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NUCLEAR ENERGY INSTITUTE

April 1, 2014

The Honorable Allison M. Macfarlane
Chairman
U.S. Nuclear Regulatory Commission
Washington, DC 20555

Subject: NEI Comments on Issues Raised in SECY-14-0016, "Ongoing Staff Activities to Assess Regulatory Considerations for Power Reactor Subsequent License Renewal"

Project Number: 689

Dear Chairman Macfarlane:

On behalf of the nuclear industry, the Nuclear Energy Institute (NEI)[1] offers the following comments as the U.S. Nuclear Regulatory Commission (NRC) considers the staff's proposal set forth in SECY-14-0016, "Ongoing Staff Activities to Assess Regulatory Considerations for Power Reactor Subsequent License Renewal," dated January 31, 2014. NEI appreciates the opportunity to provide the industry's views on the options presented in the SECY to prepare for subsequent license renewal (SLR) applications.

NEI supports Option 1, "No change to the existing 10 CFR Part 54 regulations," as outlined in the SECY paper and believes that the existing framework provided in Part 54 is adequate and sufficient for both the initial and subsequent application for a renewed license. NEI opposes Options 2, 3 and 4 because, as discussed in further detail in the attachment, these options undermine the two principles of license renewal, are out of step with the Commission's Staff Requirements Memorandum in SECY-12-0137, "Implementation of the Cumulative Effects of Regulation Process Changes," dated March 12, 2013, and are inconsistent with both the Commission's Principles of Good Regulation and the spirit of Executive Order 13579.

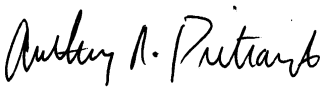
[1] NEI is the organization responsible for establishing unified nuclear industry policy on matters affecting the nuclear energy industry, including the regulatory aspects of generic operational and technical issues. NEI's members include all utilities licensed to operate commercial nuclear power plants in the United States, nuclear plant designers, major architect/engineering firms, fuel fabrication facilities, materials licensees, and other organizations and individuals involved in the nuclear energy industry.

NEI also supports three key staff conclusions discussed in SECY-14-0016. First, we concur that "the license renewal process and regulations are sound and can support subsequent license renewal" (SECY-14-0016 at 1). To date, this legal and regulatory framework has been used successfully in the renewal of 73 NRC reactor licenses. Second, NEI agrees that "environmental issues can be adequately addressed by the existing [generic environmental impact statement (GEIS)]" (*Id.* at 5). Third, NEI agrees that it could be helpful for the NRC to revise its license renewal guidance in a timely manner to support SLR.

The industry commends the NRC staff for proactively reviewing the NRC's existing regulatory framework, rules and guidance, and for holding three public meetings to obtain stakeholder input to prepare for anticipated SLR applications that will request approval to renew facility operating licenses beyond 60 years. Continued operation of the nation's commercial nuclear power facilities will play an important role in achieving the president's greenhouse gas emission reduction goals, ensuring reliable and diverse baseload generation, and supporting economic growth and high-paying jobs.

We appreciate the Commission's consideration of these comments. Please contact Jason Remer (202.739.8112; sjr@nei.org) or me if you have any questions.

Sincerely,



Anthony R. Pietrangelo

Attachment

c: The Honorable Kristine L. Svinicki, Commissioner, NRC
The Honorable George Apostolakis, Commissioner, NRC
The Honorable William D. Magwood, IV, Commissioner, NRC
The Honorable William C. Ostendorff, Commissioner, NRC
Mr. Mark A. Satorius, Executive Director for Operations, NRC
Ms. Margaret M. Doane, OGC, NRC
Mr. Eric Leeds, Director, NRR, NRC
Mr. John Lubinski, Director, DLR, NRC
Dr. Edwin M. Hackett, ACRS, NRC

Attachment

Nuclear Energy Institute Comments on SECY-14-0016, "Ongoing Staff Activities to Assess Regulatory Considerations for Power Reactor Subsequent License Renewal" and Request for Commission Approval of Option 1

Introduction

On January 31, 2014, the NRC staff issued SECY-14-0016 (SECY) to "inform the Commission of ongoing staff activities to prepare for the anticipated receipt and review of subsequent license renewal applications that, if approved, could extend operation of power reactors beyond 60 years" and request Commission approval to initiate a rulemaking to update 10 CFR Part 54. (SECY at 1.)

