

April 1, 2005

ORGANIZATION: Nuclear Energy Institute (NEI)

SUBJECT: SUMMARY OF LICENSE RENEWAL MEETING BETWEEN THE
U.S. NUCLEAR REGULATORY COMMISSION (NRC) STAFF AND THE
NUCLEAR ENERGY INSTITUTE (NEI) LICENSE RENEWAL WORKING
GROUP

On March 3, 2005, the NEI License Renewal Working Group met with management and staff of the Nuclear Regulatory Commission (NRC), Office of Nuclear Reactor Regulation, to discuss generic license renewal topics and license renewal process improvements. The majority of the topics for the meeting are contained in NEI's February 18, 2005, letter (ADAMS Accession No. ML050590202). Normally, all topics discussed between NRC management and the NEI Working Group have the opportunity of being discussed previously at the working level. However, for a number of agenda topics, this was not possible. For those topics, NEI's intent was only to identify to NRC management the need for further staff and industry interactions.

Attendees at the meeting are listed in Enclosure 1. The meeting agenda is contained in Enclosure 2. A summary of the discussions held at the meeting follows:

1. Introduction

The license renewal program continues to be highly successful and NEI acknowledged that the NRC has applied the resources necessary to achieve this success. Schedules are predictable and with the lessons learned from past and ongoing application reviews, the NRC staff and industry continue to pursue additional process improvements.

2. Accomplishments

a. NRC audit process

The audit process used for NRC's review of aging management programs is viewed by the applicants and NRC staff as an improvement in the process. Issues are resolved more efficiently and the need to send requests for additional information is reduced. The audit process completes its review within the first six months and is more resource intensive than the previous review process. The audit process requires good support by the applicant, which for most applications was provided.

The NRC staff is performing an assessment of the three pilot applications of the audit process which is scheduled for completion by June 30, 2005. The staff will share its findings with the industry and the public. It was suggested that the industry consider performing its own assessment of the process to compare with the staff's assessment. The goal is to identify improvements in guidance and the process that will benefit future applicants, not to document improvements that were already identified and

implemented. A July 2005 meeting to discuss the results of the assessments was proposed.

b. Guidance documents update

The staff issued the draft updated license renewal guidance documents for public comment on January 30, 2005. A workshop to discuss the revisions was held on March 2, 2005. The draft documents incorporate Interim Staff Guidance (ISG) positions that were either finalized or in process. The NRC's Committee to Review Generic Requirements will review the final documents and the ISGs that were incorporated after resolution of comments received.

c. Regional inspections for 10 CFR 54.4(a)(2) scoping

As a result of a staff assessment of the scoping and screening review process, primary responsibility for the review for structures and components within the scope of renewal that meet the criterion of 10 CFR 54.4(a)(2), was transferred from headquarters to the region. It was agreed that performing this scoping review, which involves spatial relationships, is best accomplished by on-site inspections and should result in improving the efficiency of the process.

3. Application review schedule

The industry proposed that the staff revise the schedule for completing the review of renewal applications from 22 to 20 months for all applications if the safety evaluation report (SER) is initially issued without any open or confirmatory items. The opportunity to reduce the schedule during the review of the application would provide incentive for the applicant and staff to resolve all issues in the request for additional information (RAI) stage before the SER is issued. However, the staff needs to maintain some flexibility in the schedule to accommodate uncertainties in the process such as inability to control how many and when applications are received, the need for interactions with other agencies on the environmental review, and the potential impact of in-process schedule changes on other organizations such as the Advisory Committee on Reactor Safeguards. When possible, the staff issues renewed licenses earlier than 22 months as demonstrated by the number of past renewed licenses issued early. The staff agreed to assess whether a 20-month schedule could be established as proposed or used as a goal for a working schedule.

