

POLICY ISSUE NOTATION VOTE

March 4, 2011

SECY-11-0033

FOR: The Commissioners

FROM: R. W. Borchardt
Executive Director for Operations

SUBJECT: PROPOSED NRC STAFF APPROACH TO ADDRESS RESOURCE
CHALLENGES ASSOCIATED WITH REVIEW OF A LARGE NUMBER
OF NFPA 805 LICENSE AMENDMENT REQUESTS

PURPOSE:

To propose an approach for consideration by the U.S. Nuclear Regulatory Commission on how to address a large number of license amendment request (LAR) submittals from licensees transitioning to Title 10 of the *Code of Federal Regulations* (10 CFR) 50.48(c) using National Fire Protection Association (NFPA) Standard 805, "Performance-Based Standard for Fire Protection for Light Water Reactor Electric Generating Plants."

BACKGROUND:

Lessons learned from the performance and review of two NFPA 805 pilots show that the staff and the industry have underestimated the complexity and resources necessary to address the technical issues associated with review and approval of LARS for use of NFPA 805. Furthermore, the staff anticipates that the agency will receive about 30 NFPA 805 LAR submittals, 25 of them by the end of June 2011 as a result of current Commission policy. Completing the reviews in a 2-year timeframe of such a large number of submittals received in such a short time period is a significant challenge to the agency. This paper describes an alternate approach to address this challenge.

DISCUSSION:

The staff proposes [REDACTED] the current resources for NFPA 805 LAR reviews so that these reviews will be completed by fiscal year (FY) 2016. The staff also proposes to work with the industry to stagger the LAR submittals with a goal to complete each LAR review within a 2-year timeframe.

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The staff's proposed approach is intended to achieve better efficiency and higher quality applications and reviews. Using a staggered approach, the staff anticipates that the NRC will receive 7 LARs in FY 2011, followed by 10 in FY 2012, 10 in FY 2013, and 3 in FY 2014.

The staff will propose the safety and efficiency criteria and engage the industry through public meetings to establish an acceptable submittal schedule. Examples of criteria could include the following:

- plant-specific safety benefits derived from NFPA 805 implementation,
- licensee-proposed implementation and modification schedule, and
- quality and completeness of the LAR.

The staggered review approach has the following advantages:

- capitalizes on lessons learned from successive reviews,
- allows licensees to improve the technical quality of subsequent LAR submittals,
- minimizes undue burden to licensees while ensuring safety and regulatory stability, and
- allows LARs to be reviewed in a timely manner after submittal.

The staff will develop a staggered review approach similar to that used by the license renewal program. This review approach will also include other positive aspects such as consistency of acceptance reviews, onsite audits, web-based information sharing with licensees, and periodic meetings with industry and other stakeholders on lessons learned.

RESOURCES:

[REDACTED]

[REDACTED]

[REDACTED]						
[REDACTED]						
[REDACTED]						
[REDACTED]						

[REDACTED]

Impacts from Reallocating Resources

Only a limited number of NRC staff and contractor personnel possess the required expertise to perform these reviews. The Office of Nuclear Reactor Regulation (NRR), Office of New Reactors (NRO), and Office of Nuclear Regulatory Research (RES) have coordinated and have identified appropriate staff with the requisite skills and knowledge that could be available to perform the NFPA 805 LAR reviews.

Should the identified member of RES staff be assigned to support NFPA 805 reviews, the staff member will be detailed to NRR, but RES will retain the budgeted FTE. As a result of the detailing of this staff member, some risk-informed fire protection research programs will be impacted. These include delays in updating the fire events database to refine fire initiating event frequencies for fire PRAs and future updates to NUREG/CR-6850, "Fire PRA Methodology for Nuclear Power Facilities" to incorporate resolution of future NFPA-805 Frequently Asked Questions. RES can effectively manage these delays to ensure the safety mission is not impacted. In addition, non-conflicted contractor resources in this area are limited and, in part, are supporting fire research. The impact to this research of the proposed increased utilization of the contractor resources is not yet determined and would need to be carefully managed.

Also, should NRO staff be assigned to support the NFPA 805 reviews, there could be some near term delays in reviews of the fire protection program and reviews of the loss of large area (10 CFR 50.54 (hh)(2)) applications for U.S. Advanced Pressurized Water Reactor and U.S. Evolutionary Power Reactor Design Certifications and several of the Combined Operating Licenses that reference those certifications. However, these near term delays are not anticipated to delay the overall review schedules for these designs.

Additionally, certain NRR review activities will no longer be fully funded within that year's budget, and unless other efficiencies can be realized, will be delayed. NRR anticipates delays in some topical reports and lower priority licensing reviews. Also, NRR will defer some lower priority tasks in the Reactor Oversight Process risk tool enhancement initiative. In addition, certain risk-focused licensing work may be impacted. NRR anticipates receipt of additional submittals under 10 CFR 50.69, "Risk-Informed Categorization and Treatment of Structures, Systems and Components for Nuclear Power Reactors," beyond the pilot application, additional submittals for risk-informed technical specification allowed outage times (Initiative 4b) beyond the pilot application, and other risk-informed technical specification submittals. Accomplishment of these risk-informed submittals will be challenging and NRR will carefully manage that work to ensure the safety mission is met.

The staff will notify the Commission of any significant reallocation of resources in accordance with Management Directive 4.2 (>\$500K/4.0 FTE).

ENFORCEMENT POLICY:

Under the current Enforcement Policy, licensees will lose their enforcement discretion if they do not submit their LAR: (1) 3 years from the date specified by the licensee in its letter of intent to transition to NFPA 805; or (2) if the licensee requested and received additional enforcement discretion, 6 months after the date of the safety evaluation approving the second pilot plant LAR review (June 29, 2011). If the Commission approves the proposed staggered approach, the

staff would later submit to the Commission, for approval, a revision to the Enforcement Policy, which would propose to extend enforcement discretion to correspond with the new LAR submittal dates.

RECOMMENDATION:

The staff recommends that the Commission approve this approach [REDACTED] for NFPA 805 LAR reviews and for developing a staggered submittal and review process for these reviews. If approved by the Commission, the staff will submit a separate policy paper outlining the recommended associated changes to the Enforcement Policy.

COORDINATION:

The Office of the General Counsel has reviewed this paper and has no legal objection. The Chief Financial Officer has reviewed this paper and concurs.

The staff requests that this document be treated as "Official Use Only – Sensitive Internal Information" because of the presence of pre-decisional budget-related information.

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