This industry paper provides nuclear industry feedback on SECY-14-0016, including the industry's view as to why no rulemaking is required or desirable to improve the process for reviewing and processing SLR applications. As discussed below, NEI recommends that the Commission approve Option 1 as set forth in the SECY because "the license renewal process and regulations are sound and can support subsequent license renewal…" (SECY at 1.) No evidence supports NRC staff's claim that Option 4 would result in a "more predictable review process," and, indeed, to our knowledge no cost-benefit justification for any suggested regulatory changes has been performed.

Summary of Industry Position

Regarding the soundness of the NRC's regulations, NEI continues to believe that 10 CFR Part 54 is well-founded, appropriately focused and adequately protective of public health and safety. The Commission deliberately formulated 10 CFR Part 54 to apply to those issues determined to be relevant to the public health and safety during the period of extended operation, leaving all other safety issues to be addressed by the existing regulatory processes (see 1995 Final Rule 60 *Fed. Reg*. 22,461, 22,463-64). The two principles that underpin the careful focus of these regulations are: (1) the current regulatory process is adequate to ensure that the licensing basis of all operating plants provides and maintains an acceptable level of safety so that operation will not be inimical to public health and safety or common defense and security; and (2) each plant's licensing basis is required to be maintained during any renewal term in the same manner and to the same extent as during the original licensing term (*Id*. at 22,464). These two principles of license renewal have been and will continue to be foundational in ensuring adequate protection of public health and safety during *any* period of extended operation. Furthermore, in establishing the regulatory framework for license renewal, the Commission stated that it is essential to have a predictable and stable regulatory process clearly and unequivocally defining the Commission's expectations for license renewal. This process would permit licensees to make decisions about license renewal without being influenced by a regulatory process that is perceived to be uncertain, unstable or not clearly defined (*Id.* at 22,462).

Departing from these fundamental, long-established principles and embarking on a rulemaking to also require SLR applicants to submit a probabilistic risk assessment (PRA) update, address emergency planning issues, and/or address other issues that are not uniquely relevant to the period of extended operation (in

addition to existing requirements) would be bad policy. Such issues are adequately addressed in the existing regulatory process and need not be addressed in an initial license renewal or SLR review.

As already stated, NEI agrees with three key staff conclusions in SECY-14-0016. First, we concur that "the license renewal process and regulations are sound and can support subsequent license renewal" (SECY-14-0016 at 1). Second, NEI agrees that "environmental issues can be adequately addressed by the existing [generic environmental impact statement (GEIS)]" (*Id.* at 5). Third, NEI agrees that it could be helpful for the NRC to revise its license renewal guidance in a timely manner to support SLR, but we do not believe that a revised Generic Aging Lessons Learned (GALL) Report is essential because the NRC's Part 54 regulations already provide an adequate, well-established framework and standards for assessing the adequacy of aging management programs proposed by an applicant. If the NRC staff proceeds with the development of a revised GALL Report, it should take care to avoid an unnecessary and protracted effort that seeks to resolve every technical issue before the agency has had the benefit of reviewing initial SLR applications.

For its part, SECY-14-0016 provides no support for its claim that these changes would result in a "more predictable review process" (*Id.* at 1). For example, SECY-14-0016 contains no estimate of the costs or benefits associated with such a rulemaking. Nor does it compare those costs and benefits to those associated with less burdensome alternatives such as relying upon current regulations and ongoing industry initiatives. The fact that the SECY does not make a compelling case for change is particularly troubling since some of the amendments proposed, such as further limiting the time during which SLR applications can be filed, appear directly inconsistent with existing requirements and Commission policy.

Additionally, most of the changes proposed by the SECY paper are unnecessary editorial and clarifying changes that are already adequately addressed in the current regulatory (or guidance) framework. For example, an editorial update to 10 CFR 54.4(a)(3) to reference 10 CFR 50.61a is unnecessary because 10 CFR 54.4(a)(3) already references Section 50.61, which in turn references Section 50.61a. Likewise, there is no need for the NRC to clarify 10 CFR 54.37(b) because the NRC has already issued a generic communication that addresses this issue and can always issue a supplementary guidance document if needed.

