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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

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ADVISORY COMMITTEE ON REACTOR SAFEGUARDS

(ACRS)

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RELIABILITY AND PRA SUBCOMMITTEE

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FRIDAY, FEBRUARY 20, 2015

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ROCKVILLE, MARYLAND

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The Subcommittee met at the Nuclear Regulatory Commission, Two White Flint North, Room T2B1, 11545 Rockville Pike, at 1:00 p.m., John W. Stetkar, Chairman, presiding.

COMMITTEE MEMBERS:

JOHN W. STETKAR, Chairman

RONALD G. BALLINGER, Member

DENNIS C. BLEY, Member

CHARLES H. BROWN, JR. Member

JOY REMPE, Member

MICHAEL T. RYAN, Member

STEPHEN P. SCHULTZ, Member

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GORDON R. SKILLMAN, Member

DESIGNATED FEDERAL OFFICIAL:

MICHAEL SNODDERLY

ALSO PRESENT:

EDWIN M. HACKETT, Executive Director, ACRS

JOHN BUTLER, NEI

JOSEPH G. GIITTER, NRR

LAWRENCE KOKAJKO, NRR

DAVID LOCHBAUM, UCS*

JOSEPH RIVERS, NSIR

STEVE RUFFIN, NRR

RICHARD F. SCHOFER, NRR

SUNIL D. WEERAKKODY, NRR

ANTONIOS ZOULIS, NRR

*Present via telephone

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P R O C E E D I N G S

(1:00 p.m.)

CHAIRMAN STETKAR: The meeting will now come to order. This is a meeting of the Advisory Committee on Reactor Safeguards Subcommittee on Reliability and Probabilistic Risk Assessment. I'm John Stetkar, Chairman of the Subcommittee. Members in attendance today are Steve Schultz, Dick Skillman, Dennis Bley, Mike Ryan, Ron Ballinger, Charlie Brown, and Joy Rempe.

The purpose of today's meeting is to review a draft notation vote paper for Commission consideration that provides approaches for allowing licensees to propose to the NRC, a prioritization of the implementation of regulatory actions as an integrated set and in a way that reflects their risk significance on a plant-specific basis.

This meeting is open to the public. This meeting is being conducted in accordance with the provisions of the Federal Advisory Committee Act, rules for the conduct of and participation in the meeting have been published in the federal register as part of the notice for this meeting.

The Subcommittee intends to gather information, analyze relevant issues and facts, and

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1 formulate proposed positions and actions, as
2 appropriate, for deliberation by the full committee.
3 Mr. Michael Snodderly is the designated federal
4 official for this meeting. A transcript of the meeting
5 is being kept and it will be made available as stated
6 in the Federal Registry Notice.

7 Therefore, it's requested that all
8 speakers first identify themselves and speak with
9 sufficient clarity and volume so that they can be
10 readily heard. And again, I'll remind everyone to
11 please silence all of your little communication
12 devices. And I believe that I skipped Dr. Dennis Bley,
13 who is also a Member in attendance at this meeting.

14 We received written comments and requests
15 to make oral statements from David Lochbaum of the Union
16 of Concerned Scientists, and I believe we're also going
17 to have comment from NEI. I understand that there may
18 be individuals on the bridge line today who are
19 listening in on today's proceedings. The bridge line
20 will be closed on mute so that those individuals may
21 listen in, and at an appropriate time later in the
22 meeting, will have an opportunity for public comments
23 from the bridge line and from members of the public in
24 attendance.

25 We will now proceed with the meeting and I

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1 call upon Lawrence Kokajko of the Office of Nuclear
2 Reactor Regulation to open up presentations.

3 MR. KOKAJKO: Thank you. Good afternoon.
4 My name is Lawrence Kokajko. I'm the Director of the
5 Division of Policy and Rulemaking in the Office of
6 Nuclear Reactor Regulation. On behalf of NRR's
7 Division of Policy and Rulemaking and the Division of
8 Risk Assessment, we are pleased to provide this briefing
9 to the ACRS Subcommittee on PRA and Reliability.

10 Today, are staff will brief you on the
11 cumulative effects of regulation, known as CER, and the
12 Risk Prioritization Initiative, known as RPI, and the
13 SECY paper that is due to the Commission in late March.

14 As background, our CER efforts examined
15 ways in which the Agency may be able to enhance the
16 efficiency with which it implements regulatory actions
17 while mitigating inappropriate impact of regulatory
18 activities. The goal of RPI is to enable the NRC staff
19 and licensees to focus resources on those things that
20 are most significant for public safety using risk
21 insights and to incentivize the further use and
22 development of probabilistic risk assessment
23 techniques.

24 CER and RPI were originally two distinct
25 activities which had separate working groups, public

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1 meetings, and recommendations. However, as discussed
2 in COMSECY-14-0014, these activities are closely
3 related and we believe the RPI initiative for operating
4 reactors would help address aspects of CER. Thus, the
5 CER and RPI working groups have merged to develop a paper
6 that provides four consolidated options for nuclear
7 power reactors.

8 The draft SECY paper also contains an
9 update on the CER efforts in the areas of fuel cycle and
10 the materials program areas, in addition to an update
11 for the nuclear power reactors. We are scheduled to
12 brief the ACRS Full Committee on March 5th. We would
13 welcome any letter from the ACRS on this topic after that
14 meeting.

15 At this time, I would like to introduce our
16 presenters. First to address you today is Steve
17 Ruffin. He's a project manager in the Division of
18 Policy and Rulemaking and he will discuss CER. The
19 second is Antonios Zoulis, a reliability and risk
20 analyst in the Division of Risk Assessment, and he will
21 discuss the Risk Prioritization Initiative.

22 I've also asked Joe Rivers from the Office
23 of Nuclear Security and Incident Response to be with us
24 because security is a big part of this and we would like
25 to have his views, and I know you will have some

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1 questions for him, as security and emergency planning
2 may come up during the conversation today on CER and RPI.

3 And with that opening, Steve, I'd like to
4 turn it over to you, sir.

5 MR. RUFFIN: Thanks, Lawrence. Good
6 afternoon. I'm Steve Ruffin with the Division of
7 Policy and Rulemaking. I work with Lawrence and I will
8 lead off the discussion on CER. However, because the
9 topics are integrated, Antonios and I will switch back
10 and forth a couple of times as we proceed with the
11 presentations on CER and RPI today.

12 Our purpose today is to provide you with an
13 overview of the SECY paper which is currently within the
14 management concurrence process here with the staff.
15 Note also that we are scheduled to brief the full ACRS
16 Committee on March 5th, and as Lawrence mentioned, we
17 will be requesting to obtain a letter from the Full
18 Committee.

19 The presentation will generally follow the
20 outline of the paper. The paper can be viewed as having
21 two objectives. The first objective is to report back
22 to the Commission with an update on CER across the
23 Agency, as well as updates on staff efforts regarding
24 NEI draft guidance.

25 The second objective is to provide the

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1 Commission with four options for CER and RPI for
2 operating power reactors along with our
3 recommendations. Note that the options and
4 recommendations in the paper apply only to operating
5 power reactors. Slide 4.

6 So the paper responds to the Commission
7 direction in SRM-COMSECY-14-0014, which merged the
8 deliverables for SRM-COMSECY-12-0137 and
9 SRM-COMGEA-12-0001 and COMWDM-12-0002, which is to
10 provide updates on lessons learned and recommendation
11 on CER, on CER case studies on regulatory analysis, and
12 on RPI demonstration pilots, and to provide options for
13 implementing RPI and how those options may incentivize
14 PRA enhancement. Slide 5, please.

15 The staff defined cumulative effects of
16 regulations in SECY-12-0137 in October of 2012. For
17 the benefit of the public, I would like to repeat that
18 definition. CER is characterize as the challenges that
19 licensees and other affected entities face while
20 implementing multiple regulatory actions within a
21 limited implementation period and with limited
22 available resources. Slide 6.

23 The CER update discussion begins with
24 providing the Commission with a status of the Office of
25 Nuclear Material Safety and Safeguards CER activities

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1 for fuel cycle facilities and Agreement States. This
2 is Enclosure 1 of the paper. In summary, fuel cycle
3 maintains an integrated schedule, which provides an
4 overview of significant regulatory activities over a
5 four-year span.

6 It coordinates multiple regulatory
7 activities and the timing of such milestones, and NMSS
8 also conducts quarterly meetings with stakeholders to
9 discuss their integrated schedule.

10 For Agreement States, NMSS regularly
11 engages them and provides reports and seeks feedback on
12 rulemaking, they have monthly calls with the
13 Organization of Agreement States, and an Agreement
14 State representative is actually part of the CER/RPI
15 Working Group.

16 Other than this particular discussion,
17 which is in Enclosure 1 of the paper, all of the options
18 and discussions in the remainder of the paper pertain
19 only to operating power reactors. Slide 6 -- 7. I'm
20 sorry.

21 The Commission directed the staff to seek
22 volunteers to perform case studies to evaluate the
23 accuracy of costs and schedule estimates with the NRC's
24 regulatory analysis. Those case studies focused on
25 three power reactor regulations; the Part 26, Managing

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1 Fatigue; the 50.488, NFPA-805 for Fire Protection; and
2 Part 73, Physical Protection.

3 The staff held a public meeting
4 specifically on the case studies in January of 2014.
5 During that meeting, NEI presented its summary. And
6 for Part 26, NEI's summary determined that NRC's cost
7 estimate was two to five times lower than its actual
8 implementation cost, that 50.488, the estimates were
9 roughly six times lower than the implementation cost,
10 and for Part 73, specifically, 73.55, the cost estimate
11 was 19 times lower than implementation cost.

12 As a result, industry provided three
13 recommendations related to clearly defining the scope,
14 the closure criteria, and the characteristics of NRC's
15 regulatory action, early release of regulatory analysis
16 and detailed implementation guides, and cost estimates
17 -- additional information on cost estimates made in
18 regulatory analysis.

19 Based on those recommendations, the staff
20 evaluated this information and have made process
21 enhancements related to planned regulators analysis
22 updates, which is discussed in Enclosure 3 of the paper,
23 improvements in cost estimating within the regulatory
24 analysis, including piloting of an independent cost
25 estimate by a contractor, and ways in which risk

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1 insights from generic prioritization could improve our
2 regulatory analysis. Slide 8.

3 CHAIRMAN STETKAR: Bob, before you drop
4 that, I hadn't heard before that you were considering
5 hiring independent cost estimators. Why?

6 MR. RUFFIN: Well, we have Fred Schofer
7 here, which is our regulatory analysis team leader here.
8 Fred, could you provide some insights?

9 MR. SCHOFER: Hello. This is Fred
10 Schofer, NRR. With regard to independent cost
11 estimates, it is an identified best practice that has
12 been pointed out to us by the General Accountability
13 Office and so we are looking to take advantage of that
14 practice.

15 CHAIRMAN STETKAR: That was one of my
16 questions, because I hadn't heard about it before, Fred.
17 Do other federal agencies who do cost estimation,
18 typically use independent estimators?

19 MR. SCHOFER: Really, it's much more
20 common for acquisition, but we thought would take
21 advantage of that practice and see if there would be any
22 major differences between what the NRC would estimate
23 and an independent body.

24 CHAIRMAN STETKAR: Okay. Thank you.

25 MEMBER SKILLMAN: Steve, let me ask you to

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1 repeat something that you said. What I heard you say
2 is that the estimates were, generally, six times higher
3 than the actual implementation costs. I had thought it
4 was the opposite. I thought the implementation costs
5 were turning out to be many times greater than the
6 estimates.

7 MR. RUFFIN: That's what I intended to say.
8 Did I say the other way? Okay.

9 MEMBER SKILLMAN: Okay. So let me get
10 clear in my mind. What you're saying is that the actual
11 costs turned out to be six times greater than the
12 estimates.

13 MR. RUFFIN: Yes.

14 MEMBER SKILLMAN: Okay. I think if you
15 check the record, you'll find you might have gotten that
16 --

17 MR. RUFFIN: So let's clarify. The actual
18 costs for the Part 26 was projected to be two to five
19 times higher, for 50.488, six times higher --

20 MEMBER SKILLMAN: The actual costs.

21 MR. RUFFIN: Yes.

22 MEMBER SKILLMAN: Than the estimate.
23 Okay.

24 MR. RUFFIN: And for Part 73, specifically
25 73.55, 19 times.

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1 MEMBER SKILLMAN: Higher than the
2 estimated.

3 MR. RUFFIN: Yes.

4 MEMBER SKILLMAN: Copy that.

5 MR. RUFFIN: For 73.55, yes.

6 MEMBER SKILLMAN: Thank you.

7 MR. RUFFIN: Thank you. So next slide.
8 One more. I'm sorry. In SRM-SECY-12-0137, the
9 Commission directed the staff to explore expanding CER
10 for a broader range of regulatory actions. Staff
11 included a request for specific comment on CER in two
12 draft Generic Letters as a pilot. The two draft Generic
13 Letters were learn from the neutron absorbent materials
14 of spent fuel pools, and treatment of natural phenomena
15 hazards in fuel cycle facilities.

16 The staff did receive feedback on the fuel
17 cycle Generic Letter and determined that the industry
18 response did not identify any significant impact on a
19 licensee's ability to implement other significant NRC
20 requirements as responding to a Generic Letter. The
21 staff proposed to continue this pilot, not only for
22 other generic communications, such as bulletins,
23 regulatory issue summaries, information notices,
24 security advisories, or information assessment team
25 advisories, the staff did not see a need to expand the

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1 pilot to these generic communications.

2 MEMBER SCHULTZ: Steve, do you feel that
3 the lack of response was -- do you have a reason, a
4 rationale, for it for these particular test
5 applications? You basically said, here's an
6 opportunity to provide comments relates to the impact
7 of the regulation, but you -- from what I read, you
8 weren't getting any response, really, that was material
9 to the questions that were being asked, and the
10 questions are good ones, but did you investigate or
11 determine why you didn't get a response that you thought
12 you might?

13 MR. RUFFIN: We've only piloted on two.

14 MEMBER SCHULTZ: Right.

15 MR. RUFFIN: So it's a really small sample
16 size.

17 MEMBER SCHULTZ: It is.

18 MR. RUFFIN: And so we're going to continue
19 to pilot and I think as we get more -- see what kind of
20 response we get from the industry, maybe we'll be able
21 to answer that question better, but I think we're too
22 -- it's hard to draw any kind of conclusion as to why
23 -- because they responded to the one for fuel cycle.
24 There just wasn't a response to the one for the spent
25 fuel pools.

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1 So we sent out two; they responded to one
2 of them.

3 MEMBER SCHULTZ: Thank you.

4 MR. RUFFIN: So we're now going to move to
5 Slide 8 and Antonios is going to pickup the conversation
6 with regards to NEI Draft Guidance.

7 MR. ZOULIS: Good afternoon. My name is
8 Antonios Zoulis and I thank you for the opportunity to
9 present to you today. Just to let you know how
10 coordinated and intertwined they are, our wardrobes are
11 also coordinated. That's how closely related those two
12 topics are.

13 So as you know, of course, in November of
14 last year, the industry and staff presented to the
15 Subcommittee, in detail, on the draft NEI Guidance for
16 Prioritization and Scheduling. On a high level, the
17 guidance consisted of three major aspects. One is the
18 generic assessment portion, which is conducted by
19 subject matter experts to evaluate an issue on the
20 generic level, and then that information can inform
21 various other topics, such as reg analysis and other
22 things that the plant-specific evaluation could use
23 when they do their prioritization process.

24 And that leads into the second aspect,
25 which is the Integrated Decision-Making Panel, which is

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1 conducted at the site, and then prioritizes the issues
2 using plant-specific information. Once that's
3 completed, the issues are then aggregated and evaluated
4 in the aggregate to determine the overall priority for
5 those issues. So on a high level, that is what the
6 guidance encompasses.

7 Both the NRC summary report and the
8 industry summary report are provided for you for your
9 convenience. The ADAMS Accession Numbers are listed on
10 the slide. I won't go into further detail, but I want
11 to hit some highlights and takeaways that we took from
12 our observation and participation in the demonstration
13 pilots.

14 So the process the staff observed during
15 numerous interactions and public meetings, tabletop
16 exercises, and the demonstration pilots is a robust
17 process and provides a common frame of reference to
18 conduct risk-informed decision making to support
19 prioritization of regulatory as well as planned
20 initiated activities.

21 One of the strengths that we saw was the
22 ability for the panel to address both the adverse
23 effects of an issue as well as the positive aspects, so
24 we thought that was a very strong aspect of the process.

