



UNITED STATES
NUCLEAR REGULATORY COMMISSION
ADVISORY COMMITTEE ON REACTOR SAFEGUARDS
WASHINGTON, DC 20555 - 0001

ACRSR-2167

November 18, 2005

Luis A. Reyes
Executive Director for Operations
U. S. Nuclear Regulatory Commission
Washington, DC 20555-0001

SUBJECT: DRAFT FINAL GENERIC LETTER 2005-XX, "GRID RELIABILITY AND THE IMPACT ON PLANT RISK AND THE OPERABILITY OF OFFSITE POWER"

Dear Mr. Reyes:

During the 527th meeting of the Advisory Committee on Reactor Safeguards, November 3-5, 2005, we reviewed the draft final Generic Letter 2005-XX, "Grid Reliability and the Impact on Plant Risk and the Operability of Offsite Power." During our review, we had the benefit of the document referenced and discussions with representatives of the staff and the Nuclear Energy Institute.

RECOMMENDATION

Generic Letter 2005-XX, "Grid Reliability and the Impact on Plant Risk and the Operability of Offsite Power," should be issued.

BACKGROUND AND DISCUSSION

The blackout of much of the Northeastern United States and parts of Canada on August 14, 2003, highlighted the extent to which changed conditions in the electric utility infrastructure could affect the probability of a station blackout event at nuclear power plants (NPPs). During the August 14 2003, event, nine NPPs lost all offsite power for periods ranging from 1 hour to 6.5 hours. Emergency diesel generators at these plants started and operated to supply emergency power, as designed. Adequate core cooling was maintained at all plants. Nonetheless, this event was significant because of the number of plants affected and the duration of the power outage. The severity and duration of this event called into question the bases for determining the risk impacts to the fleet of NPPs due to grid reliability issues.

Concerns about the reliability of the Nation's electrical grid prompted the U.S. Congress to enact the Electricity Modernization Act of 2005, which was signed on August 8, 2005. This Law added Section 215 to the Federal Power Act (FPA). Section 215 requires the Federal Energy Regulatory Commission (FERC) to enact regulations to improve and enforce the reliability of the electric power transmission infrastructure. FERC is currently amending its regulations to implement the requirements of the amended FPA. Among the changes under the amended FPA, FERC is charged with approving enforceable reliability standards. The North American Electric Reliability Council (NERC) is currently developing these reliability standards. The establishment of a national Electric Reliability Organization and the implementation of enforceable grid reliability standards are expected to be completed by December 31, 2006. The NRC has entered into a Memorandum of Agreement with both FERC and NERC which allows the staff to observe and participate in this important ongoing work. The continued cooperation between the staff and FERC and NERC is important in achieving the objectives of

enhanced grid reliability without duplication of effort or conflicting goals, rules, or strategies. This cooperation should continue until satisfactory resolution of the grid reliability issue is achieved.

Even though FERC is taking important steps to improve grid reliability, the staff is rightly concerned as to how licensees are operating their NPPs in compliance with the rules and technical specifications relevant to grid operability. The NRC staff has developed Generic Letter 2005-XX, "Grid Reliability and the Impact on Plant Risk and the Operability of Offsite Power," to obtain information needed to assess whether licensees are in compliance with technical specifications, license conditions, and regulations regarding the operability and reliability of offsite power sources. Specifically, the Generic Letter requests licensees to provide detailed information, under oath or affirmation, regarding the details of their compliance with the following regulations:

- 10 CFR 50.63 (Station Blackout Rule)
- 10 CFR 50.65 (Maintenance Rule)
- 10 CFR Part 50, Appendix A, General Design Criterion 17 (Electric Power Systems)
- Technical Specification 3.8.1 (Operability of Offsite Power Systems)

The questions posed in the Generic Letter are appropriate and the staff should issue the Generic Letter to the licensees. The staff may need to explore these same questions with licensees after the Electric Reliability Organization is established and functioning, and the electric reliability standards are approved and in full force and effect. Also, the staff should continue to interact with FERC and NERC on grid reliability issues. We would like to hear a briefing from the staff after it has evaluated the information submitted by the licensees in response to this Generic Letter.

Sincerely,

/RA/

Graham B. Wallis
Chairman

Reference:

Memorandum from M. Mayfield, NRR, to J. Larkins, ACRS, dated October 6, 2005, Subject: Request for Review and Endorsement by the Advisory Committee on Reactor Safeguards (ACRS) Regarding the Proposed Generic Letter 2005-XX, "Grid Reliability and the Impact on Plant Risk and the Operability of Offsite Power," (ADAMS Accession No. ML052790683).

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