The SECY states that proposed areas of revision "address unique regulatory challenges to plant operations beyond 60 years" (SECY at 4). However, most of the regulatory changes proposed in the SECY are not unique to SLR. This makes it particularly inappropriate for the staff to initiate a non-essential rulemaking. We are very concerned that such a rulemaking would jeopardize the schedule for the SLR lead plant and numerous initial license renewal applications that have been pending before the NRC for years because of the waste confidence rulemaking. To the extent that some of the changes proposed in SECY-14-0016 have a stated nexus to SLR, they are nonetheless unnecessary and inconsistent with key license renewal principles that undergird the current license renewal rules. For example, the NRC intentionally did not include license-renewal-specific requirements for maintaining license renewal activities and reporting age-related degradation in the original rule because the NRC found existing maintenance and reporting requirements adequate. Notably, nothing in SECY-14-0016 identifies any systematic, industry-wide problem suggesting that the Commission should reconsider this conclusion. Nor does the staff demonstrate that

some additional regulatory requirement is necessary to supplement the industry's ongoing initiatives to address these issues through guidance to which each site will adhere. As another example, requiring SLR applicants to verify the continuing validity of certain original design parameters is unnecessary because such issues are adequately addressed in the existing regulatory process and need not be addressed in an SLR review. Adding such a requirement would constitute a fundamental departure from and undermine the principles on which 10 CFR Part 54 is based. Accordingly, these changes would undercut the current license renewal rules' strengths—its fairness, predictability and efficiency.

Given the lack of safety significance associated with any regulatory proposal identified in SECY-14-0016, pursuing a rulemaking also would be inconsistent with the NRC's efforts to address the cumulative effects of regulations. Pursuing a rulemaking would also be inconsistent with NRC's principles of good regulation and would be costly, lengthy and result in unnecessary delay for the lead SLR applicant. The potential for delay is not an academic point. NEI anticipates that the first SLR application will be submitted in 2018. Engaging in an unnecessary license renewal rulemaking so close to the time when a lead application will be filed would almost certainly decrease the efficiency and reliability of the current license renewal rules. Because preparation of an SLR application takes about two years, such a rulemaking would need to be completed in 2016 to avoid impacting the SLR lead applicant. Completion of such a rulemaking in that timeframe is doubtful even if the Commission directed the staff to immediately begin a rulemaking.

Detailed Review of Each Option

I. Option 1 in the SECY Provides the Most Direct, Efficient and Reliable Path for Maintaining a Predictable License Renewal and SLR Process

NEI supports Option 1 in the SECY paper (no change to the existing 10 CFR Part 54 regulations) because, as the staff acknowledges, "the license renewal process and regulations are sound and can support subsequent license renewal." In support of Option 1, the SECY states:

> The existing license renewal rule allows a previously renewed operating license to be subsequently renewed with no additional requirements imposed and no limit on the number of times a license can be subsequently renewed provided that it is justified and that safety is ensured. Therefore, the existing regulation could continue to be used for subsequent renewals without modification.
>
> The NRC staff has relicensed 73 reactor operating licenses and has developed guidance for review under the existing license renewal rule. In addition, stakeholders from industry and the staff participate in the existing process and understand it well. The advantage of this option is that it provides for the least change in the current process. Technical issues related to subsequent license renewal would be addressed through revisions of guidance such as the GALL Report and the SRP-LR. If an applicant cannot successfully address technical issues and demonstrate that a plant can be operated safely for an additional 20 years, the NRC will not renew the license. In addition, within the current process, the NRC already has the flexibility to grant a renewed license for any amount of time less than 20 years if the staff believes that is appropriate. This option would have the smallest

impact on the resources needed to enhance infrastructure for subsequent license renewal. (SECY at 5-6.)

After acknowledging that the current regulatory framework for license renewal is in no way deficient, the SECY paper inexplicably asserts in the next paragraph (SECY at 6) that Option 1 "provides a less efficient regulatory framework" for the review of SLR applications, and amendment is needed to "enhance regulatory clarity." Because the SECY provides no explanation or detailed support for this assertion, we believe it should be discounted.