25 And in addition, when the IDP utilized

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1 plan-specific PRA information, it facilitated the
2 prioritization process, so by using the PRA, we saw that
3 the discussions were much more focused on the safety
4 impact of the issue. On the other side, we know, as
5 everyone in this meeting knows, that emergency
6 preparedness, radiation protection, and security are
7 not amenable to risk modification.

8 So that leads the process to develop
9 qualitative flowcharts to characterize issues, and that
10 could result in some subjective evaluations.
11 However, there has been improvements made to the
12 guidance and we're continuing to work on improving the
13 guidance to make sure that those issues are being
14 characterized appropriately.

15 Now I want to go into more in the areas of
16 what the Commission specifically asked the staff to
17 evaluate as part of this initiative. In February of
18 2013, the Commission approved the initiative to further
19 explore the idea of enhancing nuclear safety and
20 regulatory efficiency by applying probabilistic risk
21 assessment. The goal of RPI was to enable the NRC staff
22 and licensees to focus resources on issues that are most
23 significant to public safety using risk insights and
24 incentivize the further use and development of PRA.

25 In other words, nuclear safety's advance

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1 with licensees and staff focused their time, attention,
2 and resources on issues of greater safety significance
3 at each plant, i.e., addressing the most safety
4 significant issues first.

5 The next slides are discussions that we're
6 going to go into, help to form how we developed the
7 options that we're going to talk about later. And I
8 want to make a very important distinction that, all the
9 options promote the use of PRA and some, the
10 development. So that's a very, kind of, subtle
11 characteristic is that, when we observe the
12 demonstration pilots, by having PRA discussed at the IDP
13 level, the Integrated Decision-Making Panel, that
14 exposed other disciplines at the site to PRA where, in
15 other words, what they do, they may not have been exposed
16 to.

17 So we did observe that this process did
18 promote the use of PRA. So I think that's a very
19 important distinction between the use and the
20 development of PRA. Next slide.

21 One of the issues that the
22 SRM-COMSECY-14-0014 asked us, the staff, to evaluate
23 was how corrective actions for findings, violations,
24 and degraded or non-conforming conditions, adverse to
25 quality, could be treated as part of RPI. We engaged

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1 a regional staff counterparts, we've engaged the
2 Division of Inspection and Regional Support in NRR, and
3 the Office of Enforcement to evaluate this direction.

4 What we concluded was, and as many of you
5 know, that the ROP is a mature process and is already
6 risk informed in many of the areas. In addition, we
7 feel that the licensee's corrective action program
8 under the ROP has flexibility to already prioritize in
9 how to address the corrective actions associated with
10 these findings, and most of these are related to very
11 low safety significant issues, and I'll explain that in
12 the next slide.

13 So as one of the fundamental subjects of the
14 ROP is that corrective actions associated with green and
15 higher significant findings would be promptly
16 addressed, and from our experience, from GRA's
17 experience, with the ROP, most of the corrective actions
18 associated with higher significant findings are already
19 completed even before the final determination letter is
20 issued by the NRC.

21 So we're really focusing on the very low
22 safety significant corrective actions, which,
23 licensees already have a lot of flexibility to
24 prioritize as part of their routine work. And we have
25 inspection guidance that delineates what is meant by

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1 prompt, and also, as I mentioned before, the flexibility
2 of the corrective action program to already handle that
3 is already in the ROP.

4 So we felt that if a process now was
5 overlaid on top of the already at-risk informed process,
6 it could result in a continuous deferral of issues and
7 we didn't see -- especially for these very low safety
8 significant corrective issues, that there was any
9 benefit from having them in the scope of the RPI.

10 In addition, it could also impact or
11 complicate the follow-on supplemental inspections that
12 could result from moving the licensee from one column
13 to the other if those corrective actions weren't closed
14 out or were deferred. So the bottom-line is, the
15 guidance right now is, as it states, next slide, only
16 allows the prioritization of docketed commitments
17 resulting from inspection findings.

18 So our counterparts in the region and the
19 staff at headquarters are comfortable with that small
20 subset of issues being prioritized.

21 CHAIRMAN STETKAR: I'm really confused
22 about this, Antonios, so you're going to have to explain
23 this to me so a simpleminded guy can understand it, and
24 I'll read your quote from the document. "The NRC staff
25 disagrees with the industry on this aspect because the

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1 ROP itself is already risk-informed.", which is a point
2 you've made. "The NRC staff is of the review that
3 introducing another risk-informed process may result in
4 regulatory instability since RPI guidance may conflict
5 with ROP guidance." Explain to me how that can
6 conflict.

7 If I'm using risk assessment to determine
8 the significance of an inspection finding, using, let's
9 say, a SPAR model, and the industry is using their PRA,
10 and you come to agreement that the risk significance is
11 X, why would the RPI process, which uses the same risk
12 model, come up with a different conclusion about the
13 relative risk of that particular finding?

14 MR. ZOULIS: The issue is not about the
15 significance. The issue is, when will the prompt
16 corrective action be completed.

17 CHAIRMAN STETKAR: And why should the
18 prompt corrective action for something that is totally
19 insignificant to safety have higher priority than the
20 resolution of something that's more important to
21 safety, simply because that thing has been identified
22 by some auditor that happens to wear an NRC badge as
23 opposed to someone who's at the plant?

24 MR. ZOULIS: One of the issues is that the
25 process doesn't deal well with issues of

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1 non-conformance. And the fundamental instruction of
2 the ROP is that you will address those issues promptly.
3 If you allow them to continually be deferred, there's
4 a chance, which is not very well quantified, that the
5 failure rate, or the risk increase is going to increase
6 as time goes on.

7 So the fundamental instructions that
8 you're going to take care of those degraded issues in
9 a timely fashion, if you allow them now -- if you allow
10 this process to allow the deferral of those issues, that
11 fundamental assumption now is being challenged, and
12 that's where we believe --

13 CHAIRMAN STETKAR: But the RPI process, as
14 I understand it, has a periodic re-evaluation of
15 issues. And also, at least the last guidance I saw, has
16 something like three refueling outages, kind of a time
17 backstop on things, so I'm still not -- I'm curious why
18 these particular issues that are identified by a
19 particular policeman, doing a particular focused audit,
20 ought to have higher priority, just because they're
21 identified that way, than other issues.

22 MR. ZOULIS: I think it has to do with the
23 compliance concern and the issue that we've already,
24 under the ROP, given flexibility for licensees to manage
25 their corrective action program to be able to address

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1 those issues on a timely fashion. Once you challenge
2 that fundamental assumption, I think you introduce a lot
3 of issues that this process was not intended to address.

4 CHAIRMAN STETKAR: But this process is
5 intended to put highest priority on things that are most
6 important to safety, regardless of how they're
7 identified, and by whom.

8 MR. ZOULIS: I think the intent was not to
9 go down to the weeds and --

10 CHAIRMAN STETKAR: If something is in the
11 weeds, it's in the weeds.

12 MR. GIITTER: I think the point is that
13 there is a well-established process in existence for --
14 the licensees have it in their corrective action program
15 for dealing with inspection findings, that if you were
16 to open that up and throw it in with everything else,
17 it creates additional complications. And I think it's
18 because there is an established program that licensees
19 have for corrective actions, the feeling was, we didn't
20 want to perturbate that process that's already in place.

21 CHAIRMAN STETKAR: Well, I'll be the
22 devil's advocate, Joe. If it's an established process,
23 but it's placing higher priority on things that are less
24 important, simply because the policeman says that I must
25 pay attention to that --

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1 MR. GIITTER: I understand your point.

2 CHAIRMAN STETKAR: -- that is not --

3 MR. GIITTER: I understand your point.

4 CHAIRMAN STETKAR: -- the whole focus of
5 this initiative.

6 MEMBER SCHULTZ: It seems like a missed
7 opportunity, that is, it came -- in the words that you
8 said, I think you intended it to say that you have a
9 finding and a number of corrective actions may be
10 proposed, there may be a dozen corrective actions, and
11 they will have a priority of their own, and hopefully,
12 they would be prioritized so that a licensee would have
13 some that are of lower significance, and if you have
14 another issue that comes up, you'd want to be
15 prioritizing more important safety issues and
16 corrective actions before those.

17 CHAIRMAN STETKAR: Except for what I'm
18 reading and what I'm hearing, you're saying that those
19 corrective actions in response to an inspection finding
20 are put over here, and everything else is evaluated over
21 here.

22 MEMBER SCHULTZ: That's why I say it's a
23 missed opportunity.

24 CHAIRMAN STETKAR: That's right.

25 MEMBER SCHULTZ: Not to integrate that

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1 into the process.

2 MEMBER BLEY: Yes, but I'm still confused.
3 As I watched the ROP in action, watch what you guys do,
4 if there's an inspection finding, it's evaluated by
5 color and the wrote, and given its priority from that.
6 If it's not the best one, then they have to do something.
7 And I guess that is what you do, but for the things that
8 are picked up in the plant and go into their program,
9 they can order those on their own.

10 I guess I'm still confused why if something
11 coming up that way is evaluated using the wrote, do they
12 evaluate the things in their own program using the wrote
13 approach?

14 MR. ZOULIS: The corrective programs have
15 their own priorities built-in.

16 MEMBER BLEY: Okay.

17 MR. ZOULIS: They have their own --

18 MEMBER BLEY: So there isn't an alignment
19 of the priorities.

20 MR. ZOULIS: Have the flexibility to
21 address them, but we need to have the ability to be able
22 to come in on follow-on inspections to determine how
23 those corrective actions were closed. If an inspector
24 now goes into the site to do his follow-on inspection
25 on an issue, and he goes in and is told that, well, we

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1 used the RPI process to defer this six years from now,
2 come back later and conduct your inspection, I mean, I
3 don't know how -- first of all, I don't see the benefit
4 for the plant to apply all those resources, to apply this
5 process on those very low significant issues, when they
6 already have a way to prioritize them now.

7 The way I envisioned the RPI was more for
8 big items, more on the long-range planning items, not
9 for it to go into that level of detail where, like I said,
10 we have a mature process in place that already provides
11 the licensee flexibility to address those issues.

12 MEMBER BLEY: I guess I got a little bitter
13 this morning.

14 CHAIRMAN STETKAR: Suppose I come across a
15 heater drain pump and it's making a lot of noise,
16 something that your ROP doesn't even look at. It's
17 making a lot of noise and I find out that, oh, my God,
18 you know, we have an obsolescence issue on this heater
19 drain. Heater drain pump goes belly-up, I'm like to get
20 a plant trip. Plant trips are not very good. It's not
21 even anything that you would ever identify because it's
22 non-safety related, and, man, I want to replace that
23 heater drain pump because I've done a risk assessment
24 to say that the likelihood of having loss of feedwater
25 initiating event is pretty important.

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1 And yet, you identify something because
2 there's an obsolescence issue on some screw on a relay
3 that has minimal risk significance, suddenly, I have to
4 put higher priority on that because it's identified
5 during an audit and an inspection of some safety-related
6 piece of equipment?

7 MR. GIITTER: I think the point is,
8 licensees already have the flexibility within their
9 corrective action program to make those decisions about
10 which modifications are most important.

11 CHAIRMAN STETKAR: Sure.

12 MR. GIITTER: They don't have to work right
13 away on that screw. They can put that off.

14 CHAIRMAN STETKAR: But why not integrate
15 it with everything else with that heater drain pump?

16 MR. GIITTER: Yes.

17 CHAIRMAN STETKAR: I mean, why not?

18 MR. GIITTER: It's something that, you
19 know, that's one of the differences we currently have
20 with industry. It's something we're going to have to
21 continue to pursue in the long run. I can just tell you
22 that there's different views on that, you know, within
23 the staff, and it's an issue that we're going to have
24 to continue to work through. But the staff's original,
25 or initial, conclusion is that, as Antonios stated,

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1 there is a corrective action program in place that
2 allows flexibility. It gives licensees flexibility in
3 determining what's important.

4 There's no reason they couldn't, in terms
5 of making those decisions on their own, stack it up
6 against whatever they come up with for RPI. That's
7 certainly something they could do. There's nothing
8 prohibiting them from doing that.

9 MEMBER BLEY: I guess, and it goes back to
10 your Slide 13, this discussion was all hinged on the idea
11 that, even with a green finding, you expect them to
12 promptly deal with it. I don't know if we've had cases,
13 and maybe the industry will tell us whether we have or
14 not, where something that was shown, through your
15 process, to be of no or minimal risk significance,
16 dealing with that somehow interfered with something
17 that, should you have known about it, might have had
18 something other than a green finding, and made that be
19 delayed to take care of this one because somewhere we've
20 got words that say prompt on these and we don't have that
21 on their corrective action program.

22 I don't know if it's a problem, but
23 intellectually, it's not in a satisfying spot. Not
24 intellectually, from a safety point of view, it's not
25 an ideal spot.

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1 MEMBER SKILLMAN: Seems to me we've got a
2 mix of apples and oranges here. I'll give you an
3 example, and I dealt with this for years in my roles at
4 TMI. About degraded, two examples, an ECCS relay in
5 4160 that's necessary for emergency core cooling is
6 buzzing or chattering. What we learned in the course
7 of time is, that becomes inoperable when you lose your
8 confidence that it's operable.

9 And you normally end up at an understanding
10 of importance by discussion between the risk analyst at
11 the site and the region risk analyst, who also has a PRA
12 for the site, and it's kind of the front end of the
13 significance determination for that particular device
14 for that system.

15 My experience is that that was a very smooth
16 interaction, very collegial, very respectful, and
17 sometimes we would say, we think we're operable, and
18 region would say, we think you're not, or region would
19 say, we think you're okay, and we would say, we're going
20 to take action anyways because we're not comfortable
21 that we want to go the next week or two weeks.

22 Another very good example would be, Number
23 1 seal leak off on a reactor coolant pump, you're allowed
24 up to 10 gallons a minute identified leak-off. You may
25 not go above 1 unidentified. So Number 1 seal leak-off

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1 is running at 6 gallons a minute, the question is, when
2 do you take the pump out and fix that? And if you're
3 within two months of an outage, you might say, I'm going
4 to wait because the overall risk is less by waiting than
5 taking the plant down, bringing it up, taking it down
6 again.

7 So the point I want to make is, this issue
8 is really in the center, not so much of Appendix B to
9 10 CFR 50 in corrective action, this is more in the work
10 management program, either of the unit or the utility,
11 how they identify risk, how the shift manager, and how
12 the utility determines what is the best path forward.

13 So all of these elements are really getting
14 into the work management program, not so much the
15 corrective action program, although the corrective
16 action program would identify the degraded condition.
17 So in real life, this would be handled out of the risk
18 prioritization in work management and it would be the
19 work management leaders who would say, this needs
20 attention now, not tomorrow, bring in people, we're
21 working on this through the night, and that would get
22 the pump that John's talking about, but this is a work
23 management issue, not a corrective action issue.

24 MR. ZOULIS: That's exactly right. And I
25 think that was never intended to replace --

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1 MEMBER SKILLMAN: Work management.

2 MR. ZOULIS: -- your already
3 well-established work management program, your
4 corrective action program, and other programs. It was
5 more to assist you in planning major initiatives and
6 comparing them against regulatory missions and perhaps
7 it's a regulatory or a prime issue is more important,
8 let's do that first, and defer the other one.

9 MEMBER SKILLMAN: Yes. And I think the
10 plant language would be, the RPI will be a very good tool
11 for minor modifications and major capital
12 modifications, but not day-to-day addressing of
13 emergent issues, some of which are prompt, and some of
14 which can legitimately and safely be delayed.

15 MR. ZOULIS: Right. And that's exactly
16 right. Thank you.

17 MEMBER SKILLMAN: Thanks.

18 MR. ZOULIS: Here we go to the -- to get to
19 the center of what the Commission requested the staff
20 to explore, a process that would allow licensees to
21 prioritize regulatory activities on a plant-specific
22 basis and an integrated set. Furthermore, the process
23 would allow licensees to propose alternatives or
24 perhaps eliminate issues if they were supported with a
25 full scope Level 1 and 2 PRA and were of very low safety

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1 significance.

2 The staff, I can tell you, spent many hours
3 thinking and deliberating on how this process could fit
4 under our current regulatory framework. We concluded
5 that the only way we would be able to adequately
6 implement such a process would be through new
7 rulemaking, and in that rulemaking, we would be able to
8 establish the criteria for licensees to reschedule
9 issues and what criteria would be required for them to,
10 perhaps, defer or eliminate issues.

11 And this is where the incentivization of
12 the actual PRA was to be able to do that, and by
13 developing PRA, you would get that additional
14 flexibility. So we concluded that, only through
15 rulemaking, were we able to implement such a process,
16 and we'll get to that later on in the Option 4
17 discussion.

18 Another issue the Commission asked us to
19 evaluate was issue management. The Commission was
20 concerned that allowing the continuous deferral of
21 regulatory activities would eliminate or diminish their
22 safety benefit if they were continuously deferred. In
23 other words, they asked us to explore a backstop.

