

IN RESPONSE, PLEASE
REFER TO: M040510

May 18, 2004

MEMORANDUM TO: William D. Travers
Executive Director for Operations

Karen D. Cyr
General Counsel

FROM: Annette L. Vietti-Cook, Secretary */RA/*

SUBJECT: STAFF REQUIREMENTS - BRIEFING ON GRID STABILITY AND
OFFSITE POWER ISSUES, 1:00 P.M., MONDAY, MAY 10, 2004,
COMMISSIONERS' CONFERENCE ROOM, ONE WHITE FLINT
NORTH, ROCKVILLE, MARYLAND (OPEN TO PUBLIC
ATTENDANCE)

The Commission was briefed by representatives of the Federal Energy Regulatory Commission (FERC), North American Electric Reliability Council (NERC), U. S. Department of Energy (DOE), Exelon Corporation, Nuclear Energy Institute (NEI), and the NRC staff on grid reliability and offsite power issues.

The NRC staff and the Office of the General Counsel should work with FERC and NERC to develop memoranda of understanding (MOUs) to facilitate interactions with these organizations on matters pertaining to grid reliability.

The NRC staff should consider what the agency can do to facilitate and improve good communication between nuclear power plants and the operators of the grid.

The staff should continue to communicate with stakeholders on the nuclear power plant safety aspects affected by grid reliability, and should continue to encourage and support efforts to make the grid more reliable.

The staff should continue to monitor and assess the reliability of the grid as it relates to nuclear power plant safety and should complete the action plan for resolving grid concerns that was sent to the Commission by a memorandum dated February 4, 2004. A status report on the action plan, including any significant health and safety issues within NRC's jurisdiction and any revisions necessitated by information from the inspections being conducted in June, should be provided to the Commission by July 30, 2004.

Rather than develop a new process, such as an agency ombudsperson, the NRC should use the existing differing professional opinion (DPO) process, including the soon to be named DPO project manager in the Office of Enforcement, to address NRC staff concerns that arise from professional differences of opinion on technical issues. The Management Directive outlining the new process is planned for issuance by the end of June. The Commission also encourages

the staff to continue to articulate concerns that arise from professional differences of opinion using other appropriate means when necessary such as was recently utilized when forwarding "nonconcurrency" opinions to the Commission with SECY-04-0037, "Issues Related to Proposed Rulemaking to Risk-Inform Requirements Related to Large Break Loss-of-Coolant Accident (LOCA) Break Size And Plans for Rulemaking on LOCA with Coincident Loss-of Offsite Power."

The Office of the Secretary will schedule a follow-up meeting on grid reliability during the March/April 2005 timeframe.

cc: Chairman Diaz
Commissioner McGaffigan
Commissioner Merrifield
OGC
CFO
OCA
OIG
OPA
Office Directors, Regions, ACRS, ACNW, ASLBP (via E-Mail)
PDR