In considering Option 1, the Commission should take into account the viability of the current regulatory framework for license renewal. Enclosure 1 to the SECY (pp. 1-2) provides a short but illuminating regulatory history of license renewal, which serves to emphasize that license renewal safety and environmental requirements are the product of many years of agency attention. This effort has created a predictable and stable regulatory process that clearly defined the Commission's expectations for license renewal. The SECY discusses both the safety reviews and the environmental reviews, including updates, and concludes that they are sound.

Moreover, consistent with the NRC's 1995 license renewal rule, there is no need to require SLR applicants to include a Probabilistic Risk Assessment (PRA) update, address emergency planning issues, or address other issues that "are not uniquely relevant to the period extended operation" *because such issues are adequately addressed in the existing regulatory process*. Currently, 27 plants have entered into the period of extended operation (PEO), and the industry as a whole has accumulated over 40 reactor years of operation in the PEO. Plant safety performance and availability continue at record levels, and there is every indication that the aging management programs are performing their intended function to identify and manage age-related degradation.

II. Option 2 in the SECY Is Unnecessary and Has No Unique Relevance to SLR

A. Editorial Update to 10 CFR 54.4(a)(3) to Reference 10 CFR 50.61a

The SECY suggests an "editorial update" to the scope of Section 54.4(a)(3). (See SECY at 6 and SECY Enclosure 2 at 1.) This proposed revision is unnecessary and has no safety significance, because Section 54.4(a)(3) already references Section 50.61, which in turn references Section 50.61a. Indeed, the SECY recognizes that the NRC has previously addressed the intent of 10 CFR 54.37(b) in a Regulatory Issue Summary (RIS). Further, there is nothing SLR-specific here because the proposed new reference to Section 50.61a could also apply to an initial license renewal. Therefore, this change does not justify a rulemaking. The staff says as much on page six of the SECY: "These changes alone may not warrant resource allocation to conduct the rulemaking process." Alternatively, while not recommended, the NRC could effectuate this editorial update through a direct final rule since the underlying matter is the subject of a RIS.

B. Clarify Intent of 10 CFR 54.37(b)

The SECY also proposes clarification of Section 54.37(b) regarding how the additional records and recordkeeping requirements apply to newly-identified systems, structures and components. (See SECY at 6; SECY Enclosure 2 at 2.) This proposed revision is unnecessary, as the NRC has already issued a RIS clarifying the NRC's interpretation of Section 54.37(b). If additional clarification beyond the latest version of the RIS is needed, then the NRC should issue an additional or revised generic communication and need not engage in a costly, less efficient rulemaking. Further, this change is not specific to SLR (as shown by the NRC's reliance on RIS-2007-16, Revision 1), and thus does not justify a rulemaking. The staff admits as much on page six of the SECY: "These changes alone may not warrant resource allocation to conduct the rulemaking process." Alternatively, while not recommended, the NRC could effectuate this editorial update through a direct final rule since the underlying matter is the subject of a RIS.

III. Option 3 in the SECY Is Unnecessary and Has No Unique Relevance to SLR[1]

A. Define Expectations of Timely Renewal (10 CFR 2.109)

This proposed modification is discussed in the SECY at p.6 and SECY Enclosure 2 at 2-3. The timely renewal issue is addressed in 10 CFR 2.109 and recently arose in the Indian Point (IP)-2 license renewal proceeding, which involved the extremely unusual situation in which the proceeding was not completed within five years (a situation that has not occurred in any of the other license renewal proceedings to date). As demonstrated in the IP proceeding, the NRC and the applicant adequately addressed the timely renewal issue without raising any safety-significant issues and without creating the need for a rule change.

Specifically, the NRC developed and applied NRC Inspection Procedure 71013, "Site Inspection for Plants with a Timely Renewal Application" (ML13032A102). In addition, the NRC appropriately took the position that during the period of timely renewal, IP2 must continue to meet all of the regulations and license conditions it presently is required to meet. By letter dated May 1, 2013, Entergy voluntarily committed to update its Final Safety Analysis Report (FSAR) to include the aging management programs and to implement the commitments it developed for license renewal, which the NRC staff has approved, to assure continued safe operation during the proposed license renewal period (ML13142A203). By letter dated August 19, 2013, the NRC staff acknowledged the licensee's commitments described above and provided the staff's expectations regarding continued plant operations during the period of timely renewal, as well as the continuation of the staff's review of the license renewal application (ML13197A034).