24 As we go through the discussions of the
25 options, I will highlight where we felt that a backstop

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1 may or may not be applicable and how we thought about
2 that for each option.

3 MR. RUFFIN: So on Slide 17 we have
4 provided an illustration to show you what the components
5 of each of the four options are as discussed in the
6 paper, and also to illustrate how the options build on
7 each other, such that Option 2 includes the CER process
8 enhancements already approved, and are implemented,
9 which is currently Option 1, Option 3 includes an expert
10 panel, plus the risk-informed prioritization
11 methodology in Option 2, in addition to the CER process
12 enhancements in Option 1, and Option 4 includes all the
13 CER and RPI enhancements in Options 1 through 3.

14 The staff proposes a phased approach for
15 implementation with regard to these options, and as
16 stated earlier, all four options pertain to operating
17 power reactors only. Slide 18.

18 So Option 1 is the status quo today, and
19 that is, all the CER process enhancements that have been
20 approved previously and are implemented, such as those
21 rulemaking enhancements in SECY-11-0032, which
22 includes interaction with stakeholders throughout all
23 phases of the rulemaking process, explicit requests for
24 stakeholder feedback on CER during the proposed rule
25 stage, concurrent publication of the draft guidance

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1 with the draft rule, and final guides with the final
2 rule, and a public meeting after the implementation
3 phase of the final rule.

4 And as mentioned earlier, and as Fred
5 discussed, also exploring the use of contractors to
6 develop independent cost estimates, and continuing to
7 pilot expanding CER to Generic Letters.

8 The pros of Option 1, the status quo, is,
9 it doesn't require additional staff resources. It
10 maintains the existing regulatory processes. It
11 continues the current approach to regulation that is
12 current and well understood. It implements all of
13 those process enhancements that we've already had to
14 provide to the Commission, recommended to the
15 Commission, that's approved already.

16 The cons, however, on Option 1 is on Page
17 20. It does not incentivize licensees to use or develop
18 PRA models and it may not resolve some of industry's
19 concerns with existing or future requirements. Page
20 21. Option 2 has two parts.

21 One part of Option 2 is in the paper, the
22 staff proposes to create an expert panel. This panel
23 will be similar to the industry's generic assessment
24 expert team or the staff proposes to either create a
25 panel similar to that or expand the role of an existing

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1 panel to incorporate the function of that gate.

2 The role of the expert panel would be to
3 make recommendations using risk insights and other
4 relevant technical information to prioritize, and
5 eliminate as appropriate, proposed regulatory actions.
6 This will be applied across the NRR business line and
7 this information could be used by the NRR office
8 director to ensure that NRC resources and skillsets are
9 focused on the items of highest risk significance, and
10 a panel could be comprised of senior agency managers and
11 subject matter experts.

12 CHAIRMAN STETKAR: Steve, as I read
13 through this, I came across this, and it confused the
14 heck out of me for a couple of reasons. First of all,
15 why do we need Commission guidance or approval to
16 establish this expert panel? Second of all, doesn't
17 our regulatory analysis process already account for the
18 use of risk information? I mean, we've had several --
19 looked at several regulatory analyses, spent fuel
20 transfer, venting, filtered venting.

21 You know, we may take -- have differences
22 of opinion about quality of the risk assessments, but
23 risk insights come out in there. I don't understand,
24 why do we need this panel, and furthermore, why do we
25 need Commission approval to establish this panel?

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1 MR. RUFFIN: There has been a lot of
2 discussion at the Working Group level regarding the
3 panel; the need for the expert panel, where it gets
4 inserted within the process, the function of it, how
5 does it compliment or not conflict with other existing
6 processes?

7 And I can tell you, there isn't a 100
8 percent consensus on that, but the thinking was that if
9 it is truly an independent panel outside of those
10 processes, it might require us to have the Commission
11 endorse that. If it's a panel that's embedded within
12 current processes, then we could do that on our own.

13 CHAIRMAN STETKAR: But I mean, the staff is
14 already updating the guidance for regulatory analyses.
15 There's some schedule and project plan out there for
16 updating whatever it is, NUREG/BR-0058, or something
17 like that, the associated guidance, why isn't this
18 notion of this panel, whether it's an independent panel,
19 or not independent panel, or whatever the panel is,
20 embodied in that?

21 I mean, my question is, why are we
22 cluttering up these options as saying, well, you take
23 Option 2, which includes what I've always thought of as
24 the risk prioritization initiative, and oh, by the way,
25 the NRC staff has to have this expert panel to provide

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1 risk insights for regulatory activities?

2 MR. ZOULIS: Again, as Steve alluded to,
3 there's differences of opinion within the working level
4 on what the expert panel would do. One idea is that it
5 would not only look at rules, it would look at orders,
6 generic communications, other issues that are on the
7 table, and then apply risk insights to prioritize, or
8 perhaps figure out whether or not we should be doing
9 certain things on a higher level across the operating
10 business line.

11 So we're piloting it at a very small level,
12 but if successful, could have broader exposure, so the
13 issue that we're piloting now because, again, we're
14 struggling with, what is the scope of the panel, where
15 should it fall under, what should we be looking at? So
16 there's more there than just --

17 CHAIRMAN STETKAR: And again, this is a
18 Subcommittee meeting, so I'll give you my personal --
19 I don't disagree with that notion. I just don't
20 understand why it is being brought to light as part of
21 this risk prioritization initiative and why it isn't
22 being addressed, you know, as part of the normal use of
23 risk information throughout the agency.

24 MR. RUFFIN: Well, okay, but let me say
25 that, when we merged the two SRMs, so it's not strictly

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1 a risk prioritization initiative paper anymore. We're
2 still responding to some CER aspects and this is a CER
3 aspect where this panel within NRC would have the
4 ability to prioritize, and where applicable, eliminate
5 a regulatory action before it ever, you know, continues
6 on.

7 So that becomes CER, and then where we gain
8 efficiency also is, that then allows the decision
9 makers, the deciders, to focus NRC's resources on the
10 areas where they think our highest priorities that offer
11 the --

12 CHAIRMAN STETKAR: That's certainly the
13 most compelling argument I've heard. I'll tell you,
14 reading the text, it certainly didn't come across.

15 MEMBER SCHULTZ: It didn't come across the
16 way at all.

17 MR. RUFFIN: It didn't come across that
18 way?

19 MEMBER SCHULTZ: It seemed as if in Option
20 2 there was some sort of combination of what has already
21 been piloted in the industry and what NRC's oversight
22 and then this, suddenly, an expert panel that's also
23 going to weigh-in in these activities, and so the
24 concept and the purpose of the expert panel is not well
25 laid out.

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1 MR. RUFFIN: It's not very clear?

2 CHAIRMAN STETKAR: It's not very clear and
3 it's presented, at least as I read it, in the context
4 of those regulatory analysis decision making, which is,
5 again, I was under the naive impression that there
6 already was some high level risk insights brought into
7 that process.

8 MR. RUFFIN: Yes, we don't, at least the
9 Working Group thought, think that there is a current any
10 other existing team or panel that functions -- provide
11 this benefit.

12 CHAIRMAN STETKAR: Okay.

13 MR. ZOULIS: And the link, of course, is
14 that, when we observe the gate, that kind of inspired
15 us to say that, that may be something that we could use
16 internally, and then -- you know, and that could support
17 the CER interactions early on if an issue, you know,
18 maybe, perhaps, the generic gate could evaluate it, they
19 could provide input to the NRC during rulemaking, and
20 then that could be evaluated, so there is a relationship
21 there. It's not totally, you know, disconnected.

22 But again, we're still piloting this, so
23 how and what the panel would do is still --

24 CHAIRMAN STETKAR: You may want to
25 consider in the text, making some of that distinctions

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1 a little more clearer.

2 MR. RUFFIN: Clarify it some.

3 CHAIRMAN STETKAR: You did indicate there
4 were two parts, but in the text and development, it all
5 seemed to merge into one part between the initiative as
6 well as the actions associated with the CER impact
7 focus.

8 MEMBER SKILLMAN: I'd like to ask, just
9 based on this several minute exchange, how you are --
10 how the staff is immune from the assertion that some
11 expert panel review for CER should have been part of your
12 process all along. Seems like the industry, or the
13 public, could say, why haven't you always been behaving
14 in a way that was assuring that the regulatory changes
15 that you might be considering or the regulations you
16 would be enforcing should have already been considered
17 from a relative risk perspective so that the only ones
18 you're really going after are the ones that are really
19 value added?

20 Seems like you're wide open to that
21 assertion.

22 MR. KOKAJKO: Yes, sir. The questions
23 that you have are very valid, all of them are, and as
24 they pointed out, the Working Group is of -- there are
25 several minds about how this should be implemented and

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1 the implementation details are, clearly, to be formed.
2 The comment earlier about couldn't some other committee
3 or group be doing this? The answer is, yes. In fact,
4 the Committee to Review Generic Requirements, CRGR,
5 could be, in fact, part of that process, but we'd have
6 to amend their charter.

7 This would also get resource commitments
8 that perhaps would need to come into play, and resource
9 commitments, of course, are done by the business line
10 and approved by the Commission, so anytime that we would
11 be directing resources, we would need some type of
12 Commission engagement, potentially, some time in the
13 future.

14 Also, this Committee, in my view, is the
15 regulatory analysis under Fred Schofer, who spoke
16 earlier, I think does a very admirable job, but one of
17 the things that this expert panel can do is look at
18 things on a generic basis, which sometimes, the
19 regulatory analysis is focused on just one specific item
20 and this panel could, conceivably, look at things more
21 broadly, and in so, might find a gap that might have been
22 missed.

23 I don't pretend to say that we know how this
24 panel's going to work and whether or not it would be as
25 successful as what appears to be doing on a

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1 plant-specific basis in the generic assessment team
2 that NEI proposed in their document. I don't know that
3 yet, but I think we were encouraged that it could work
4 here.

5 And one of the things that was identified
6 early on was, we needed some generic approach to some
7 of this work, and we thought this might be a method by
8 which we could do that, and so you see it in the paper
9 as such. Whether it needs to be more clearly laid out,
10 as one commenter noted, perhaps that's true. The paper
11 is still working through concurrence now and, you know,
12 we're making changes, still, to the document.

13 MEMBER SKILLMAN: I'd like to add to my
14 prior comment. Clairvoyance isn't part of anybody's
15 skillset and a lot of this is learning as we go, and so
16 there's need to be some mercy in this discussion because
17 we just don't know what we don't know, and so suggesting
18 that people should have known and should have been doing
19 it is presumptuous. I acknowledge that. But it does
20 seem to me it'd be a logical question, shouldn't there
21 have been some form of consideration before we move
22 ahead with some of this stuff?

23 MR. KOKAJKO: Yes, sir.

24 MEMBER SKILLMAN: That's all. Thanks.

25 CHAIRMAN STETKAR: But I think, you know,

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1 as I read through the document, I, basically, got
2 distracted by this and tried to understand how it
3 related to Options 2, 3, and 4, for example, and I,
4 honestly, you know, until today's discussion, I think
5 I have a little better sense, but I would hope that when
6 it's presented to the Commission, there isn't similar
7 distraction or possible confusion, you know, regardless
8 of what my own personal opinion might be about whether
9 it's a good idea to have that type of body or not.

10 MR. ZOULIS: The feedback is appreciated.

11 MEMBER SCHULTZ: One way it came is across
12 is that, the industry approach has Panel A, and Panel
13 B, and therefore, in reviewing what industry might
14 propose, NRC needs an expert panel in order to provide
15 that review. And so it wasn't clear, as it is in this
16 slide, that the intent is to do, not only a pre-look,
17 but a global look at the regulatory process in order to
18 provide a panel that would work to optimize that, and
19 yes, there might be some gaps that are found.

20 There may be -- one would also hope, since
21 we're talking about cumulative effects of regulation,
22 many opportunities to say, in the grand scheme of
23 things, in a safety and risk perspective, we don't need
24 to do what is being proposed. We ought to set these
25 things aside. And I would certainly recommend that

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1 there needs to be a tie with regard to generic issue
2 evaluation as well and any panel that might be developed
3 here.

4 There has to be a clear indication that what
5 is being reviewed by one part of the organization is
6 being seen by the other.

7 MR. ZOULIS: I dare to go out on a limb, but
8 I hope I'm not muddying the waters more, but I was
9 listening to the presentation on Project Aim, I don't
10 know if you were aware of it, and when I was listening
11 to that conversation, to me, it spoke to this kind of
12 panel that would be able to look at what we're doing
13 across -- of course, we're not proposing it that way,
14 but across multiple business lines and focusing the
15 resources to the most significant issues.

16 And this would be a process that would be
17 robust, it would be standardized, you know, it would be
18 transparent. I mean, when I was at the presentation,
19 all I could think about was this expert panel. That's
20 just my thought on that.

21 MR. RUFFIN: And I think by merging those
22 two SRMs and presenting one paper, you know, because we
23 started out with a draft paper where we talk about
24 responding to one SRM and then we talk about the other
25 one, they were, kind of, two separate things, and so as

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1 we merged them, I can understand how there may be a
2 little bit of confusion introduced in terms of when we
3 talk about CER and RPI together.

4 But in the big picture, this panel is CER
5 for NRC.

6 CHAIRMAN STETKAR: I think also, part of,
7 at least my confusion, was there are a lot of -- in the
8 introduction to our discussion this afternoon, both in
9 the paper and the enclosures to the paper, and in your
10 introduction, you seem to make a point that the agency
11 is already doing, or has done a lot, in the area of CER.
12 And that, again, was why I was kind of surprised about
13 what this expert panel is doing.

14 Here you're saying, well, we have done a lot
15 of things, but in addition to that, we think that the
16 Agency could benefit from this type of activity. You
17 follow me?

18 MR. RUFFIN: Thank you.

19 MR. GIITTER: This is Joe Giitter. I just
20 wanted to kind of amplify on my understanding of how this
21 would work. When we do a reg analysis, we're looking
22 at a specific issue. And it kind of goes back to what
23 our discussion was this morning, where you sit is where
24 you stand. If you have a particular perspective on an
25 issue, you're going to go into looking at that issue with

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1 some bias.

2 What this panel might do would be to look
3 at across the board issues and apply a risk perspective
4 in a way that we currently don't do. So it's looking
5 more holistically at our priorities as an Agency, not
6 just what's in front of you and the reg analysis
7 supporting that. Does that help at all?

8 CHAIRMAN STETKAR: The oral discussion
9 this afternoon helps a lot.

10 MEMBER RYAN: Just a follow-up comment.
11 It's something that's been in my brain for the last half
12 hour or so, and that is, how do you integrate, you know,
13 two or three different views on a particular topic in
14 this scheme? And I think you have to figure out how
15 you're going to do that before you start to do it, you'll
16 end up -- I'm sorry. You'll end up kind of running into
17 a wall.

18 So I'm a little nervous that, you know, some
19 of the issues that Dick was talking about might get swept
20 away because the process is what people are focused on
21 and not the content of the process and the outcome. I
22 just worry about jumping into a revised process of some
23 kind because people will focus on, well, how do I get
24 this done? I used to do it this way, now I got to do
25 it this way, and that kind of thing, and I'm a little

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1 nervous that there's going to be some training or some
2 kind of rollout that lets people be successful as they
3 start and then as they get better at it. Does that make
4 sense or am I off-base? Thank you.

5 MR. RUFFIN: So we'll move to Slide 22, and
6 so as you've already pointed out, Option 2 has two parts.
7 And Slide 2 is the other part that -- Slide 22 is the
8 other part that Antonios is going to speak to.

9 MR. ZOULIS: So as we thought about how to
10 implement RPI, we thought of enhancing our existing
11 regulatory processes to use a risk-informed
12 prioritization process for scheduling regulatory
13 issues. The licensee could use the prioritization
14 process on site, determine which issues they felt they
15 needed to reschedule, they would then submit those, as
16 they would do today, using whatever -- if it's a rule,
17 they would use an exemption, if it's an order, an order
18 modification, an amendment change, and submit it to us
19 for approval.

20 On our side, we would have developed
21 templates, review plans to be able to facilitate the
22 review of these submittals and to ensure consistency in
23 the information that was provided.

24 MEMBER RYAN: That's a helpful summary and
25 I think that kind of discussion, or that kind of

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1 guidance, I guess, will really have to be, I think,
2 formalized to help licensees really get a hold of it and,
3 you know, get started on the right foot.

