

50-244

MAY 12 1981



Ms. Anna Dato, Executive Director  
Goleta Valley Chamber of Commerce  
P. O. Box 781  
Goleta, California 93116

Dear Ms. Dato:

The April 13, 1981 resolution of the Goleta Valley Chamber of Commerce supporting the licensing of the San Onofre 2 and 3 and Diablo Canyon 1 and 2 nuclear power plants has been referred to me for reply. I am pleased to provide the following information regarding nuclear power plant licensing in general, and licensing of San Onofre 2 and 3 and Diablo Canyon 1 and 2 in particular.

Since the TMI-2 accident, a significant amount of the NRC resources have been concentrated on identifying the lessons to be learned from that accident and the associated requirements that are necessary and sufficient for the continued operation of licensed facilities and for the issuance of new operating licenses. That effort culminated with the issuance of the NRC's TMI Action Plan, approved in June 1980.

The development of that document and the NRC's increased attention to the safety in the 70 operating reactors took so much of our attention and our resources that we were unable to license new plants for a year after the accident. Following the issuance of the Action Plan, new operating licenses were issued to Sequoyah and North Anna units late last summer and to Farley, Unit 2 in March of this year. In addition, a low power test authorization was issued to Salem Unit 2. We anticipate Salem 2 going to full power in the near future.

Currently, the overall picture is one of a licensing process that is returning to predictability at a considerably enhanced level of safety. However, the implementation of this enhanced level of safety has raised a number of potential new issues in the contested hearings for both operating licenses and construction permits around the country. Some of these units were substantially complete at the time of the Three Mile Island accident or have been completed since then. Thus, we do face a situation in which, for the first time, our hearings are or will be continuing for a significant number of plants that will be complete and ready to operate before the hearings conclude.

This situation is an indirect consequence of the TMI accident, which required a re-examination of the entire regulatory structure. We are not satisfied with the present situation and we are working to find ways to accelerate the hearings on these plants whose continued idleness prevents a substantial investment from benefiting either the consumers or the operating utilities.

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To that end, major improvements in the licensing process are underway or being considered. These improvements include:

- Expedited and rescheduled review by the NRC staff for plants in the short term category--those presently complete and those to be completed in 1981 and 1982.
- Increased efficiency of the hearing process and subsequent Commission and Appeals Board review. The time now being taken between issuance of the supplemental staff evaluation report and initial decisions by licensing boards averages 18 months. The NRC believes it can compress that time to about 10 months by tightening up the times allowed for each part of the prehearing process and by providing firmer time management of the whole process. The Commission is publishing for public comment proposed changes to its rules which would accomplish this.
- Changes in the review process the Commission itself exercises over these cases. The Commission is considering two alternatives to shorten this review period which could save at least two months in each case that has been in hearing.
- Early completion of NRC staff review for plants to be completed in 1983 and beyond. This will require better scheduling of reviews and increased staff resources applied to casework. Some staff resources can be redirected by deferring lower priority work and shifting some work to other NRC offices. Before making such a change, the Commission will carefully review the impact on other essential safety-related activities.

One further step to be considered is legislation to authorize the Commission to issue limited, interim operating licenses before completion of hearings where all applicable safety requirements have been met.

In summary, we are confident the actions we have taken and those we will take will provide major improvements in licensing schedules without compromising the regulatory requirements for safety.

With regard to licensing of San Onofre Units 2 and 3, the staff has completed the major part of its review. Staff safety evaluations were issued on December 31, 1980, February 6, 1981 and February 25, 1981. The review of the San Onofre Units 2 and 3 by the Advisory Committee on Reactor Safeguards was completed on March 12, 1981. A supplement to the Safety Evaluation Report addressing issues identified by the ACRS and the remaining outstanding issues is in preparation and is scheduled to be issued in early May. The hearing on this project is scheduled to begin on June 15, 1981.

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With regard to the licensing of Diablo Canyon, Units 1 and 2, as you no doubt are aware, since docketing of its operating license application in late 1973 there have been major plant improvements that have been made as the result of a seismic re-evaluation of the facility and as the result of applying the lessons learned from the Three Mile Island (TMI) accident.

Pacific Gas and Electric Company filed a motion last year with the Atomic Safety and Licensing Board (ASLB) for authorization to load fuel and conduct low power testing prior to final Commission action with respect to PG&E's application for a full-term operating license. The NRC staff subsequently issued supplements to the Diablo Canyon Safety Evaluation Report which addressed additional issues related to fuel load and low power issues arising from the Three Mile Island (TMI) accident. Intervenor and Governor Brown have sought to re-open the record on Diablo Canyon with respect to these matters. The ASLB has admitted some issues as a result of Intervenor's arguments and has scheduled hearings on TMI-related issues to commence on May 19, 1981. Assuming that existing Commission procedures remain unchanged, a decision is not expected until December of 1981.

Early in 1980, the Atomic Safety and Licensing Appeal Board (ASLAB) re-opened the record on earthquake design and facility security issues. The Appeal Board conducted evidentiary hearings on these matters in October and November 1980 and is expected to issue a decision on those issues in the near future.

With regard to the full power license, in early April the NRC issued supplements to the Diablo Canyon Safety Evaluation Report on TMI issues related to full power and several remaining other issues. This essentially completes the NRC staff actions with respect to full power license. A Commission decision on full power operation is not expected before March of next year.

We appreciate your interest in the San Onofre and Diablo Canyon projects. Please be assured that the NRC is taking every reasonable action to expedite the licensing process, consistent with our commitment to ensure the public health and safety.

Sincerely

Original signed by  
Darrell G. Eisenhut

Darrell G. Eisenhut, Director  
Division of Licensing  
Office of Nuclear Reactor Regulation

\*SEE PREVIOUS CONCURRENCE

OFFICE	DL:LB#3*	DL:LB#3*	DL:LB#3*	DL:LB#3*	DL:LB#3*	
SURNAME	BCBuckley:jb	HRood	FJTraglia	RLTedesco	DGEisenhut	
DATE			5/6/81	5/6/81	5/9/81	

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Sincerely

Darrell G. Eisenhut, Director  
Division of Licensing  
Office of Nuclear Reactor Regulation

OFFICE	DL:LB#3	DL:LB#3	DL:LB#3	DL:AD/L	DL:DIR		
SURNAME	BCBuckley:jb	HRood	FJMiraglia	RLTedesco	DGEisenhut		
DATE	5/2/81	5/5/81	5/ /81	5/ /81	5/ /81		

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Anna Dato

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