Furthermore, the SECY identifies nothing SLR-specific about this issue. Indeed, the staff states that this change would apply to both current and subsequent license renewals. (See SECY Enclosure 2 at 2.) And, as discussed above, the question noted above has been adequately addressed in the initial IP2 license renewal review. Thus, this issue does not justify an SLR rulemaking. Alternatively, it would appear that this matter might also be adequately addressed in NRC guidance.

[1] Since Option 3 includes Option 2, our arguments against Option 2 would apply here.

B. Revise 10 CFR 54.4(a)(3) to Place 10 CFR 50.54(hh) and FLEX Equipment in Scope of License Renewal

This issue is discussed in the SECY at 6-7, and SECY Enclosure 2 at 3. Because emergency preparedness equipment is not specifically called out in 10 CFR 54.4(a)(3), there is no need to do so with regard to Section 50.54(hh) and FLEX equipment. See the 1995 license renewal final rule, 60 *Fed. Reg*. 22,461, 22,468:

> Regarding systems, structures, and components required to make protective action recommendations, the Commission thoroughly evaluated emergency planning considerations in the previous license renewal rulemaking. These evaluations and conclusions are still valid and can be found in the SOC for the previous license renewal rule (56 FR 64943 at 64966). Therefore, the Commission concludes that systems, structures, and components required for emergency planning, unless they meet the scoping criteria in §54.4, should not be the focus of a license renewal review.

Even if this equipment is within the scope of license renewal, that does not necessarily mean that it is subject to aging management review based on the existing rule that only passive, long-lived structures and components are subject to an aging management review. Notably, the SECY provides no indication that a rule change would have any significant impact on safety or license renewal reviews. Further, this is not a SLR-specific issue and is inconsistent with the first principle of license renewal[2]. The reference to Section 50.54(hh) equipment would equally apply to an initial license renewal, and arguably to the initial license term. For all of these reasons, this proposed revision does not justify a SLR rulemaking.

[2] See 60 *Fed. Reg.* at 22,464 [May 8, 1995]. The first principle of license renewal was that, with the exception of age-related degradation unique to license renewal and possibly a few other issues related to safety only during the period of extended operation of nuclear power plants, the regulatory process is adequate to ensure that the licensing bases of all currently operating plants provides and maintains an acceptable level of safety so that operation will not be inimical to public health and safety or common defense and security. Moreover, consideration of the range of issues relevant only to extended operation led the Commission to conclude that the detrimental effects of aging are probably the only issue generally applicable to all plants. As a result, continuing this regulatory process in the future will ensure that this principle remains valid *during any period of extended operation* if the regulatory process is modified to address age-related degradation that is of unique relevance to license renewal. The second and equally important principle of license renewal holds that the plant-specific licensing basis must be maintained during the renewal term in the same manner and to the same extent as during the original licensing term. This principle would be accomplished, in part, through a program of age-related degradation management for systems, structures, and components that are important to license renewal as defined in the previous rule. The Commission still believes that mitigation of the detrimental effects of aging resulting from operation beyond the initial license term should be the focus for license renewal. After further consideration and experience in implementing the previous rule, the Commission has, however, determined that the requirements for carrying out the license renewal review can and should be simplified and clarified. The Commission has concluded that, for certain plant systems, structures, and components, the existing regulatory process will continue to mitigate the effects of aging to provide an acceptable level of safety in the period of extended operation. [emphasis added]

IV. Option 4 in the SECY Is Unnecessary and Conflicts With Fundamental Regulatory Principles in the License Renewal Rule

A. Require that Licensees effectively Maintain License Renewal Activities and Report Aging-Related Degradation After a License Is Renewed

Option 4 would encompass all of the revisions to the license renewal regulations proposed in SECY-14-0016, including the following discrete changes:

1. Make an editorial update to 10 CFR 54.4(a)(3) to directly reference 10 CFR 50.61a.
2. Codify guidance clarifying the intent of the recordkeeping requirements in 10 CFR 54.37(b).
3. Define in regulations the NRC's expectations for plants entering timely renewal (10 CFR 2.109).
4. Revise 10 CFR 54.4(a)(3) to place 10 CFR 50.54(hh) and FLEX equipment in license renewal's scope.
5. Add new requirements for licensees to effectively maintain license renewal activities and report aging-related degradation after a license is renewed.
6. Limit the time during which SLR applications can be filed.
7. Require verification of continuing validity of certain original design parameters.