4 MR. ZOULIS: And we would, of course,
5 endorse a method of risk-informed prioritization. In
6 this case, we're looking at the NEI guidance that was
7 provided to us. This kind of illustrates what I'm
8 talking about, so you would endorse the guidance, the
9 NEI guidance in this case, with exceptions and
10 clarifications as necessary, the licensee then would
11 conduct their periodic reviews onsite, determine which
12 issues they would want to come in for a scheduled change,
13 and depending on what the regulatory vehicle, whether
14 it's a rule, an order, or a licensing amendment, it would
15 be submitted to us accordingly, and we would then
16 approve or not accept that issue.

17 So we build on, kind of, what we have in
18 place today, but we augment it with this risk
19 prioritization process.

20 CHAIRMAN STETKAR: So I can use this
21 process to file an exemption to extend the time for
22 compliance with a rule, but I can't do it to replace some
23 screws on a relay that have been found during an
24 inspection audit.

25 MR. ZOULIS: I'll defer to Joe on that. No

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1 comment.

2 MR. RUFFIN: Is this Slide 24?

3 MR. ZOULIS: So some of the pros --

4 MR. GIITTER: I understand your concerns.

5 CHAIRMAN STETKAR: The answer is yes, the
6 way it's --

7 MR. ZOULIS: Some of the pros are that it
8 does go to the use of PRA risk insights both at the
9 licensee and at the NRC. It supports the industry and
10 the Agency's efforts in CER by focusing resources on
11 issues of greater safety significance. By
12 establishing this common frame of reference, we could,
13 perhaps, reduce the review time for these changes in the
14 long term, and by using an expert panel, that could also
15 ensure that resources at the NRC are being focused on
16 issues of highest safety significance, so for Option 2,
17 those are the pros.

18 MEMBER BROWN: You introduce another panel
19 and how in the world does that speed stuff up? I never
20 see you putting another group in-between going from
21 Point A to Point B, that that actually accelerates the
22 process. I'm a little bit of a skeptic on that.

23 MR. ZOULIS: Those pros are two different
24 -- one is focusing on the second part of Option 2 and
25 the last one was focusing on the expert panel. So the

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1 expert panel, hopefully, could have focused the staff's
2 time and attention to issues of the most safety
3 significance, this augmented prioritization process,
4 if we have the established templates and the guidance,
5 could streamline the change requests that come to us.

6 MR. RUFFIN: So in the paper, the panel
7 part and the pros and cons are discussed separately from
8 RPI, but in the slides, we kind of lumped the pros
9 together and the cons together. So that expert panel
10 doesn't speed up. That expert panel, in the paper, we
11 may say, may add some time because that's another
12 process that they need to go that may end up eliminating
13 that regulatory action all together, so it's not
14 presented that way in the paper.

15 The paper actually has Part 1, the option
16 and implementation, and Part 2, the option and
17 implementation. It's just that, on the slide here, we
18 put the pros together for both Part 1 and Part 2 of Option
19 2.

20 MR. ZOULIS: To be concise.

21 MEMBER SCHULTZ: Antonios, that third
22 bullet there, to me, is -- may reduce the review time.
23 Why do we have to say it, may reduce it? I mean, isn't
24 the whole intent here to move in that direction? I
25 mean, I understand. I just --

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1 MR. ZOULIS: I mean, I would hope that we
2 would introduce something that --

3 MEMBER SCHULTZ: The more I get concerned
4 that we're going to spend a lot of time and effort and
5 not achieve what we ought to.

6 MR. ZOULIS: Yes, I would hope that it
7 would not increase the time, but I mean, we're just
8 trying to be, you know, kind of -- and remember, when
9 we develop these, we're considering everyone's opinion,
10 the Working Group Members, and other members of the
11 staff, so we're trying to be balanced in the
12 presentation.

13 MR. RIBERS: You know, one thing to think
14 about is, if I introduce something into a process that's
15 structured and provides a lot of detail, background
16 information, and constructive support for something, it
17 should take less time to review it, so it's probably not
18 may, but probably more likely.

19 MEMBER SCHULTZ: That's what I would be
20 hoping.

21 MR. RIBERS: It should. I think the key is
22 that you're introducing something into the process
23 that's meant to give substantial information for the
24 reviewer to make a decision.

25 MEMBER SCHULTZ: Yes, and on the other

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1 hand, playing devil's advocate, if you file something
2 that raises, you know, 37 RAIs over a particular nuance,
3 it's going to extend the time.

4 MR. RIBERS: Well, but hopefully, you
5 know, as this process would progress, that both sides
6 would get smarter on the process.

7 MEMBER SCHULTZ: That's right. You'd
8 understand the -- the licensees would understand the
9 expectation.

10 MR. RIBERS: Right. You know, the first
11 couple of times, it may not play out, but after that,
12 it should.

13 MR. ZOULIS: All right. Thank you, John.
14 Now, the cons, it's voluntary, so it wouldn't
15 incentivize licensees to further develop or enhance PRA
16 models and it may actually increase the number of
17 associated -- for certain exemptions in the short term,
18 as Joe mentioned. And of course, it would require
19 additional staff resources to develop the supporting
20 templates and standard review plans.

21 MEMBER SCHULTZ: So just on that first
22 bullet, is what you're saying there, you're talking
23 about licensees in terms of all licensees?

24 MR. ZOULIS: Yes.

25 MEMBER SCHULTZ: Because if it's

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1 voluntary, you would hope it, in fact, would incentivize
2 some licensees, at least, and if it's really good, in
3 terms of its benefit, the more the merrier.

4 MR. ZOULIS: But again, this is where the
5 nuances about developing as opposed to using. So it may
6 or may not incentivize the development, it'll promote
7 the use, as we mentioned earlier, but in the development
8 --

9 CHAIRMAN STETKAR: Because there, the
10 devil, you know, I hate the term, the devil's in the
11 details, but however the regulatory guidance, what
12 emphasis the regulatory guidance places on quantitative
13 versus qualitative decision making, could actually
14 provide incentives to develop and enhance PRA.

15 MR. ZOULIS: But at the same time, if we
16 make it too complicated, it becomes a burdensome process
17 that nobody will use. So that's a balance that we need
18 to --

19 CHAIRMAN STETKAR: It's voluntary.

20 MR. ZOULIS: But we'd like somebody to use
21 it. Next slide, please. So in the inspection and
22 enforcement, the staff would review and approve any
23 changes to the schedule of implementations according
24 with the existing processes. Through our interactions
25 with the region, we felt that the impact to the

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1 inspection and enforcement of these issues would be
2 minimal since the reviews are conducted on a
3 case-by-case basis.

4 And I mentioned that about the backstop
5 earlier, for this option, because each of the issues are
6 reviewed on a case-by-case basis, we don't think that
7 the backstop is applicable here, because, for example,
8 if an issue's come in for a second deferral, then the
9 staff could review it on its own merits at that time to
10 determine whether or not it's justified.

11 So the need, I think, for a backstop here
12 is kind of moot or unapplicable.

13 CHAIRMAN STETKAR: It's okay to not have
14 backstop on a rule that you have to have one on anymore
15 in inspection findings.

16 MR. ZOULIS: For Option 3, again, Option 2
17 focused more on issues that are already out there. For
18 Option 3, we're looking at for future rules or orders
19 where we would allow licensees to provide to us a
20 specific date of implementation. So a licensee could
21 either conform to a generic date or they could use an
22 approved prioritization method, the same one as in
23 Option 2, to provide to us a date, based on what they
24 have on their plate today, on when they would be able
25 to comply to that new rule or order.

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1 So again, the important feature here is
2 that it allows licensees to use plant-specific risk
3 insights to inform the implementation of these new rules
4 or orders, or other regulatory actions.

5 CHAIRMAN STETKAR: Antonios?

6 MR. ZOULIS: Yes, sir.

7 CHAIRMAN STETKAR: Well, I'll let you get
8 -- I'm going to need some help in understanding why
9 Option 3 is different from Option 2.

10 MR. ZOULIS: That's a very good question.

11 CHAIRMAN STETKAR: Okay.

12 MR. ZOULIS: Very good.

13 CHAIRMAN STETKAR: So I'll let you get as
14 far as -- but I'm not going to forget it.

15 MR. ZOULIS: So here's my lovely graph that
16 shows, you have the order, you have this approved
17 guidance that we've already with the reg guide in Option
18 2, the licensee would then use that to either propose
19 a specific date or just use the generic date that's
20 embedded in the requirement. The only difference
21 between Option 2 and Option 3 is, one, looking at issues
22 that have already on their plate today. This is for
23 issues in the future.

24 So if you want to think of Option 3 being
25 proactive in that, as we're issuing you rules and

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1 requirements, we're engaging the licensee through -- as
2 part of CER to provide to us when they believe, based
3 on what they have on their plate today, they could
4 implement this new requirement, you know, relatively
5 speaking and compared to the other issues they have.

6 So that's, basically, the only difference.
7 It's not --

8 CHAIRMAN STETKAR: To me, that's awfully
9 subtle, because all you're saying is that it's 10
10 seconds before this, and now I can engage in Option 3
11 and negotiate a schedule, and as soon as it clicks off
12 to the rule is issued, it's now 1 second after the rule
13 has been issued, now I can use a risk -- now I can use
14 Option 2 --

15 MR. ZOULIS: But they're both the same.

16 CHAIRMAN STETKAR: That's right.

17 MR. ZOULIS: I mean, you're still using the
18 prioritization process.

19 CHAIRMAN STETKAR: But I don't understand
20 why a separate Option 3 is presented for Commission
21 approval, because to me, all you're doing is talking
22 about timing, but it's essentially the same process.

23 MEMBER BLEY: But if you do, you could just
24 say, this is Option 2 with the following thing. It
25 could be three sentences long.

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1 MR. RUFFIN: But it's the how, because --

2 CHAIRMAN STETKAR: What's different on the
3 how?

4 MR. RUFFIN: -- Option 3 would say that,
5 for every new rule going forward, we would allow the
6 operating power reactor licensees to come in and propose
7 an alternative implementation schedule.

8 CHAIRMAN STETKAR: ON a plant-by-plant --

9 MR. RUFFIN: On a plant-specific basis,
10 and that would be early on in the early interaction stage
11 before it ever even goes out for a proposed rule, so we
12 would have a way to eliminate or mitigate the need to
13 use Option 2, because they've already gotten their
14 information to us early on to say -- and so that they
15 have -- for those that want to just accept the
16 implementation schedule, fine, but there may be others
17 that will already use this process to determine that
18 they want to implement it later, and so they would need
19 to use Option 2, which is using the risk prioritization
20 methodology for an exemption because they've already
21 gotten it in Option 3.

22 CHAIRMAN STETKAR: And I make the decision
23 today, and a year from now, stuff has arisen, and the
24 rule is in place, and I do my re-evaluation under Option
25 2, because I'm --

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1 MR. RIBERS: But by then you use Option 2.

2 CHAIRMAN STETKAR: And then I say, I'm
3 going to use Option 2 to reschedule the thing that I
4 talked to you about 10 seconds before the hour for the
5 rule that's now in place. I don't understand why it's
6 conceptually different.

7 MR. RIBERS: Well, I think the concept is,
8 is that, in Option 2, you're going for exemptions, and
9 waivers, and things like that. Option 3 seems to be
10 more designed in such a way that you don't have to use
11 that exemption and waiver process. It's built into the
12 rule.

13 MR. ZOULIS: Right. Exactly.

14 MR. RIBERS: So it's trying to be more
15 proactive on the part of NRC where we're not going to
16 make you come in for exemptions.

17 MR. RUFFIN: Right. Option 3 is marrying
18 CER, all the early interaction stuff, with the
19 risk-informed prioritization methodology with that
20 process. So they're using it -- they're determining
21 what implementation plan unique to their plant works for
22 them, and so CER then becomes the -- that's how we at
23 NRC now are integrating that with an RPI.

24 MEMBER BLEY: Let me repeat back what I
25 think I've heard, and that is, there's a coming rule, you

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1 could do the things you would have done with Option 2
2 to justify your case so that it would be written into
3 the rule and then you wouldn't have to apply for an
4 exception.

5 And for a lot of people, that might mean
6 it's a lot -- well, for everybody, it would be a lot more
7 certain, going forward, than if you're responding to
8 something that's already a rule and trying to get an
9 exception. Is that --

10 MR. ZOULIS: That's right.

11 MEMBER BLEY: But if you could say it that
12 simply, I think it'd be a lot easier to understand.

13 MR. RUFFIN: One of the considerations
14 raised by the industry was the implementation
15 schedules; the implementation plans. So you're using
16 CER now, at that stage in the game, so that you've
17 alleviated that cumulative effect of regulations, to
18 obviate the need, at least in part, for an exemption for
19 that particular corrective action.

20 MEMBER BLEY: But you pretty much have to
21 make the same arguments. It's just making them ahead
22 of time.

23 MR. RUFFIN: Make them ahead of time and
24 you're using the process that has been endorsed in
25 Option 2.

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1 MR. ZOULIS: Yes. Now, there's certain
2 staff members at the working level who believe that
3 Option 2 and Option 3 should be issued in parallel, that
4 there shouldn't be any -- there is no need to --

5 CHAIRMAN STETKAR: I understand that. I
6 wouldn't say parallel. I would say it's a single
7 option.

8 MR. ZOULIS: Well, whatever it is, but I
9 mean, again, as we stated earlier, we're trying to phase
10 this in, we're trying to get a little bit more working
11 time with these options, get more people familiar with
12 the processes, get more runtime with the guidance, and
13 then as we see benefits of the process, hopefully then
14 it'll lead us into expanding the use of the process.

15 MEMBER SCHULTZ: Well, you are also doing
16 a trial run of this on Generic Letters, if you will.
17 You've already described if you're going to the CER
18 program, what you put forward on Generic Letters. You
19 haven't got much response, but these are the same
20 questions and issues which licensees are being provided
21 the opportunity to comment on before the Generic Letter
22 response is required.

23 So here you are with the rule looking for
24 an early opportunity to get this type of input and
25 feedback, and then formalizing it in the process to even

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1 a greater extent. I guess I'm with the -- I like that
2 chart where you showed the sequential implementation,
3 but I'm afraid it's going to take a very long time to
4 get there when this concept is already similar to what
5 is being proposed in the other areas in Option 2.

6 MR. KOKAJKO: My point, I acknowledge the
7 similarities between Option 2 and 3, and you're correct,
8 the similarities are there. And the way Steven and
9 Antonios described that they could put in this flexible
10 implementation schedule as a proposal, essentially,
11 changes the dynamic with the Commission, when you think
12 about it, and there are members of our, senior staff
13 members, who believe that Commission would not be
14 willing to give that particular authority to the staff
15 or to allow that type of thing to happen.

16 I mean, in theory, we could ask that in any
17 paper today, right? And the Commission would have to
18 do it. However, given that this is combined with this
19 trying to, sort of, tie the RPI piece with CER, like the
20 expert panel, we thought it'd best to be upfront with
21 the Commission, seek their guidance, their approval, as
22 to whether or not this should go forward in this manner,
23 and that is why it is in there in this way.

24 I also acknowledge that, again, that
25 certain senior members are, let's say they're at least,

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1 cool, or lukewarm, to the idea. We've got to overcome
2 some internal resistance too to try to see if something
3 like this could go forward, hence, the more phase,
4 slower approach with Option 2 first before we try to do
5 something along the lines of Option, and that's why --

6 CHAIRMAN STETKAR: But again, Option 2, if
7 the clock ticked over at 12 o'clock, you know, 1 minute
8 after 12:00, the rule was issued at 12:00, Option 2 would
9 allow me, voluntarily, to file an exemption saying I
10 would like to extend the schedule for compliance with
11 this rule out until, you know, 2019 or something like
12 that. It would allow me to do that.

13 MR. KOKAJKO: It would allow you to do
14 that.

15 CHAIRMAN STETKAR: But I would have to file
16 an exemption.

17 MR. KOKAJKO: You would have to file an
18 exemption and you would have to have your basis for why
19 you needed it and we would have to review and approve
20 it.

21 CHAIRMAN STETKAR: Okay.

22 MR. RUFFIN: So the next slide, Slide 29.

23 MR. ZOULIS: So the pros for this option
24 are, it allows the licensee to propose a flexible
25 plant-specific date of implementation for a new rule or

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1 order. We believe that it could reduce the number of
2 future exemptions because you've now incorporated
3 flexibility into the rule. It again furthers the use
4 of PRA and it supports the industry and the Agency's
5 efforts on CER by focusing resources for current and
6 future requirements of greater safety significance.

7 Some of the cons against, it's voluntary,
8 similar to Option 2, and it would require additional
9 staff time and resources to develop the final rule, and
10 to develop the final implementation language, and so
11 forth.

