occurs; therefore, limiting the release of radioactive material to the environment.

Your resolution referred to an issue identified during our triennial fire protection inspection conducted in late 2002. One violation of requirements was identified; however, it was of minor safety significance. Therefore, no enforcement action was warranted in accordance with NRC's enforcement policy. AmerGen took prompt and appropriate compensatory actions for this deficiency and planned long-term corrective actions. The inspectors also identified an unresolved item involving manual actions required for shutdown of the plant in the event of a fire in certain areas. An issue is considered unresolved when it cannot be determined whether it is acceptable or in compliance with NRC regulations. In this case, there are generic open issues in the industry with regard to the use of manual actions for safe shutdown in the event of a fire. This issue was left unresolved pending resolution of these generic issues or re-analysis by AmerGen. The triennial fire protection inspection report (IR 50-219/2002-011) can be found on the NRC website. Additional information on the NRC enforcement policy and fire protection issues can also be found on the NRC website (http://www.nrc.gov).

Regarding the issue of alternative energy sources, the NRC does not have jurisdiction over this matter. The conversion to other sources of electrical energy would be an economic decision made by utility companies and would involve meeting requirements and expectations of governmental groups such as the Department of Energy, the Public Service Commissions, and the Environmental Protection Agency.

If you have any further questions regarding these issues, please call the NRC Project Manager for OCNGS, Mr. Peter Tam, at 301-415-1451.

Sincerely,

/RA/

Allen G. Howe, Acting Director
Project Directorate I
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

If you have any further questions regarding these issues, please call the NRC Project Manager for OCNGS, Mr. Peter Tam, at 301-415-1451.

Sincerely,

/RA/

Allen G. Howe, Acting Director
Project Directorate I
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Office of Nuclear Reactor Regulation

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