The 1995 license renewal rule appropriately relied upon existing maintenance and reporting programs and requirements (e.g., maintenance rule and 10 CFR Part 50, Appendix B). Consistent with the two principles of license renewal, under the current regulations, the existing regulatory process, existing licensee oversight activities, and additional regulatory controls (e.g., placing a summary description of activities to manage the effects of aging into the FSAR) are sufficient to ensure that changes to programs that could decrease the overall effectiveness of the programs to manage the effects of aging and the evaluation of time-limited aging analyses for the systems, structures and components requiring license renewal review will receive appropriate review by the licensee.

Additionally, the industry is actively undertaking its own initiatives to enhance its guidance and practices for the reporting of operating experience (OE) and to develop new guidance for AMP self-assessment to which each site will adhere. The SECY does not identify any significant issue with license renewal maintenance or reporting. The NRC has, moreover, performed audits of aging management programs at plants that have already entered the PEO, for the purpose of developing technical information for SLR application reviews, and the SECY does not point to any deficiencies in aging management identified in those reviews. Thus, there is no need to impose additional requirements through rulemaking to cover industry's existing initiatives and practices.

Moreover, there is no indication that this is a SLR-specific issue. To the contrary, maintenance and reporting are more important for operation and oversight during the initial license renewal term than they are as "data" to be used for evaluating an SLR application.

Finally, the industry is concerned that a rule requiring a licensee to maintain the effectiveness of aging management programs may be misused to impose backfits, circumventing the NRC backfit rule. The rule could be misapplied to require licensees to revise previously approved aging management programs (for

example, to conform to changes in the GALL Report) simply because the staff declares the existing approved program to be not effective. This would significantly detract from the stability of the regulatory process. Further, there is no need for this rule because the required elements of an aging management program must include both consideration of operating experience and corrective action. Thus, in approving aging management programs as part of the license renewal process, the NRC already has the ability to ensure that these programs evaluate operating experience on an ongoing basis and take corrective action when necessary.

B. Limit the Time During Which SLR Applications Can Be Filed

The current license renewal rule demonstrates that plant-specific and industry OE provides sufficient information for the NRC to make a reasonable assurance finding. In the 1991 license renewal rule, the Commission stated:

> A nuclear power plant will undergo a significant number of fuel cycles over 20 years, and plant and utility personnel will have a substantial number of hours of operational experience with every system, structure, and component. The NRC believes that the history of operation over the minimum 20-year period provides a licensee with substantial amounts of information and would disclose any plant-specific concerns with regard to age-related degradation. (See 56 *Fed. Reg.* at 64,943, 64,963.)

Consistent with the second principle of license renewal, the same logic should apply to SLR. Significantly, the Commission recently reconsidered the basis for the 20-year period and found nothing to undermine this rule's basis. (See 77 *Fed. Reg*. at 28,318-19 [May 14, 2012].)

In some respects, the basis for the existing rule applies even more strongly to SLR. SLR applicants will have accumulated more operating cycles and more experience with existing programs than initial license renewal applicants. Many plants, moreover, are already operating in the PEO, and many more will enter the PEO before an SLR application is filed, thereby assuring that there will be significant industry OE implementing new AMPs for license renewal that can be drawn upon by SLR applicants. These are significant advantages that did not exist at the time of the first license renewal applications and further reinforce the adequacy of the 20-year period.

Also, the NRC will consider any new information about age-related degradation concerns (including generic industry experience and new AMP experience) discovered after the SLR license is issued and would factor any such new information into a plant's programs as appropriate.