12 MEMBER SKILLMAN: Let me just challenge
13 you there on that first sub-bullet. It seems to me that
14 if this option were to be chosen, then if I'm an
15 assertive licensee and I come in and say, you've issued
16 this order, or whatever it is, and I want to delay it
17 four outages, eight years, I'm on a two-year fuel cycle,
18 I would have to have a pretty good PRA to show why that
19 delay is not at a CDF or LERF greater than a 10 to the
20 minus 7 or 10 to the minus 6 delta.

21 And my region PRA specialist would have to
22 have a PRA for my plant that's fairly consistent, or
23 known to be identical, for that PRA specialist to tell
24 that region leadership, we concur with the licensee's
25 request for that delay. So I'm not so sure it wouldn't

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1 incentivize the use of a PRA model. It might, in fact,
2 enhance it.

3 At least my experience was, particularly in
4 areas of operability and operability determinations,
5 the real decision was made when the PRA specialist in
6 the region and our site or corporate PRA specialist were
7 aligned. We got more traction at that interface than
8 at any other interface in dealing with the region.

9 MR. ZOULIS: Well, for these options, the
10 way we are proposing them is that you can use existing
11 PRA information because it's for scheduling purposes
12 only. So --

13 MEMBER SKILLMAN: Well, maybe that's the
14 front story, but the back story is, your PRA specialist
15 in the region, and the one down here at headquarters,
16 and the person at site or corporate, are actually in
17 league with each other asking whether or not this is
18 truly an accurate representation of the plant
19 configuration. Is that accurate based on what you
20 know?

21 MR. ZOULIS: That's a possibility. That
22 could happen.

23 MEMBER SKILLMAN: So I think that there is
24 an under-story here that might suggest Option 3 could
25 be quite viable, recognizing how the system really

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1 works.

2 MR. ZOULIS: We'll take that into
3 consideration.

4 MEMBER BLEY: Antonios, two things from
5 me. One, a suggestion, and you've probably done this,
6 but I would still suggest it, you take, between Option
7 2 and Option 3, you layout your slides on the pros, and
8 the text too, and lay them side-by-side, and really
9 think hard about justifying the differences that are in
10 them. I think you could find things that ought to be
11 more the same than they are.

12 And on the cons, same thing, but on the cons
13 on Option 2, I think the focus was all on exemptions,
14 so you had a second bullet, another bullet, from these
15 that talked about exemptions, but I think you would have
16 -- you haven't acknowledged over here that somewhere
17 you're going to have to do the same kind of review. I
18 don't know if that delays the rule or it's built into
19 the schedule of the rule, but you can't -- it looks,
20 reading your cons side-by-side, like you can dodge this
21 extra effort about the review, and I don't think that's
22 true.

23 MR. ZOULIS: That's a good point.

24 MEMBER BLEY: I was able to lay them
25 side-by-side.

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1 CHAIRMAN STETKAR: Oh, sure, you can do
2 that.

3 MEMBER BLEY: You have two hands. You can
4 do it too.

5 MR. ZOULIS: Okay. Next slide. For the
6 inspection and enforcement of this option, there is
7 additional findings that would need to be done because,
8 when you issue a new rule using, there's a follow-on
9 temporary instruction, and the region would plan to go
10 out and evaluate whether the rule was implemented
11 appropriately. In this case, because you have -- you
12 may have varying dates of implementation, you would have
13 to coordinate the regional inspection accordingly. So
14 it would have the potential to impact inspection
15 schedules.

16 CHAIRMAN STETKAR: That just simply is, if
17 I have five plants in my region, I might have five
18 different schedules, because already, they have to have
19 inspection activities for each of those five plants, it
20 just happens to be the same schedule for each of the
21 five. Okay.

22 MR. ZOULIS: But our conclusion was, if the
23 issue is manageable, there's sufficient coordination
24 provided. So it may actually benefit the regions
25 because now they could spread their resources out, so

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1 there's a plus and a minus there.

2 CHAIRMAN STETKAR: What I propose, because
3 you have several slides on Option 4, we take a break
4 because I need one. So let's recess until 2:45, please.

5 (Whereupon, the foregoing matter went off the record at 2:28 p.m. and
6 went back on the record at 2:45 p.m.)

7 CHAIRMAN STETKAR: Okay. We're back in
8 Session. Option 4.

9 MR. ZOULIS: For Option 4, the staff
10 concluded that we had to explore rulemaking to develop
11 a new process that would allow licensees flexibility to
12 reschedule regulatory compliance without the need for
13 prior industry approval.

14 In this case, for Option 4, the licensee
15 would be able to, as Steve just mentioned in another
16 discussion, shuffle the deck, the issues without having
17 to come to the NRC to let us know when the changes would
18 be made. They would, perhaps, provide a schedule
19 periodically to the NRC, and in order to do that,
20 rulemaking would be necessary.

21 And in this option, the level of PRA
22 development would dictate the degree of flexibility.
23 If we had a full-scope Level 1 and 2 PRA, you could defer
24 and compare alternatives, and maybe even eliminate
25 issues if there was a very low safety convention.

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1 For scheduling purposes, we feel the
2 current and available risk insight would be adequate,
3 so the degree of flexibility would range from just
4 scheduling with the current risk information or if you
5 wanted to be more aggressive, to propose alternatives
6 or eliminate, and that would require development of a
7 full-scope Level 1 and 2 PRA.

8 MEMBER BROWN: Just curious, since you're
9 on this one, if a plant has a Level 2 PRA, and there's
10 some dictum that comes out from the NRC, some
11 plant-specific thing they tell you you have to do, why
12 couldn't they independently just request the ability to
13 defer that because they've analyzed it with a Level 2
14 PRA and shown it to be of very little risk significance,
15 and ask not to do it at all?

16 MR. ZOULIS: You can still come in for an
17 exemption and they're trying to eliminate that. The
18 difference with Option 4 is that, you made a -- again,
19 because we haven't -- Option 4 is still -- the details
20 haven't been fully fleshed-out, we didn't determine
21 whether or not we would -- how to -- they would actually
22 come to us and submit the information, request the
23 exemption, would they just need to inform us? Those
24 details weren't fleshed-out in Option 4.

25 But today, you could do that. You would

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1 have to come in if you wanted to, but there wouldn't be
2 that rule that would dictate the actual level or the
3 requirement that you would need to do that. We have Reg
4 1.174 and other issues, but for exemptions, you could
5 come in, but it wouldn't be an established process, the
6 way we're trying to in Option 4.

7 MEMBER SKILLMAN: Antonios, it appeared to
8 me as though what's different between Option 3 and 4 is
9 that, in Option 4, if you have an up-to-date PRA, then
10 you could choose to defer almost without even
11 communicating with the NRC. So the difference is,
12 communication with the NRC. If you have a certified
13 Level 1 and 2, I can jolly-well do what I want without
14 telling you.

15 MR. ZOULIS: Correct.

16 MR. RIBERS: Hold on.

17 MEMBER SKILLMAN: Okay. So I can send you
18 a letter, six months ago, I did this.

19 MR. RIBERS: For example, essentially what
20 it says is, you can go ahead and change your security
21 plan and implement it, you have to tell us that you're
22 doing it, and then we have a certain amount of time to
23 consider whether or not we'll accept that. So I
24 wouldn't be surprised if it had something like that.

25 You almost have to have a regulatory vote

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1 just in case.

2 MEMBER SKILLMAN: Why would you start
3 implementing it if you knew there was a hook still coming
4 to hook you?

5 MR. RIBERS: If you have the documentation
6 to support it, then that should be reasonable.

7 CHAIRMAN STETKAR: It'd the way that if you
8 -- the part that says that you have to tell the staff
9 that you're doing something, but it does not require
10 prior staff approval, and it's always subject to audit,
11 as is everything, but this would apply much more
12 broadly.

13 MEMBER BALLINGER: This would,
14 essentially, eliminate a lot of this issue.

15 MR. RUFFIN: I need to point out something
16 on Slide 33. The first sub-bullet there that says,
17 development of full-scope Level 1 or 2 would allow
18 deferral and proposal of alternatives and perhaps
19 elimination, that is part of the discussion in the
20 interim, but it's no longer part of the Option 4.

21 MEMBER BALLINGER: I don't quite
22 understand.

23 MR. RUFFIN: So Option 4 in the paper does
24 not include elimination of alternatives. It only
25 includes schedule flexibility.

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1 CHAIRMAN STETKAR: Because the whole thing
2 is presented in terms of scheduling.

3 MEMBER BALLINGER: Okay.

4 MR. RUFFIN: So that really belonged in the
5 slide before and that has to -- that doesn't belong
6 there. It's just, Option 4 in the paper is strictly
7 flexibilities. It allows you to shuffle everything on
8 the deck versus Option 3, determining where that one
9 card in the deck goes, based on you having used this
10 risk-informed prioritization methodology that was
11 proposed in Option 2.

12 MEMBER RYAN: To look at this a different
13 way, basically, you're taking out the words, and
14 probably the meaning of, plant-specific safety
15 significance for actual PRA, am I right?

16 MR. RUFFIN: No, I'm taking out the words,
17 proposal of alternatives and perhaps elimination.

18 MEMBER RYAN: It's not completely out of
19 the question.

20 MR. RUFFIN: Right. In the text, we
21 discussed it, and in that discussion, there were two
22 aspects of the discussion that, as we went through the
23 Working Group, because as you would imagine, in the
24 discussion, there's one part of the text that says,
25 based on the stakeholder feedback in our meetings with

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1 industry, industry is not ready to commit to doing this
2 level.

3 And when we receive that information, then
4 we will look at it to see what the impacts would be as
5 far as our enforcement, inspection, and legal aspects,
6 and things like that, so the paper is neutral in that
7 aspect of it, saying, we considered it because the SRM
8 told us to consider it, in our interactions with
9 industry, there wasn't an appetite for it at this time
10 for the little PR that we would want to go to that level
11 of detail in terms of providing that, so we pulled back
12 and say that it's neutral, whether or not that's
13 something that we can consider in the future, but the
14 current Option 4 does not have it.

15 It's only scheduled flexibility where you
16 can shuffle all the cards in the deck without prior
17 approval.

18 MEMBER BLEY: Oh, okay. I have a
19 discussion related to it, and then it does say, however,
20 based on stakeholder feedback, so forth. I'm
21 interested to know why you determined that you would not
22 include the option based on stakeholder feedback if the
23 option to not to B

24 MR. ZOULIS: We're not recommending that
25 to the Board. I think that --

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1 MEMBER SCHULTZ: I understand, but this
2 was describing Option 4.

3 MR. ZOULIS: My read is that it's neutral.
4 So in the future, we see this could be something that
5 we could do, but there's some tracking involved, that
6 could be the opening. I mean, personally, I don't think
7 that that can totally taken off scale.

8 MEMBER SCHULTZ: But if you're wanting to
9 encourage licensees to do full-scope PRA, why not just
10 leave it in there?

11 MR. ZOULIS: Because there's a balance.

12 MEMBER SCHULTZ: It doesn't change it.

13 MEMBER BALLINGER: Well, that was what was
14 confusing to me in that, in the first place, I thought,
15 first, Option 4 would be responsive to the original
16 direction when you say it, and also, potentially,
17 elimination or re-characterization of an expectation or
18 a requirement, but then it turned into the benefit would
19 be scheduled and therefore, licensees would not move to
20 approve their PRA. It's almost self-fulfilling.

21 MEMBER SCHULTZ: You're still going to get
22 all the exemptions.

23 MR. RUFFIN: Well, once you get the
24 exemption, you wouldn't get it for schedule though.
25 You wouldn't get it for schedule.

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1 MR. GIITTER: This is Joe Giitter. I'll
2 try to put a little bit of perspective on it. This paper
3 has been evolving. Initially, Option 4 did
4 specifically state, as it states in the slide, that you
5 could allow deferral and proposal alternatives, and
6 maybe even elimination, because if something repeatedly
7 shows up as very low priority, why do you keep bringing
8 it up?

9 That's not off the table. It's something
10 that's still in Option 4, it's just not explicitly
11 expressed. It's not stated clearly as a major facet of
12 Option 4, but going forward, we certainly think that's
13 a possibility. We just don't state it as an aspect of
14 Option 4. And a lot of that's based on feedback that
15 we received as the paper worked its way through
16 concurrence, but it is in Option 4. It's a possibility.

17 It's something that we would look at for the
18 future, but what we're proposing is a phased approach,
19 more cautious approach, which we think is, quite
20 frankly, something that is more likely to -- we're going
21 to be able to sell.

22 MEMBER REMPE: So in the paper where it
23 says, based on stakeholder feedback, it's really
24 internal NRC concurrence process that caused you to draw
25 this out?

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1 MR. RUFFIN: No. It means with industry,
2 they've said that they don't have an interest in going
3 to the level of PRA that we would want to give that kind
4 of flexibility.

5 MR. GIITTER: I think it's a combination of
6 both.

7 MEMBER SKILLMAN: Steve, let me ask this,
8 and this is a question that I asked Dick Dudley this
9 morning. In this option, there is an expectation that
10 the PRA is accurate, that it's a model, it's been
11 verified accurate, and that the findings from its use
12 can be taken to the bank. In other words, it is mighty
13 good. It's really a good piece of analytical tool.

14 What we found years ago in the 50.54(f)
15 activity, some of you might remember, is that the
16 license basis for the plants stated one thing, but the
17 configuration of the plant had slipped away. What
18 ensures that the PRA that you're talking about here is
19 conformed to the physical configuration of the plant so
20 that when this assessment is performed, the licensee and
21 the NRC know that the result is an accurate result?

22 MR. RUFFIN: I have to defer to the
23 experts.

24 MR. ZOULIS: We would assume that for,
25 again, it depends on if you're talking about full-scope

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1 Level 1 PRA, it would have to be at Reg Guide 1.200
2 compliant. I would assume it would have to be a living
3 PRA, that they would be updating it as they modify their
4 plant, so all those aspects would ensure that the
5 quality of the PRA is maintained.

6 MEMBER SKILLMAN: Yes, but you just said
7 that you assume that they're updating, and this is where
8 the industry goes to trust to verify. So what do you
9 to put that thick magnifying glass over that activity
10 to make sure that before you, if you will, agree to
11 Option 4, that the PRA for that plant is, in fact,
12 representative of the physical facility?

13 MR. ZOULIS: I think there's also been a
14 lot of activity with the risk-informed safety committee
15 on trying to determine technical adequacy of the PRA,
16 so there's initiatives out there to ensure that that
17 level of detail and the quality of the PRA is being
18 maintained. Is that correct?

19 MR. WEERAKKODY: This is Sunil Weerakkody.
20 I'm chief of PRA operations. When you look at Option
21 4 and think of things like rulemaking, the particular
22 question on that plant, the PRA actually fits the plant,
23 we build that into the rule. Like, if you look at
24 50.488, the fire protection rule and look at the rule
25 language, it's in the rule itself that when you use, you

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1 know, risk informing for this licensing action, the rule
2 requires that the plant, as-built plant, as-operated
3 plant, is reflected in the PRA.

4 So Option 4 relies on rulemaking and the
5 rulemaking language will ensure that the plant is
6 reflected in the PRA and vice versa.

7 MEMBER SKILLMAN: Thank you.

8 MR. ZOULIS: So for the pros of this
9 option, it allows the licensees flexibility in
10 scheduling and then implementation of regulatory
11 requirements. It enables the staff to enforce
12 deviation of the process. The requirements for the
13 level of PRA development and regulatory flexibility
14 would be, in part, in the rule so that we're promoting
15 regulatory stability and predictability. And it would
16 further the use of the PRA insights and the development
17 in this case.

18 MR. RUFFIN: And I think we'll take the
19 same comment that we took from --

20 MR. ZOULIS: Dennis.

21 MR. RUFFIN: -- and apply it, the pros and
22 cons for all the slides together and make sure there's
23 consistency, and that we address the concern that was
24 raised.

25 MR. ZOULIS: The rulemaking portion of

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1 this option would not address the current industry
2 concerns, CR concern, with existing requirements.
3 Obviously, the rule could take one to three years to
4 develop, so it would not address current CR issues. Of
5 course, it would require additional staff time to
6 develop the rule, and again, we still have the issue of
7 areas of emergency preparedness, radiation protection,
8 and security, which, regardless of the level and quality
9 of your PRA, it doesn't help you in determining the
10 significance of those issues.

11 For the inspection and enforcement of
12 Option 4, what the staff envisioned that it would be
13 modeled after other performance-based risk-informed
14 regulations, we would conduct a formal pilot, we would
15 then rollout this process to all the licensees, we
16 would, of course, then audit the licensees to make sure
17 that their processes are being implemented
18 appropriately, and then, eventually, include that into
19 our baseline inspection.

20 The deferring of regulatory actions would
21 add more challenges to how we would address the date of
22 the violation or when the compliance was required. So
23 there is a little bit more nuances in how to enforce this
24 option. Next slide.

