

JOHN C. BUTLER
Sr. Director, Strategic Programs

1201 F Street, NW, Suite 1100
Washington, DC 20004
P: 202.739.8108
jcb@nei.org
nei.org



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Mr. Joseph G. Giitter
Director, Division of Risk Assessment
Office of Nuclear Reactor Regulation
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Mr. Lawrence E. Kokajko
Director, Division of Policy and Rulemaking
Office of Nuclear Reactor Regulation
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Subject: Report on Industry Prioritization and Scheduling Pilot

Project Number: 689

Ref: (1) NEI Letter dated November 14, 2014, *NEI 14-10, Guidelines for Prioritization and Scheduling Implementation*

Ref: (2) NEI Letter dated August 26, 2014, *Comments on Unified Agenda of Federal Regulatory and Deregulatory Actions*, Docket ID NRC-2014-0039

Attached, for your information and use, is a report summarizing the results from the recently completed demonstration pilot of a process used to characterize, prioritize and schedule regulatory and plant-identified actions at nuclear power facilities. The process, which is described in NEI 14-10 (Ref. 1), enables the development of scheduling priorities that are based on factors supporting safe plant operation and is intended to provide a means to prioritize plant activities on the basis of their importance to safety, independent of whether the issue is plant-initiated or a regulatory requirement or commitment. The prioritization process was developed to improve the management of emerging regulatory issues and to address industry and regulatory concerns on the cumulative impact of additional regulatory requirements.

Testing of the process was initiated in December 2013 through generic tabletop exercises. Plant-specific tabletop exercises were conducted in February and March 2014 to refine the process. Full demonstration pilots were then conducted at six nuclear power plant sites over the course of the summer. Approximately 100 issues, covering both regulatory driven and plant improvement activities, were evaluated during the pilot. The pilot of the process and associated guidance benefited from several public meetings with NRC staff and from NRC monitoring and observation of plant-specific pilot activities.

The pilot activities, as documented in the attached report, clearly demonstrate the strength and value of a scheduling process that prioritizes safety. Application at a plant site enables the uniqueness of each nuclear plant's design, as well as the uniqueness of each site's slate of projects, to be taken into consideration in determining the implementation schedule for issues at that site.

A critical component of the prioritization process is the use of multi-disciplinary panels, embracing a broad range of expertise and experience. The prioritization process demonstrated the importance of both the generic panels and plant-specific panels. Generic panels, where issues affecting multiple plants are evaluated, were important in identifying the plant-specific considerations that could influence importance determinations at a plant site. Plant-specific panels, where the high level of plant knowledge and experience of panel members plays an important role, assured a comprehensive review of the plant-specific impact of issues on plant operations. We believe application of the process at nuclear plant sites will enable plant operators to focus work activities consistent with the plant-specific risk profile and achieve faster improvements in safety in the complex post-Fukushima regulatory environment.

Further, we believe substantial benefits can be achieved through application of key elements of the prioritization process to NRC treatment of emerging issues. As discussed during an October 9, 2014 public meeting, efforts to improve stakeholder engagement on new issues should be continued. Actions to clearly define problem statements, closure criteria and potential alternative actions are needed to ensure appropriate actions are taken. Consideration of the safety and security significance of emerging issues, early in the development process, has great potential to inform how an issue should be prioritized and addressed in light of other ongoing regulatory activities. The prioritization process provides a straightforward means to determine key attributes impacting safety importance, allowing priority and schedule to be tailored as appropriate. The prioritization process would also inform the appropriate manner for regulatory treatment (e.g., Bulletin, Generic Letter, RIS).

The manner by which rulemaking activities are prioritized, i.e., Common Prioritization of Rulemaking (CPR), could be enhanced through the use of key elements from the NEI 14-10 prioritization process. As noted in our comments on the NRC Unified Agenda of Federal Regulatory and Deregulatory Actions (Ref. 2), there is a need for greater discrimination among assigned scores in the CPR review to assure that the focus of NRC and industry attention and resources are on those issues that provide the greatest safety and security benefit.

Rulemaking plans, intended to provide a preliminary outline of scope and impact of a rulemaking action, could also be enhanced through the incorporation of priority information. This would greatly assist the assessment of schedule for proposed rulemaking actions relative to all other rulemaking activities that are underway. The addition of priority information to rulemaking plans would provide valuable and needed information to the Commission to enable a more informed decision on how to proceed on the proposed actions and whether changes are necessary to the plans for other rule activities.

The industry appreciates the opportunity to work cooperatively with NRC in developing improvements for managing cumulative impact. The efforts to address prioritization and scheduling will enhance the focus on work activities that lead to greater improvements in safety and lower plant risk profiles. Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "John C. Butler". The signature is fluid and cursive, with the first name "John" and last name "Butler" clearly distinguishable.

John C. Butler

Attachment

c: Dr. Fernando J. Ferrante, NRR/DRA/APHB, NRC
Ms. Tara Inverso, NRR/DPR/PRMB, NRC
Mr. Samson Lee, NRR/DRA, NRC
Mr. Aby Mohseni, NRR/DPR, NRC
Mr. Ching H. Ng, NRR/DRA/APHB, NRC
Dr. Sunil D. Weerakkody, NRR/DRA/APHB, NRC
Mr. Antonios M. Zoulis, NRR/DRA/APHB, NRC