It is also important to note that when it previously allowed applicants to submit an LRA up to 20 years before the expiration of their license currently in effect, the Commission found shorter periods (including periods between 5 and 15 years) inadequate:

> In proposing the earliest date of application, the Commission considered the time necessary for utilities to plan for replacement of retired nuclear plants. Industry studies estimate that the lead

> time to build a new electric generation plant is 10 to 12 years for fossil fuels and 12 to 14 years for nuclear or other new technologies. When the staff review is factored into the decision process, the Commission concludes that applications 18 to 20 years before expiration of a license are not unreasonable. For these reasons, the final rule permits the application for a renewed license to be filed 20 years before expiration of an existing operating license. (See 56 *Fed. Reg*. at 64,963.)

Again, because the Commission recently found nothing to undermine this basis for the 1991 rule, this provision should apply to SLR applications. (See 77 *Fed. Reg*. at 28,322 [May 14, 2012].) Given the economic pressure that is currently being put on baseload plants, there is even more need for the NRC to maintain the 20-year period to provide certainty for business planning.

C. Require Verification of Continuing Validity of Certain Original Design Parameters

The proposed rule change relating to re-evaluation of site characteristics in Chapter 2 of FSARs is seriously flawed because it fails to recognize the extent to which such a revision undermines the two principles of license renewal set forth in the 1995 rule: (1) the current regulatory process is adequate to ensure that the licensing basis of all operating plants provides and maintains an acceptable level of safety; and (2) each plant's licensing basis is required to be maintained during the renewal term in the same manner and to the same extent as during the original licensing term.

There is no need for a SLR application to re-evaluate a plant's design bases against present-day seismic, flooding and other external hazards. Because the NRC has an ongoing obligation to oversee the safety of operating nuclear power plants, matters relevant to current plant operation are addressed through the existing NRC regulatory process, within the current license term, rather than being deferred until the renewal term. (See 1995 license renewal final rule, 60 *Fed. Reg*. 22,461, 22,463-64.) To do otherwise would unnecessarily expend NRC resources and is not needed to protect public health and safety. Further, expanding the scope of license renewal review to re-evaluate site characteristics would represent a significant departure from the principles upon which the license renewal rules are based and might well undermine those principles.

The Commission has determined that existing NRC processes effectively maintain a nuclear power plant's current licensing basis (CLB) during both the initial term and the extended licensing term. The CLB is in force throughout the term of the operating license through the continuing regulatory activities of the NRC, including regulatory oversight and mandatory licensee programs. Intensive NRC oversight continues throughout any extended term of nuclear plant operation. Thus, license renewal and SLR alike should appropriately focus on "the potential impacts of an additional 20 years of nuclear power plant operation," not on everyday operational issues. (See *Florida Power & Light Co.*, Turkey Point Nuclear Generating Plant, Units 3 and 4, CLI-01-17, 54 NRC 3, 7 [2001].) License renewal reviews are not intended to duplicate the Commission's ongoing reviews of operating reactors, which would be both unnecessary and wasteful. (*Id.*)

Further, in the SRM on SECY-11-0137, the Commission approved the NRC staff's proposed schedule for initiating a rulemaking to require licensees to confirm seismic hazards and flooding hazards every 10 years and to address any new and significant information. Further, Section 402 of the December 23, 2011,

Consolidated Appropriations Act expands the scope to include other hazards as well. The Commission should use this rulemaking to define any requirements for periodic reexamination of the site characteristics, so that the same standards and process apply to all plants irrespective of license renewal. There is no reason to graft additional requirements for SLR applicants.

Ongoing Fukushima-related efforts demonstrate the sufficiency of that process to re-examine CLB issues such as those related to natural phenomena, severe weather and other changes to the surrounding plant environment. Given the Commission's responsibility to oversee the safety of operating reactors, issues that are relevant to both current plant operation and operation during the extended period must be addressed as they arise within the present license term, rather than at the time of SLR. In some cases, safety might be endangered if resolution of a safety matter were postponed until the final SLR decision. Thus, duplicating the Commission's responsibilities in both oversight of current plant operations as well as SLR would not only be unnecessary, but would waste Commission resources.

NEI appreciates the considerable agency time and effort devoted to the development of SECY-14-0016 and the opportunity to comment on the important legal and policy questions presented therein. For the reasons discussed above, we urge the Commission to support Option 1 as presented in the SECY. We would be happy to answer any questions relating of these comments.