25 MEMBER BALLINGER: But if you did Option 4,

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1 would there not be less cause for this? In other words,
2 you're saying, it's going to increase the amount of
3 staff time and everything, but if you go to Option 4,
4 doesn't that unload you, to some extent, because you
5 won't have to deal with so many violations and B

6 MR. ZOULIS: Well, I mean, if there was a
7 violation, you would still have to now determine when
8 the licensee had committed to doing that based on their
9 scheduling. There's a little bit more resources
10 involved in determining that, so it makes it a little
11 bit more complicated.

12 MEMBER RYAN: I think just the opposite.
13 If you know that there's a specific activity that was
14 required that wasn't performed, it's a violation.

15 MR. ZOULIS: But when we determine the date
16 of the violation, that may be, you know --

17 MEMBER RYAN: Well, it should be on the
18 memo that said, go do this work, and if it gets done,
19 it's done, if it doesn't, it doesn't. I'm struggling
20 with why that's so hard or complicated.

21 MR. ZOULIS: Well, if they're rescheduling
22 that --

23 MEMBER RYAN: Right. You can track the
24 rescheduling. I mean, there's paper trails for all of
25 this.

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1 MR. ZOULIS: Well, not for -- remember, for
2 scheduling, we said they could use the current and
3 available risk information.

4 MEMBER BALLINGER: Well, I'm talking about
5 Option 4.

6 MR. ZOULIS: That is this Option 4.

7 MEMBER BALLINGER: Okay.

8 MR. ZOULIS: It was a concern raised to
9 us by the Office of Enforcement.

10 MEMBER SCHULTZ: But the rule would have
11 record-keeping requirements associated with any
12 schedule or change.

13 MR. ZOULIS: Those details have not been
14 fleshed-out yet.

15 MEMBER BALLINGER: How many of the plants
16 are, indeed, doing the full-scope Level 1 and 2 PRA?

17 CHAIRMAN STETKAR: None.

18 MEMBER BALLINGER: Oh, none.

19 CHAIRMAN STETKAR: Regardless of what the
20 industry tells you, none. Level 1, Level 2, internal
21 events, external hazards, and low power, full power, and
22 shutdown, none. You will hear other things when the
23 industry gets up, they're not telling you the truth.
24 That is my opinion.

25 MEMBER SKILLMAN: I'd like to hear more

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1 about the I&E comment because I guess I'm kind of, at
2 least partially, in Dr. Ryan's camp. It would seem to
3 me that any licensee that would endorse or undertake
4 Option 4, and then blow-off a schedule, is messing with
5 dynamite. I mean, they've already moved into a trust
6 area, which is what Option 4 is all about, so if they
7 go and bugger-up the schedule, and try to do a fancy
8 dance to say it isn't a violation, it seems to me that
9 that's a slam dunk. I&E has everything they need to
10 say, we're done talking about it. It's a Level
11 umpty-ump, it's not green, it's white or yellow, and
12 this is what we're going to do to you.

13 It just seems to me that that's a very short
14 discussion.

15 MEMBER BALLINGER: It seems to me it's also
16 very short because John's right, that nobody's done a
17 Level 1 or Level 2 PRA, that the case is closed. Option
18 4 is off the table.

19 MEMBER SKILLMAN: But if they have already
20 done that thorough a PRA, then to have asked for a delay
21 or whatever, and then to blow it off, it seems that they
22 don't have much of a leg to stand on in terms of defending
23 against the violation.

24 MR. ZOULIS: But Option 4, they don't
25 necessarily need to develop additional PRA capability

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1 to do scheduling. So they have their existing PRA, but
2 I think the issue here was more about, when the violation
3 occurred and how you assess that violation based on the
4 committed date that the licensee has on record. Now,
5 remember, in this option, they're shuffling the deck
6 periodically on their own, so they would have to take
7 some time to determine when they were -- the violation
8 occurred, so it's a little bit more nuances there, and
9 I think that's what the Office of Enforcement was trying
10 to tune-in on for this.

11 In the next slide, there's additional issue
12 that they raised where they felt that the enforcement
13 action would be more varied, require additional time and
14 resources, you would need a new baseline inspection
15 procedure for this new rule. They felt it could be more
16 difficult to disposition of finding the violation, due
17 to these varied dates.

18 CHAIRMAN STETKAR: I still don't -- I mean,
19 I don't get it.

20 MEMBER SCHULTZ: It doesn't seem like a
21 difficult problem to resolve.

22 CHAIRMAN STETKAR: It doesn't seem like a
23 difficult problem. All you're doing is transitioning
24 from some generic guidance to applying the generic
25 guidance on a plant-specific basis. I mean, I don't --

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1 the inspectors deal, you know, with each of the plants
2 currently, don't they?

3 MR. ZOULIS: I guess now you're looking at
4 100 IDCs, now, all of them doing flexible -- if they
5 adopt this process, doing flexible scheduling. It adds
6 -- I think it was brought to our attention as an issue
7 that we need to keep in mind if we go down this path when
8 we're developing the rule, and I think that's how we're
9 presenting it here.

10 You know, something that we need to keep in
11 the back of our heads as we go forward if this option
12 ever goes into development.

13 CHAIRMAN STETKAR: I mean, that last
14 sub-bullet, potential to -- if I was an inspector, and
15 I needed to say that I need to do 15 inspections within
16 the next six months because I have the same time coming
17 up for all of my plants, that, to me, is a lot more
18 difficult than saying, I can coordinate those
19 inspections out over 15 months because, luckily, I have
20 different compliance schedules.

21 MR. ZOULIS: I guess what they were
22 thinking about is, let's say that you had an issue and
23 you were going to be scheduled to inspect a June X, the
24 licensee did a re-evaluation, there's something more
25 high priority came up, now they pushed it back to January

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1 of the next year. So now you'd have to adjust your
2 inspection schedule based on those perturbations. I
3 mean --

4 MEMBER SCHULTZ: Communication would be
5 important, but it's doable.

6 MR. ZOULIS: Coordination, communication,
7 but I mean, you know, it has the potential to impact.

8 MR. GIITTER: Antonios, I just might add,
9 I think a lot of what you're seeing under the discussion
10 of Option 4 are reservations and concerns more than
11 cons. And I think you're seeing this because as we try
12 to communicate the RPI initiative and the different
13 options to different facets of NRC, I think it's taking
14 people outside of their comfort zone, to a certain
15 degree, and I think that's what you're seeing. Are all
16 these things, necessarily, going to be major issues?
17 Probably not.

18 Are they things we can work through?
19 Probably, we can. But nonetheless, they're seen as
20 impediments or challenges by people who don't
21 ordinarily think in risk space, and it's outside of
22 their comfort zone, and it's outside of what they're
23 normally accustomed to, so we felt, for completeness,
24 we wanted to present this today.

25 MR. ZOULIS: I think, in the paper, do we

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1 include them as implementation considerations? That
2 may be a more appropriate title. We'll take back that
3 comment.

4 MEMBER SCHULTZ: I'm wondering if these
5 issues weren't more aimed at the opportunity to, you
6 said, was originally in there, move away from a
7 commitment on it rather than just change the date of a
8 commitment.

9 MR. ZOULIS: That's true.

10 MR. RIBERS: You know, some of it could
11 also be from how not being aware of how it's going to
12 be communicated with the NRC as well. You know, if
13 there's a clear communication path that they have make
14 certain things within certain timeframes, some of these
15 go away, but since we don't have that spelled out, the
16 people doing these inspections and enforcement
17 activities don't have a lot of confidence in what
18 they're really going to know, and so they're going to
19 have concerns, because it's not clear at this stage.

20 MR. ZOULIS: Good point. Thank you.

21 MR. RUFFIN: So then we go to Slide 38,
22 basically, and this is a recommendation, and part if
23 spills over to 39, so essentially what the staff is
24 recommending in the paper is that, the Commission
25 approve Option 2, which has two parts. It has the CER

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1 part that we talked about, which is the expert panel,
2 either a new entity or an augmenting a function with an
3 existing panel. And then it has the risk-informed
4 prioritization methodology that, once you introduce it
5 in Option 2, it's also the same thing that would be used
6 with any of the others.

7 And so the staff is recommending that,
8 also, the Commission approve a pilot of Option 3, which
9 would be to use this same risk-informed prioritization
10 methodology and allow for the voluntary -- allow
11 licensees to submit a voluntary implementation plan
12 based on how they apply it to their plant-specific needs
13 on a plant-specific basis.

14 And let me see what I have on the next page,
15 and then so what we basically say on Slide 39 is, after
16 obtaining feedback from what we learned from Option 2
17 and the pilot of Option 3, we would turn it to the
18 Commission.

19 MEMBER BROWN: Your discussions have
20 helped me understand a little bit on your Option 2, and
21 I guess my question is, the panel, that's an NRC panel,
22 and this means you're going to pre-screen prospective
23 staff in your own minds as to what its impact would be
24 before they go out to licensees? Is that -- that's what
25 you're going to be evaluating?

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1 MR. RUFFIN: Well, that's one aspect of the
2 panel. So the panel's role would be, and I can go back
3 to the slide --

4 MEMBER BROWN: We're characterizing
5 prioritized regulatory actions, that would be your
6 all's prioritizations, which ones are important, and
7 then the screen across the operating reactor business
8 line, which is everybody, power reactors, and then
9 prioritize prospective regulatory actions from that
10 standpoint, and then -- well, the last part is, who does
11 it.

12 MR. RUFFIN: So the CER part is that, that
13 panel use these risk insights, right?

14 MEMBER BROWN: But where do they get those?
15 They don't have -- do they --

16 MR. RUFFIN: The panel would have to -- it
17 has to be comprised of people that have -- part of the
18 team has to be comprised of people that have that PRA
19 knowledge.

20 MEMBER BROWN: For the plants? All the
21 plants themselves or are you talking about just insights
22 that you have in-house?

23 MR. RUFFIN: So internally, when we talk
24 about the composition of the panel, it would have to be
25 made up of senior managers and technical experts with

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1 the PRA knowledge, like Antonios and Joe --

2 MEMBER BROWN: No, I understand that, but
3 how do they know what -- how do they get the
4 plant-specific information in order to make the --

5 MR. RUFFIN: It's generic.

6 MEMBER BROWN: Right. It's generic.

7 MR. RUFFIN: Yes. So --

8 MEMBER BROWN: You've got type of
9 reactors, and basic --

10 MR. RUFFIN: -- the staff is contemplating
11 regulatory actions and they come here, and similar to
12 how they're doing it at the plant, the expert panel looks
13 at them, prioritizes them, and say, hey, we don't need
14 to do these, for some of them, or for the resources we
15 have, we need to do these in this order. So they're
16 going to prioritize our resources, and they're making
17 a recommendation, by the way. They're going to make a
18 recommendation towards prioritizing those activities,
19 which may include eliminating, and then they're going
20 to make that recommendation to the decider.

21 MEMBER BROWN: Okay. So you're
22 self-policing a little bit before you got out and start
23 --

24 MR. RUFFIN: It's aimed at furthering CER.
25 It's CER for us.

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1 MEMBER BROWN: All right.

2 MR. ZOULIS: But with the use of risk.
3 That's the key. Using risk --

4 MEMBER BROWN: No, I understand. But it's
5 an internal -- it's an in-house --

6 MR. RUFFIN: It's internal.

7 MEMBER BROWN: -- generic evaluation of
8 PRA based on basic plant configurations, although there
9 may be specific plant differences, you're going to do
10 it on a generic basis.

11 MR. RUFFIN: Correct.

12 MEMBER BALLINGER: So there's no thought
13 of industry participation?

14 MR. RUFFIN: Well --

15 MEMBER BALLINGER: That's what I'm trying
16 to read here.

17 MEMBER BROWN: It's internal. They have
18 their own templates and they augment their own
19 processes, et cetera, et cetera. I'm not objecting.
20 I'm just trying to make sure I understood that one based
21 on the ongoing discussions. Thank you.

22 MR. ZOULIS: It's possible that if you're
23 deliberating an issue, the gate on the industry side
24 could deliberate the same issue and submit that
25 information to the NRC for review in some public venue.

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1 Again, that's the things that we need to think about on
2 how to utilize this information. So, you know, we're
3 not saying we're going to be in a silo, in a box, all
4 by ourselves.

5 MR. RUFFIN: And we do, in the paper, and
6 this is a different panel, so in the paper we do say that
7 the gate that Antonios is talking about would have an
8 opportunity to provide their input to us early on before
9 we ever go off for a proposed rule, but that's a separate
10 phase. The NRC panel would eliminate -- have the
11 potential to eliminate something before it ever gets
12 there, so that's the CER. And then it has the
13 potential, or it should, prioritize the things that we
14 do, and that's where it then assists the decision makers
15 in terms of how NRC's resources and skills are focused
16 on the things that are most risk significant here.

17 So those are kind of the two aspects of that
18 panel. But that panel, if it's already gone from that
19 panel and we're getting input from the industry's gate,
20 it's already past that step, that stage in the -- that
21 means it survived the panel, the NRC's panel, and now
22 it's getting -- whatever action we do have is getting
23 input from the industry's gate, which may impact the
24 implementation schedule, it may impact something else,
25 but it's another cut at CER.

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1 MEMBER SCHULTZ: Now I'm confused about
2 the responsibilities of this panel. I thought it was
3 to review what was happening within the Agency, not
4 review what was being proposed by the industry with
5 regard to --

6 MR. RUFFIN: You're correct.

7 MEMBER SCHULTZ: Okay.

8 MR. RUFFIN: It's what the staff is
9 proposing to do that would ultimately be imposed on
10 industry.

11 MEMBER SCHULTZ: What you seem to have done
12 in the letter is propose some options associated with
13 this panel. The options particularly being that it can
14 be comprised of a panel that already exists or it could
15 be a new panel, but we ought to pilot this. And so is
16 that piloting process going to be to create a new panel
17 and see if that works, and if that does work well, then
18 determine whether it should, in fact, be an existing
19 panel or vice versa, or neither of those?

20 MR. RUFFIN: I think that would have to be
21 kind of figured out as part of the -- I mean, if the
22 Commission says, go do it, I think those kinds of things
23 we'd have to kind of determine. I don't think we --

24 MEMBER SCHULTZ: You don't have any
25 pre-thoughts about how one --

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1 MR. RUFFIN: Yes. Correct.

2 MEMBER SCHULTZ: Because you do list four
3 panels that already exist.

4 MR. RUFFIN: And none of which use risk
5 insights. And so we wanted to make that distinction.

6 MEMBER SCHULTZ: That's interesting.

7 CHAIRMAN STETKAR: Interesting is a good
8 word.

9 MEMBER BROWN: In your broad diagram, I'm
10 trying to connect the dots between the words you've just
11 gone through in the block diagram.

12 MR. ZOULIS: That diagram is for the second
13 part of Option 2, which is for the risk prioritization
14 initiative, not the expert panel.

15 MEMBER SCHULTZ: Which we just clarified,
16 doesn't -- it's not the responsibility of the panel.

17 MEMBER BROWN: Yes, I got the flavor, like
18 you, I'm just dead meat on this right now, so the panel,
19 you all have some thoughts, they submitted a panel, the
20 panel gives a CER evaluation of whether these are worth
21 even going out to, from a safety aspect, on a generic
22 basis, of imposing out into the industry. If it passes
23 the panel, industry gets a crack at it, that's right?

24 MR. RUFFIN: Yes.

25 MEMBER BROWN: And is that your industry

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1 gate that you're talking about?

2 MR. RUFFIN: Yes.

3 MEMBER BROWN: So then they get a chance to
4 go look at the potential proposed regulation, or
5 whatever action --

6 MR. RUFFIN: Yes.

7 MEMBER BROWN: -- then that gets fed back
8 and all you've done is screen, instead 20 of them going
9 out, you might have only 12, or 8, or whatever, and then
10 you go interface with industry to determine which ones
11 you do, and at some point, the prioritization comes in
12 after the fact? Is that after the industry -- after you
13 decide they're going to do it?

14 MR. ZOULIS: If an issue is --

15 MEMBER BROWN: If it's worthwhile, why do
16 you need Page 2?

17 MR. ZOULIS: Those are for existing issues
18 that are out there now.

19 MEMBER BROWN: Oh, not new ones. Okay.
20 I'm sorry. I missed that.

21 MR. RUFFIN: Page 2 of that diagram just
22 gives them a tool to --

23 MEMBER BROWN: I understand, vaguely, what
24 you're talking about now.

25 MR. RUFFIN: So that completes our

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1 presentation of what's currently in the paper and we
2 certainly made notes of the comments, the concerns, that
3 we've gotten from you. We certainly welcome any
4 additional comments or concerns that you think we should
5 go back and work with the Working Group on, or the paper,
6 at this point so tact we can -- you know, we have the
7 full Committee briefing on March 5th, which is not that
8 far away. Anything more for our staff?