4. Process Improvements

a. Communication of generic information

The NRC staff has identified needed improvements in the content of some renewal applications as discussed further under Item 4.b, and has met individually with applicants preparing to submit applications to discuss the expectations. NEI indicated that the NRC needs to communicate more broadly the information of generic interest to the industry and proposed that the communication be through NEI. With the success of the license renewal program and recent lack of major issues, the timing between public periodic meetings or telephone conference calls has gradually increased. The ISG process has identified and resolved issues but staff and industry resolution has not

always been timely. NEI proposed establishing an issue management process that would establish a tracking system for issues and increase the level of communications both through meetings and telephone conferences. NEI indicated that it would provide the staff with examples of other issue management processes used in the past. This topic will be discussed further between the staff and industry.

b. Quality of license renewal applications

The NRC has identified for some applications, that the applicant has not provided all of the information required for past applications at time of submittal. The applicant may disagree with the NRC's position and take the position to require a staff RAI before providing the needed information. The NRC staff is finding that in some cases it must send the same set of RAIs to each applicant. The updated Generic Aging Lessons Learned (GALL) Report should help this situation but the NRC staff expects that applicants provide the information required to be in an application in the initial submittal. The meetings with the near-term applicants discussed under Item 4.a were to convey this message and to explain that the NRC intends to examine applications more carefully during its acceptance and sufficiency review to make sure that needed information is contained in the application at time of submittal. The staff still expects that RAIs will be required but information clearly identified as needed for past applications should be contained in the application at time of submittal. The staff has not changed its expectations on the content of applications, only to emphasize the timing when the information should be provided. NEI requested that the staff provide examples of the topics and level of detail expected. This topic will be discussed further between the staff and industry.

c. Concurrent major licensing actions with renewal

A few applicants in the past have applied for license renewal in parallel with other major licensing actions, such as extended power uprates. Because license renewal must issue a renewed license for a fixed licensing basis, problems have arisen when other major licensing actions are not completed on a schedule consistent with completing the renewal review. The NRC staff cannot delay the schedule for completing the renewal review unless requested by the applicant or if there are significant problems with an application. Therefore, the staff indicated that to avoid problems with the renewal review, applicants should assess whether any other licensing action being considered will impact the staff's renewal review. The concern is not the size of the licensing action, but its impact on the aging management reviews and time-limited aging analyses evaluated for license renewal. Examples will be developed at a future working level meeting.

d. Use of the Interim Staff Guidance process and §54.37(b) for new positions

NEI's February 18, 2005, letter (ADAMS Accession No. ML050560129) documented the industry's disagreement with the NRC staff's ISG process (ADAMS Accession No. ML023520620) regarding the authority provided the staff under 10 CFR 54.37(b). As stated in the staff's July 21, 2004, (ADAMS Accession No. ML042040254) response to industry questions on the ISG process, §54.37(b) requires "licensees holding a renewed

license to include in the final safety analysis report (FSAR) update any systems, structures and components (SSCs) newly identified that would have been subject to an aging management review or an evaluation of time-limited aging analyses in accordance with 10 CFR 54.21. Therefore, license renewal ISGs involving matters covered by 10 CFR 54.37(b) do not involve backfits.”

NEI stated that the staff’s position regarding §54.37(b) is a significant issue to the industry. The industry position is that 10 CFR 54.37(b) does not provide an exemption to the requirements of the backfit rule, 10 CFR 50.109. The staff is reviewing NEI’s letter and will meet with NEI to discuss this topic further.

e. Credit for existing aging management programs

NEI believes that in some cases, the NRC staff challenges the acceptability of aging management programs contained in the GALL. These programs have been approved under 10 CFR Part 50 and are not changed for renewal. The staff indicated that sometimes RAIs are needed to clarify how the applicant is in compliance with the position contained in GALL and that expanded use of the updated GALL and the audit process should reduce the need for RAIs. NEI indicated it would provide examples of its concerns with crediting of existing aging management programs. This topic will be discussed further between the staff and industry.

f. Credit regulatory process for resolution of current issues

NEI stated that in some cases the NRC staff reviews current issues as if resolution under the existing regulatory process will not be adequate for license renewal. NEI indicated it would provide examples of its concerns with crediting the regulatory process for resolving current issues. This topic will be discussed further between the staff and industry.

