

June 3, 2004

Ms. Marie S. Pellecchia, RMC
Township Clerk
Manchester Township
1 Colonial Drive
Manchester, NJ 08759

Dear Ms. Pellecchia:

I am responding on behalf of the Nuclear Regulatory Commission (NRC) to the Manchester Township Council Resolution #04-162, dated April 26, 2004. The resolution expressed the Township Council's opposition to extending the operating license of the Oyster Creek Nuclear Generating Station (OCNGS), owned and operated by AmerGen Energy Company, LLC (AmerGen), in Lacey Township, New Jersey.

In the resolution, the Township Council raised concerns 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.

In addition to the age of OCNGS, the resolution mentioned that design standards had changed dramatically since OCNGS was constructed. The NRC frequently updates its regulations as a result of improvements to technology and based on operating experience. When requirements are changed, the NRC applies a rigorous evaluation standard to determine if the safety benefit of the new requirements justifies imposing the changes on existing licensees. For example, OCNGS was designed and constructed before the General Design Criteria (GDC) were promulgated by the Atomic Energy Commission on July 11, 1967. The final GDC were made a part of the NRC's regulations on February 20, 1971. When the final GDC were approved, the Commission stressed that the final GDC were not new requirements and were promulgated to more clearly articulate the licensing requirements and practice in effect at that time. Each plant licensed before the final GDC were formally adopted, including OCNGS, was evaluated by the NRC on a plant-specific basis, and was determined to be safe. The Commission determined that imposing the final GDC on these plants would provide little or no safety benefit while requiring an extensive commitment of resources. In other cases, the Commission has imposed new regulations on nuclear facilities based on the substantial increase in safety that would be provided (e.g., environmental qualification of electrical equipment).

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. 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.

Regarding your concern about emergency evacuation, 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 the plant provide reasonable assurance that the public would be protected. We also recognize that emergency plans must be regularly reviewed and improved. In this regard, the evacuation time estimates for the affected communities around OCNGS are currently being updated using the latest Census data.

You also raised a concern about the vulnerability of the facility's spent fuel, stored in the spent fuel pool, to terrorist attacks. The NRC applies a fundamental defense-in-depth strategy for nuclear facilities such as OCNGS to protect public health and safety. The strategy encompasses design, construction, operation, training, event mitigation, and contingency planning, including emergency planning. Nuclear facilities are robust structures, constructed of thick concrete-reinforced walls and stainless steel liners. While these facilities were not specifically designed against the impact of the jumbo jets of today, they were designed to withstand the significant forces associated with earthquakes, hurricanes and tornadoes. 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 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>).

You were concerned that an additional 20 years of OCNGS operation would generate additional high-level waste in the form of spent fuel. The NRC had generically addressed the issue of temporary storage of spent nuclear fuel in the Generic Environmental Impact Statement for License Renewal of Nuclear Power Plants (NUREG-1437) and in NRC regulation at 10 CFR 51.23. Specifically, the regulation states that "if necessary, spent fuel generated in any reactor can be stored safely and without significant environmental impacts for at least 30 years beyond the licensed life for operation (which may include the term of a revised or renewed license) of that reactor at its spent fuel storage basin or at either onsite or offsite independent spent fuel storage installations." Absent the introduction of any new and significant information, the conclusions of NUREG-1437 regarding spent nuclear fuel are adopted in the license

renewal environmental impact statements. The Department of Energy, on behalf of the Federal government, is actively pursuing NRC licensing of a high-level waste/spent fuel repository in Nevada to provide a permanent storage location for this waste. More information regarding spent fuel storage can be found at <http://www.nrc.gov/waste/spent-fuel-storage.html>.

You stated that the "energy produced by [OCNGS] can be easily replaced by the current and future projected grid reserve margin, renewable energy production and energy efficiency measures." Please realize that the NRC does not have jurisdiction over such matters.

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/

Cornelius F. Holden, Director
Project Directorate I
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

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