9 CHAIRMAN STETKAR: First of all, because
10 of our schedule, we do have a Full Committee briefing
11 on March 5th, which is two weeks away.

12 MR. RUFFIN: A week.

13 CHAIRMAN STETKAR: Or a little bit less.
14 Our constraints are, we're going to have to have the Full
15 Committee briefing based on the written material you've
16 provided. I don't want to see something two days before
17 the Full Committee meeting that's different than what's
18 been distributed for Committee deliberation. We don't
19 work on day-to-day time schedules, so any feedback you
20 get from the Full Committee will be based on what you've
21 given us in writing.

22 You can take any of the comments you've
23 received here. That's the way we have to work.

24 MR. RUFFIN: Right. Understood.

25 CHAIRMAN STETKAR: That's a warning, but a

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1 fact.

2 MR. RUFFIN: Understood.

3 CHAIRMAN STETKAR: You can discuss things,
4 perhaps, you know, orally with the Full Committee, but
5 we're going to have to base our -- the Members, you know,
6 have other things to do in their lives.

7 MR. RUFFIN: Thank you.

8 CHAIRMAN STETKAR: So that's just
9 something. If you honestly are planning to make some
10 changes to the written material, you can present that
11 orally during the meeting, but not -- we can't deal with
12 last-minute things coming in in writing. Anything else
13 for the staff? If not, thanks a lot. You actually
14 covered everything quite well and in fact, as I
15 mentioned earlier, a lot of the oral presentation helped
16 me to understand some of the nuances a lot better, at
17 least, than I got out of reading the written document.

18 So even if you don't change the written
19 document going forward in some of your discussions, it
20 might help to emphasize some of those points.

21 MR. RUFFIN: Thank you.

22 CHAIRMAN STETKAR: And with that, we have
23 some time. The next presentation we have is from NEI,
24 so I'll ask John Butler to come up, and I think we do
25 have printed copies now. Do you have something to put

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1 up on a screen or not?

2 MR. BUTLER: It should be. All right.
3 Thank you for giving me the time to provide some comments
4 on the draft SECY paper. I do want to thank the staff
5 for all the effort they put in, not only the SECY paper,
6 but the efforts last year in supporting and monitoring
7 our development of the prioritization process. I think
8 that was very important that they took a very strong
9 active role in monitoring that process, giving us
10 feedback during the process, and the piloting process,
11 and in the end, I think we are closer to where we want
12 to be with the prioritization process.

13 We learned a lot during the pilot and, you
14 know, the staff involvement really helped us to sharpen
15 the process, so I do want to thank the staff again for
16 their involvement.

17 You know, there's been a lot of discussion
18 on the different options and what it means. I do want
19 to express that the basic process we're talking about
20 with all these options is trying to identify a relative
21 importance of a range of tasks, and having done that,
22 to do the things that are more important first. It's
23 no more complicated than that.

24 How you apply that process is what
25 determines whether you call it Option 2(a), Option 2(b),

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1 Option 3, or Option 4, or even an Option 5 before we end
2 up here. You know, it's just a different manifestation
3 of the same ranking process, but that's all we're trying
4 to do.

5 And I'm disappointed that Commissioner
6 Apostolakis is no longer here. He could, you know,
7 possibly add to what they intended with the COMSECY that
8 he and Commissioner Magwood put forward, but, you know,
9 they're trying to get the staff and the licensees to
10 focus attention on those things that are most important,
11 and that's what we're trying to do here.

12 The process we piloted last year, we
13 provided that in a guidance document, NEI 14-10, and we
14 think that that process will provide an opportunity for
15 plants to prioritize and schedule activities on the
16 basis of their importance to safety. And, you know, I
17 can't emphasize it enough. That's really all we're
18 trying to do. The things that are most important, we
19 want to do first.

20 This is not a process where you're trying
21 to take things off the table, or, you know, say it's not
22 important, you know, we assumed that the existing
23 processes are -- there are processes in place that would
24 prevent things that aren't important from making it to
25 the plant site and being on their plate. All we're

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1 trying to do with this process is to say, what order do
2 we do these activities?

3 As I've already mentioned, you know, the
4 prioritization framework can be incorporated in
5 different matters. We do think there's a lot of value
6 in this prioritization process if it's applied by NRC
7 and their management, resource management, or even to
8 better understand new emerging issues. That's one
9 thing I do want to emphasize it, and I'll take the time
10 now to do that.

11 How you apply this process, it can inform
12 emerging issues in different manners. If you're
13 looking at issues, a range of issues, it can certainly
14 give you a relative priority and it can help in resource
15 management, better utilization of staff resources, or
16 even industry resources. That's a relative ranking
17 process, but we did see a lot of value in the pilots from
18 the IDP team, or the GAETs, and what the NRC would call
19 an expert panel.

20 It provides a common framework for looking
21 at an issue using the expertise of your panel to better
22 inform how that issue -- you know, what's important with
23 that issue. If you're applying it with an inert
24 fashion, it can help you identify, what are the
25 attributes of a particular issue that make it important?

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1 Alternatively, what are the attributes
2 that make it unimportant? That helps you to better
3 inform how to manage the issue, if you will, and we think
4 there's a lot of value in the expert panel evaluation
5 of issues from that aspect; just from a singular looking
6 at that issue alone.

7 So the types of prioritization, you know,
8 we think is very important. You know, it's not the only
9 aspect of CER that we're concerned with. We think
10 there's value in both the expert panel that the staff
11 is looking at for Option 2 to address the issues as they
12 are emerging, but also, when the issues have made it to
13 the plant site, it's important to bring in, or to allow
14 consideration of the site-specific aspects in how they
15 impact an issue's importance.

16 So that was one of the things that was very
17 insightful in our pilot is that, each site, of course,
18 is a little bit different in their design, but also in
19 the make of the issues that they're dealing with and the
20 relative priority of an issue can change, depending upon
21 the issues that are on their plate that they're
22 considering.

23 So now, relative to the options in the
24 paper, some of the comments that -- you know, areas that
25 we wanted to comment on from the paper. In Option 2,

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1 Part 1, this is the, effectively, endorsement of the
2 industry's plant-specific prioritization process. We
3 think that's very positive that the staff is looking at
4 diversity in the process. We've tried to be responsive
5 to the staff's comments when we develop it, and I think,
6 in some cases, we've met that mark, but, you know, we
7 look forward to further discussion with the staff to see
8 if there are further comments, and if, you know, there
9 are ways that we can improve it and address their
10 comments, but we do like that they are pursuing an
11 endorsement.

12 Our one comment, our concern, is the amount
13 of time it would take to, if we're relying upon that
14 endorsement, come through solely as part of a Reg Guide
15 endorsement. We think, in the end, that would provide
16 a very durable regulatory product, but in the meantime,
17 we would like the staff to consider endorsement, if you
18 want to call it a temporary endorsement, through a
19 letter, or an ISG, or something that would allow us --
20 to give us the confidence to move forward with this
21 process and not hold us up awaiting a regulatory guide
22 endorsement.

23 MEMBER RYAN: Doesn't an ISG kind of do the
24 right job for you? It's not going to be a full
25 regulation, but it's something you're authorization for

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1 implementation. Testing, I guess.

2 MR. BUTLER: The point we want to make is,
3 we want to get something moving forward with the
4 industry as quickly as possible, and we don't want to
5 wait the two years that it might take to endorse it to
6 develop a Reg Guide. The draft SECY made a point that
7 seemed to indicate that the process is limited to
8 schedule changes.

9 One of the things that we saw during our
10 pilot is that, you know, this was the value of the IDP,
11 bringing the experts together, you can't limit them in
12 what they're thinking. And there were instances where
13 they identified that for, you know, a couple of changes,
14 that it made sense to consider changing the scope of what
15 would be considered by the plant.

16 And so that may, if it's a regulatory issue,
17 require the plant to identify, through the regulatory
18 process, that they're not only changing the schedule,
19 but changing the scope of what they had previously
20 committed to. So we want to acknowledge that the
21 process might identify scope changes in addition to
22 schedule changes.

23 Again, you would have to go through,
24 establish regulatory processes to, you know, obtain
25 staff agreement or concurrent on those scope changes,

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1 just as you would have to do on schedule changes, but,
2 you know, it's possible that the process can identify
3 scope changes.

4 MEMBER SCHULTZ: John, is that fully
5 incorporated in the NEI guidance as it currently exists?

6 MR. BUTLER: Probably it could be a little
7 bit clearer in the guidance document that, you know,
8 scope changes are possible. The focus is on providing
9 a relative priority and aggregation, and, you know,
10 schedule changes can be a consequence of that.

11 MEMBER SCHULTZ: You said scope and
12 schedule?

13 MR. BUTLER: Just schedule.

14 MEMBER SCHULTZ: Just schedule is what the
15 document focuses on now.

16 MR. BUTLER: Yes.

17 MEMBER SCHULTZ: But you're saying, let's
18 not forget about scope.

19 MR. BUTLER: Right. Scope changes are not
20 what you would go into an IDP meeting focused on, but
21 we're trying to acknowledge, or I'm trying to
22 acknowledge, that we did see that as part of the IDP
23 discussions, that they identified, in some cases, that
24 it would make sense to consider a scope change.

25 If that's the case, we would see this

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1 process being used as part of the basis for a request
2 to change the scope. You know, certainly, other
3 processes could be used.

4 MEMBER SCHULTZ: Right.

5 MR. BUTLER: The draft SECY talks about the
6 concerns that were raised with our inclusion of
7 inspection findings, or the corrective actions for
8 inspection findings, within the scope of those issues
9 that this process would consider. This was a comment
10 that the staff had made early on in the process and in
11 our latest guidance that we provided through NEI 14-10,
12 we tried to address the staff's concerns, in that we
13 limited the scope of the items that you would consider
14 to those corrective actions where you've already
15 established with the NRC a schedule.

16 That way, if you use this process to change
17 the schedule for one of those corrective actions, you
18 would have to go through established processes to change
19 that -- to inform the NRC of the change in the schedule,
20 that way, it gives the NRC an opportunity to consider
21 the change that we're considering, and, you know, other
22 factors, you know, again, would be considered as part
23 of the overall evaluation.

24 This certainly addresses a concern that the
25 industry had if you tried to apply this process to

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1 corrective actions that were just within the licensee's
2 purview to establish in the first place, then that opens
3 up the possibility that, as part of an inspection
4 finding, they could be questioned whether or not they
5 were prompt enough in their resolution of that
6 inspection finding, so it keeps that separation between
7 the ROP finding inspection and the -- in this process.

8 But I think I heard in Antonios' discussion
9 that the change that we made in our guidance, that
10 they're okay with the change we made, so this,
11 hopefully, will not be an issue going forward.

12 CHAIRMAN STETKAR: I'm not sure I heard
13 that. I wanted some clarification here on that second
14 bullet, because I see what you're saying here, and I
15 think I saw what I read, and I thought I heard what I
16 heard, but I'm not sure that I'm understanding the level
17 of agreement here. So I'd like the staff to clarify if,
18 indeed, the RPI process can be used to make changes to
19 a schedule for a commitment to implement a corrective
20 action for an inspection finding, according to the
21 second bullet here. Is that yes or is that no?

22 MR. ZOULIS: This is Antonios Zoulis. Our
23 interactions with the region, they felt comfortable
24 that these would be a very small subset of issues under
25 the ROP, and we were comfortable that if a docketed

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1 commitment resulted from an inspection finding, that it
2 was acceptable to allow the licensee the flexibility to
3 prioritize that commitment.

4 CHAIRMAN STETKAR: Is that a yes, no?

5 MR. ZOULIS: Yes.

6 CHAIRMAN STETKAR: So what other
7 commitments are we talking about that wouldn't fall
8 under the RPI?

9 MR. ZOULIS: As John mentioned, other
10 corrective actions as part of -- that result from an
11 inspection finding. Remember, this a docketed
12 commitment. That's very specific regulatory vehicle,
13 so you could have 15 corrective actions, as we discussed
14 earlier, that the working part is, but this would be a
15 small subset of corrective actions that could be
16 prioritized.

17 Maybe, with an example --

18 CHAIRMAN STETKAR: Two examples would
19 help. An example of something that you could use the
20 RPI for and an example of something that you could not
21 use the RPI for.

22 MR. WEERAKKODY: Yes. This is Sunil, I
23 can give you a very specific example based on an item
24 that we discussed at the public meeting when we were
25 talking about this, industry asked, why would you want

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1 the findings, or the commitments out of the findings,
2 under RPI?

3 I recall one of the licensees said, they had
4 a finding, I believe it was a core compliance kind of
5 issue, and in that particular case, they made a
6 commitment through the licensing process to fix that
7 issue within a timeframe, so it was a commitment made
8 to the licensee as kind of a finding, but it was made
9 as a licensee commitment.

10 For something like that, we said, yes, that
11 sounds reasonable, so we were not, as I am borrowing the
12 words of one of the members, mixing apples and oranges.
13 We said, yes, for something like that, it's okay to use
14 RPI. We wanted to make a distinction between something
15 like that versus a number of relative other findings,
16 you know, inspectors will find. They may find, you
17 know, torn insulations, you know, a lot of other things
18 where the licensee would still read and say, okay, we'll
19 fix that by such and such.

20 We didn't want to bring all those things
21 into the RPI.

22 MEMBER REMPE: So how do you decide up
23 front what falls in and what doesn't fall in?

24 MR. WEERAKKODY: The way I understand it,
25 again, I'm not an expert in this issue, if a licensee,

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1 based on inspection findings, makes a commitment on the
2 docket to say -- you know, to the staff saying, we will
3 fix this by such and such a date. Okay? And that comes
4 under the purview of our licensing process, that is one
5 subset. Those are the ones that we can, relatively
6 easily, handle under RPI.

7 What we have a hard time putting, and I'm
8 mixing apples and oranges, there's numerous other
9 inspection findings that you really can't fit to that
10 level, where our inspectors would go, they would find
11 something, and the licensees would say, well, it's
12 green, we'll fix it under corrective action program, so
13 when the inspectors come again, their next inspection,
14 they have made a promise to the regions to get those
15 things fixed.

16 Those things, we did not put in the RPI.
17 John, if you wanted to --

18 MR. BUTLER: First off, I want to make
19 clear that this process, while it is a relatively
20 straightforward process, it does take time and effort
21 to implement. So because of that, you're not taking
22 run-of-the-mill O&M maintenance issues, a lot of the
23 things that would come out of inspection findings,
24 you're not taking those through this process. It's
25 just not worth it.

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1 Those are the type of issues you just go
2 ahead and fix them. There is a potential corrective
3 actions for inspection findings to be large enough to
4 be considered as part of this project-based process,
5 and, you know, we agreed in our guidance that we would
6 limit consideration of those items to those for which
7 you've docketed a schedule with the NRC. That way, if
8 we take it through the process and determine that the
9 schedule needs to change, we would go through
10 established processes to change that commitment, giving
11 NRC an opportunity to consider the basis for that
12 decision.

13 MEMBER REMPE: So at the risk of sounding
14 dumb, can I paraphrase and say, if it's a major
15 commitment that's not part of maintenance or something
16 that would be under the ROP process, then it can be put
17 under the RPI process. So you're going to take the
18 bigger ones, where they made a commitment, and you're
19 going to put it in this RPI process.

20 MR. BUTLER: That's the practical
21 restriction.

22 MEMBER REMPE: Okay.

23 MR. BUTLER: How it's expressed in the
24 guidance is, it's docketed. Now, generally, you're not
25 going to docket the smaller items, so, in practice, it's

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1 the same thing.

2 MEMBER REMPE: Okay. Thank you very much.

3 CHAIRMAN STETKAR: I'll tell you, that
4 certainly didn't come out of my reading of the
5 description of the Option 2 in the draft SECY paper,
6 because it seemed to be comprehensive and exclusive.
7 It said, anything that comes out of an inspection
8 finding shall be excluded from this process.

9 MR. ZOULIS: In the SECY, we kind of didn't
10 address the modification to the guidance. We didn't
11 think it was --

12 CHAIRMAN STETKAR: But see, in the SECY
13 paper, we're talking about a lot of subtleties. Well,
14 gee, these people, internally, raised this concern, so
15 we had to make sure there's a slight nuance between
16 Option 2 and Option 3. Why can't there be clarification
17 on what's included and not in terms of inspection
18 findings?

19 MR. WEERAKKODY: We will take that back for
20 consideration.

21 MEMBER BROWN: It seems to me if you say
22 docketed, that's a very formal thing that you can go put
23 your hands on.

24 CHAIRMAN STETKAR: I would have understood
25 that.

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1 MEMBER BROWN: Yes. The words never came
2 up.