5. Systematic issue resolution process

NEI’s February 18, 2005, letter included a category of issues that are not essential but should be addressed through a systematic issue resolution process. The following topics will be discussed further between the staff and industry:

a. Requirement for future submittal/approval of aging management programs

On select issues for which there are ongoing programs to establish acceptable approaches for aging management, the staff has included a condition in the renewed license requiring the licensee to make a future submittal for NRC approval. NEI indicated that these requirements imply that the NRC has not completed its license renewal review when it issues the renewed license.

b. ISG process improvement

Improvements in the ISG process were proposed in NEI’s February 18, 2005 letter which will be discussed further between the staff and industry in the future. NEI stated

that the ISG process should be made more consistent with the GALL update process and issues indicating a need for an ISG should be addressed under the proposed systematic evaluation process. Regarding positions contained in ISGs, the NRC staff explained that ISGs are not initial or preliminary staff positions. All ISGs receive a thorough review by staff and management before being issued for public comment and reflect the staff's best position for addressing the issue.

c. Audit teams for scoping and screening reviews

NEI's February 18, 2005 letter proposed using the on-site audit process for the scoping and screening review. This topic was not discussed in detail at the meeting.

d. Application of GALL as guidance

The license renewal standard review plan which incorporates GALL by reference provides guidance on one approach that the NRC finds acceptable for meeting the license renewal rule. NEI indicated that in some cases, GALL has been referred to as a requirement. The staff will be more vigilant in ensuring that guidance contained in GALL is not incorrectly referred to as a requirement.

6. Future activities

a. NEI development of severe accident mitigation alternatives guidance

The NRC staff and the industry have identified severe accident mitigation alternatives evaluations as areas needing improved guidance. The industry has committed to develop a guidance document for the staff's review on this topic.

b. Future meetings with the NEI License Renewal Task Force and Working Group

The NRC staff and NEI agreed to be more consistent in scheduling periodic meetings at the working level between the staff and NEI License Renewal Task Force to continue to pursue resolution of generic issues and improve the renewal process. Management meetings with the NEI License Renewal Working Group will be scheduled approximately every six months or when issues warrant a meeting.

7. Public participation

A representative from Point Beach Nuclear Plant stated that the onsite audit process worked well at his plant. A suggested improvement in the process would be to issue the audit report as a draft, similar to staff's issuance of the safety evaluation report with open items. Issuing a draft audit report would allow the licensee to review the report before final issuance in case clarifications or corrections are needed in the report. The staff will consider the recommendation.

8. Closing

License renewal has been one of the NRC's most successful programs. However, the program continues to pursue additional improvements. A goal of a five percent reduction in the resources for review of renewal applications has been established for the fiscal year 2007 budget. Both the NRC staff and industry must continue to focus on the quality of applications and meeting established schedules. Issues not raised at the working level will be elevated to management.

/RA/

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Office of Nuclear Reactor Regulation

Project No. 690

Enclosures: As stated

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WITH THE NEI LICENSE RENEWAL WORKING GROUP
MARCH 3, 2005

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NMC – Palisades
NMC – Monticello
NMC LLC – PBNP
AREVA
AEP/Cook
Arizona Public Service – STARS
Duke Energy
Exelon
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Morgan, Lewis, & Bockius, LLP
NEI
Progress Energy
PPL Susquehanna, LLC
Wolf Creek Nuclear Op. Corp.

AGENDA
MEETING BETWEEN THE NRC STAFF
AND
THE NEI LICENSE RENEWAL WORKING GROUP
MARCH 3, 2005

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 - b. Guidance documents update
 - c. Regional inspections for 10 CFR 54.4(a)(2) scoping
3. Application review schedule
 - Reduction to 20 months if initial SER issued with no open items
4. Process Improvements
 - a. Communication of generic information
 - b. Quality of license renewal applications
 - c. Concurrent major licensing actions with renewal
 - d. Use of the Interim Staff Guidance process and §54.37(b) for new positions
 - e. Credit for existing aging management programs
 - f. Credit regulatory process for resolution of current issues
5. Systematic issue resolution process
 - a. Requirement for future submittal/approval of aging management programs
 - b. ISG process improvement
 - c. Audit teams for scoping and screening reviews
 - d. Application of GALL as guidance
6. Future activities
 - a. NEI development of severe accident mitigation alternatives guidance
 - b. Future meetings with the NEI License Renewal Task Force and Working Group
7. Public participation
8. Closing