

July 13, 2007

Ms. Deborah Deal Blackwell, Project Manager
Hyperion Power Generation, Inc.
369 Montezuma Avenue, Suite 508
Santa Fe, NM 87501

SUBJECT: PROPOSED PRE-APPLICATION PLANNING FOR MANUFACTURING
LICENSE FOR THE HYPERION HYDRIDE NUCLEAR REACTOR DESIGN

Dear Ms. Blackwell:

Thank you for your letter, dated June 15, 2007 [available in the Agencywide Documents Access and Management System (ADAMS), under Accession No. ML071800261]. In that letter, you proposed that the U.S. Nuclear Regulatory Commission (NRC) initiate pre-application activities to support a manufacturing license review of the Hyperion hydride nuclear reactor design. The information provided in your letter, together with the additional details presented at the meeting on May 30, 2007, establishes a good starting point for continued interaction on this subject.

As you proposed in your letter, we can meet in August 2007 to initiate a dialogue regarding the scope, schedule, and resource requirements for a potential pre-application review, as well as a subsequent manufacturing license review. A pre-application review would have the following objectives:

- Familiarize the NRC staff with the design and technology.
- Provide feedback to Hyperion Power Generation, Inc. (HPG), on the key design, technology, and licensing issues.
- Provide feedback to HPG on your technology development program plans.
- Provide input to the cognizant entities within the NRC, regarding infrastructure development needs.

The scope and effectiveness of the pre-application review will be significantly affected by the maturity and constancy of your proposed design.

Once the resources required to perform a pre-application review and/or a manufacturing license review are better understood, the NRC staff will evaluate those needs in the context of our normal planning, budgeting, and performance management process. At the appropriate time, the staff will formally document its plans and notify HPG regarding the details of those plans. Please be aware that NRC's efforts related to a pre-application review of the Hyperion design are fee-billable under project number 0758.

Consistent with your letter, we propose a public meeting at the NRC's headquarters in Rockville, Maryland, on August 22, 2007, to further discuss pre-application issues. Please advise as soon

D. Blackwell

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as possible if you can support this date. In addition, please advise if any of the material to be presented by HPG contains proprietary information.

To expedite the NRC's planning, HPG should focus its presentation on the following topics:

- Discuss the evolution and current status of the Hyperion design.
- Describe the relevant analysis and testing that has been performed to support licensing.
- Summarize the anticipated schedule for availability of technical reports for NRC review.

To the extent practicable, meeting outcomes should include preliminary identification of key issues associated with the pre-application review, and an improved understanding of how the Hyperion design will fit within the NRC's existing regulatory framework.

Further information related to the meeting will be provided as part of our public meeting notice. Please direct any comments and questions to John R. Jolicoeur of my staff, at 301-415-0612 or JRJ1@nrc.gov.

Sincerely,

/RA/

Brian W. Sheron, Director
Office of Nuclear Regulatory Research

D. Blackwell

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Office of Nuclear Regulatory Research

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