3 CHAIRMAN STETKAR: And it didn't come
4 under -- when we quizzed, you know, in my subtle ways
5 of quizzing the staff, nobody ever raised that from the
6 staff. And in fact --

7 MEMBER BROWN: But it's not some trivial
8 inspection finding in the maintenance area.

9 MR. ZOULIS: I had a slide that said that,
10 but it's not in the paper. That's the key. The key is
11 --

12 CHAIRMAN STETKAR: It's not in the paper.
13 Whatever is said here orally and put up on the screen
14 is what it is.

15 MR. WEERAKKODY: We'll take that back for
16 consideration.

17 CHAIRMAN STETKAR: The paper is what gets
18 submitted and scrutinized word-by-word by everyone at
19 the Committee.

20 MR. BUTLER: Moving on, the second part of
21 Option 2 where the NRC is exploring the use of an expert
22 panel, you know, we think this is a positive thing. We
23 think it's needed. I wish the SECY paper had been a
24 little bit more explicit on the, you know, expert panel;
25 what the scope of it would be; how it would be applied.

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1 We could be a little bit more explicit in our comments
2 on that particular part, that option, so at this point,
3 absent those specifics, we have more questions than
4 comments on how it might be applied.

5 MEMBER RYAN: Just one question, who would
6 be selected to be on this panel and who would be excluded
7 from being on the panel?

8 CHAIRMAN STETKAR: You can't ask NEI that.
9 It's not an NEI problem.

10 MEMBER RYAN: I'm just curious. Expert
11 panel representation. What does expert panel mean to
12 --

13 CHAIRMAN STETKAR: This is a staff
14 problem. This is not John Butler at NEI.

15 MR. WEERAKKODY: Yes. It was in one of our
16 slides. Again, we are getting into the amount of
17 slides. All right. Go ahead.

18 MR. RUFFIN: During the Working Group's
19 deliberations on the panel, again, this is one of those
20 areas where there wasn't 100 percent agreement.

21 MEMBER RYAN: I'll take that to mean there
22 was not an agreement at the end of the discussion.

23 MR. RUFFIN: Well, there was an agreement
24 that the panel would be made up of senior managers and
25 subject matter experts that have the right experience,

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1 PRA experience --

2 MEMBER RYAN: All right. So now we've
3 kind of kicked the ball to the, we'll have to develop
4 the criteria that describes a competent person to stand,
5 you know, in on this field, or that field, or whatever,
6 so I get that part. But that's a heck of a lot of weight
7 to carry to handle a problem. When I would think that,
8 you know, there could be some ad hoc activities with,
9 you know, key people from the staff that could group up
10 pretty quickly and address something.

11 You know, the experience I have in my head
12 is, anybody familiar with DSSI in Kingston, Tennessee
13 that caught fire. Well, guess who the RSO was. Me. I
14 wasn't at the facility, I was at Chem-Nuclear, but they
15 bought it, so, Brian, you're the radiological guy. Get
16 in the plane. Go. You know, and that really became
17 kind of a learning field for all these things you've
18 talked about.

19 And trust me, you know, if you have to deal
20 with it at the end of some event like a fire in air
21 pollution control system, you're going to work a whole
22 lot faster than this process is going to let you do.
23 Trust me. I just think, you know, we need to structure
24 this so it's fluid and flexible for any user to make use
25 of it, to understand it quickly, and to really define

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1 the objectives they need to reach to be done.

2 I asked every regulator involved in that
3 one process that I mentioned, when am I done? When am
4 I done? Just tell me when I'm finished. And I'll plan
5 it, and I'll execute it, and I'll get it done, and if
6 you don't like it, I'll do whatever you want the second
7 round. I'm sure there'll be a second or a third, you
8 know, so just tell me what you want. Sitting around
9 thinking about what we want, not so good.

10 MR. RUFFIN: Well, I think --

11 MEMBER RYAN: So I just offer you that
12 insight to say, what you really need to think about, if
13 I was in that, you know, licensee's shoes, how would I
14 want to structure this so I could, you know, communicate
15 information about what I'm doing and why I'm doing it,
16 and get a read. Yes, okay, that's good, or no, this
17 part's good and that part isn't, as efficiently as
18 possible.

19 MR. RUFFIN: And I appreciate that. And
20 again, the Working Group -- you know, the dynamics is,
21 sometimes, you know, to get consensus, to get
22 concurrence, you have to take it a little higher.

23 MEMBER RYAN: What do you mean by taking it
24 a little higher? Take it to management?

25 MR. RUFFIN: No, it means we have to define

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1 it at a level where --

2 MEMBER RYAN: And I don't know what higher
3 level means, to be honest with you.

4 MR. RUFFIN: -- all of the details aren't
5 resolved and --

6 MEMBER RYAN: When you say it's going to go
7 to a higher level, I don't know what that means.

8 CHAIRMAN STETKAR: We're not going to
9 constitute the expert panel at this Subcommittee
10 meeting.

11 MEMBER RYAN: I'm not asking to, John.
12 I'm just trying to understand what they're meaning by
13 their words.

14 MEMBER REMPE: But I have a different
15 question if you're done.

16 MEMBER RYAN: Thank you.

17 MEMBER REMPE: It's related to what you
18 have here in your questions about the expert panel, and
19 again, I'm afraid the staff's going to have to answer,
20 but earlier a couple of slides, you said something about
21 it's important not to preclude the possibility of
22 project scope changes or particular issues from being
23 considered because of that happening during the IDP
24 process.

25 Would this expert panel that provides a

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1 high level guidance about which issues that should be
2 focused upon, and how would that interface work if they
3 decide that some issue just shouldn't be considered, and
4 then you guys say, oh, that issue is important and we'd
5 like to consider it? How does that exchange work?

6 MR. RUFFIN: Well, I think they're two
7 different things. When they talked about what their
8 guidance does, in addition to schedule, they said what
9 they also learned is that they found that they need to
10 make some changes as well. They would have to come in
11 through the regular processes to request that type --

12 MR. BUTLER: I can give you my opinions.

13 MR. RUFFIN: But the expert panel that
14 we're talking about would be a panel that is internal
15 looking at what regulatory actions NRC staff is
16 proposing, and that panel would prioritize those
17 actions and when appropriate, eliminate some of those,
18 so that's a CER function that's not interfacing with
19 that process there. Where the interface is that is
20 identified in the paper is when the GAET does its
21 deliberations out in the industry, and before we ever
22 go out with a proposed rule that's already gotten past
23 the expert panel, and the expert panel says still go do
24 it, the report that they would make available to us would
25 be what would then shape our opinions from how that

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1 information they provided to us affects that proposed
2 rule or proposed regulatory action that was going to
3 forward that had already gotten past the expert panel.

4 MEMBER REMPE: Okay. Thank you.

5 MR. ZOULIS: This is Antonios Zoulis,
6 because this is exploratory, the expert panel is
7 exploratory, I can envision that if we get feedback from
8 the industry that the proposed solution for X isn't
9 really hitting the mark, that could be provided back to
10 us in some funnel thing, that could then be deliberated
11 again in the expert panel level to determine an even more
12 appropriate solution for it, and that could then cover
13 the scope change issue.

14 I mean, nobody says you can't do that. I
15 mean, that would be, to me, a very productive way of
16 using the expert panel as well.

17 MR. BUTLER: The value of the expert panel
18 has to be looked at in a couple different ways. You're
19 bringing together a multi-discipline team and using the
20 process to kind of focus their attention on a particular
21 issue, bringing their varied perspective to the issue.
22 That's the value. How you apply it can vary. You can
23 apply it to look at multiple issues to give a relative
24 ranking, which is, really, the primary focus here, but
25 there's also value in informing, on a particular issue,

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1 what's important, you know, how's the best way to
2 address it.

3 I mean, you know, we saw that in our generic
4 assessment expert team process where, applying it to a
5 particular issue with this team allowed you to identify,
6 what are the characteristics that make the issue
7 important, that would then inform you which plants it
8 applies to the most, and that, in turn, can inform how
9 best to address the issue, whether you address it
10 generically, more on a plant-specific basis, or that
11 could affect the time table that you apply, you know,
12 so it helps inform the best way to move forward on the
13 issue.

14 CHAIRMAN STETKAR: The dangers, of course,
15 with that, or the group thing of, the experts telling
16 the plant what they should think about rather than the
17 plant deciding what's important for themselves. I'll
18 just say that on the record.

19 MR. BUTLER: Well, as I started out saying,
20 there's a value in applying this process, not only
21 generically, but also plant-specific, because you've,
22 you know --

23 CHAIRMAN STETKAR: Provided that the plant
24 has enough wherewithal to say, we don't agree with those
25 generic experts and we think something is more

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1 important, and I haven't seen that happen. That's the
2 danger of the group of industry experts telling the
3 plant what they should think about.

4 MR. BUTLER: Option 3, I think we're in
5 favor of this. How it's presented in the draft SECY is
6 that, you know, it would be piloted. It's not clear
7 whether we're talking piloting for a single rulemaking
8 or applying it during a pilot period where you would
9 apply it to any rulemakings during that period. The
10 value of this really depends upon which rulemaking you
11 choose to pilot, and I think that's where my concerns
12 would be, and whether or not, you know, you would be able
13 to choose the right rulemaking to use to inform whether
14 or not this is a valuable process.

15 That being said, it's just, you know, I
16 think it's worth trying, but there's a caution that it
17 may take multiple rulemakings to really inform the value
18 of this process and answer some of the questions that
19 are going to be inevitable as part of this. That was
20 it. That's my slides.

21 CHAIRMAN STETKAR: Does NEI have any
22 thoughts on Option 4?

23 MR. BUTLER: Yes.

24 CHAIRMAN STETKAR: Okay.

25 MR. BUTLER: Option 4, I think it's worthy

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1 of discussion, but I would have to agree with the staff
2 right now, there's a lot of questions that would come
3 up. I think it would be valuable for us to get some
4 experience. The processes that are talked about in
5 Options 2 and 3, that would place us in a better position
6 to understand better how Option 4 could be applied.

7 I'd like to continue discussion of Option
8 4, but, you know, there are answers that are needed, more
9 experience that is needed, before we really jump into
10 Option 4.

11 CHAIRMAN STETKAR: Okay. Good.
12 Anything else for John?

13 MR. BUTLER: Thank you very much.

14 CHAIRMAN STETKAR: Thank you very much.
15 And we're going to have -- Dave Lochbaum from UCS has
16 comments. While we're getting his line open, I think
17 we've all received the written form of those comments
18 and I hope Members have had a chance to read them. The
19 written comments will be included as part of the record
20 of the meeting, in addition to whatever Dave has to say.

21 Dave, are you out there?

22 MR. LOCHBAUM: Yes, I am. Can you hear me?

23 CHAIRMAN STETKAR: Good. Yes, yes. That
24 was the test of our sophistication. So you have the
25 floor.

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1 MR. LOCHBAUM: Well, thank you very much.
2 My name is David Lochbaum. I'm the director of the
3 Nuclear Safety Project for the Union of Concerned
4 Scientists. I first want to start with my appreciation
5 for the accommodation that allowed me to participate
6 remotely. I would have preferred to be there
7 in-person, but my schedule didn't support that, so I
8 appreciate your allowing arranging for remote
9 participation.

10 I also noticed that there -- we've been
11 monitoring this process for a couple years and feel that
12 the discussion has been very helpful and has value, or
13 at least intangible value, of helping the NRC staff and
14 the industry better understand each other, similar to
15 the process that was followed a few years ago with safety
16 culture, where everybody wanted good safety culture,
17 but there was some communication barriers, some
18 language issues, and different people had meant
19 different things to different people.

20 Our monitoring the process the last couple
21 years has shown that there's been intangible value of
22 better understanding of prioritization, what factors go
23 into it, how it's discovered, and there seems to be a
24 narrowing of the gap between the NRC staff and the
25 industry as to what needs to be done, and what works and

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1 what doesn't work along the way. So I can't put a price
2 tag on that, but that seems to have had some intangible
3 value already, in addition to whatever else is down the
4 road.

5 There was discussion earlier during the
6 session about, during the staff's presentation about,
7 working under way and to be completed to try to narrow
8 the gap on cost estimates where the NRC's regulatory
9 analysis of various things, regulatory requirements,
10 turned out to be a little bit lower than the actual costs
11 to when those requirements are ultimately implemented.

12 In the spirit of trying to close gaps,
13 identifying closed gaps, the concerns or the issues we'd
14 like to raise and put on the table are two other gaps
15 that we think need to be considered along the way as
16 these tools, or these processes, are implemented.

17 The first is, there's a big gap between the
18 pace of resolving nuclear business items and the pace
19 that nuclear safety issues get resolved. And the
20 second gap is, there's a gap between the perception of
21 risk between what the NRC sees and what the plant owners
22 see, and our concern is, particularly if that second gap
23 isn't narrowed, if not closed, then that first gap is
24 only going to widen, because if the industry perceives
25 risk of an issue far lower than the NRC does, then that's

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1 going to affect where issues are prioritized and ranked,
2 and therefore, when they get resolved.

3 We also don't have any -- aren't commenting
4 on who's right in the risk perception. It doesn't
5 really matter who's right because the gap itself means
6 that the outcomes are wrong. If the NRC's risks are
7 right, then the industry underestimating risk means
8 that things that should be done sooner may get done
9 later, and if the industry's risk calculations are
10 typically more right, then that means that the NRC's
11 perception of risk may drive things that don't need to
12 be done into being done sooner than they need to be, kind
13 of like the discussion about green findings and who's
14 wearing the hat of who finds it.

15 So we think it's important, similar to the
16 way that the cost estimate issues are being addressed,
17 and hopefully the gap narrowed, that the risk perception
18 gaps also represent an issue that needs to be resolved,
19 because if you're doing a cost-benefit study, which,
20 essentially, risk prioritization does, if you're wrong
21 on the cost side or if you're wrong on the benefit side,
22 the outcome of the decision you make isn't as fully
23 informed as it should be or is wrongfully informed.

24 As far as some of the evidence that we would
25 cite that there is a gap between the pace of resolving

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1 business issues and safety issues, the three examples
2 we provide in the paper was licensing actions, which get
3 reported to the Congress every six months. The NRC had
4 set a goal many years ago of resolving all licensing
5 actions within two years, and 95 percent of those
6 licensing actions within one year, and the semi-annual
7 reports that go to Congress showed that the NRC does a
8 really good job of meeting those goals.

9 I would note that that's not just
10 reflective upon the performance of the NRC, because it
11 also inherently, or tangibly, or implicitly reflects on
12 the performance of the licensees. If the license
13 amendment requests and the other documents that are
14 submitted to the NRC for review and approval were not
15 of sufficient quality, then it would be difficult for
16 the NRC staff to meet its one-year, two-year goals.

17 So collectively, the fact that these goals
18 are being met for hundreds of items year after year, show
19 that the NRC and its licensees have developed the
20 processes and the discipline necessary to submit
21 quality work and have it reviewed in an expeditious
22 manner consistently.

23 The second data point that I would point to
24 to show that nuclear business is done at a different pace
25 is license renewals. Technically, they're a subset of

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1 licensing actions because they do require license
2 amendment requests, which is a licensing action, but I
3 pulled them out as a subset because license renewals are
4 much more extensive, it's a lot of work on part of both
5 the licensee and the NRC staff to prepare, review, and
6 approve a license renewal.

7 But if you look at the track record over the
8 last decade, it's been a pretty -- with a couple
9 exceptions, Pilgrim and Indian Point, the license
10 renewal applications are of sufficient quality to allow
11 the NRC to review and approve them within three to four
12 years; repeatedly; consistently.

13 And the last example, similar to that, is
14 power uprates. Even extended power uprates are being
15 reviewed and approved in a fairly short order. Even the
16 more complex ones, like extended power uprate, which
17 involve a wider scope, they're still being done. You
18 know, Table 3 of the paper that I submitted shows some
19 safety issues with a different track record.

20 The GSI-191, which was actually started
21 before I joined USC more than -- sometime last century,
22 are still open, and it's like 18.4 years and counting
23 on being unresolved. And, you know, if it's important
24 safety issues, then nearly two decades is wrong, and if
25 it's not on important issues, then wasting everybody's

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1 time for nearly two decades is equally wrong, so I'll
2 let the industry and NRC pick which of those two wrongs
3 it is, but 18.4 years is just unacceptable.

4 And that's, maybe, the longest one, but
5 fire protection issues for nearly three dozen plants
6 have been open for more than a decade. In fact, the
7 three reactors at Browns Ferry that started all this,
8 back in -- still don't meet the fire protection
9 regulations after three decades, and that's
10 unfortunate.

11 We're not saying, you know, these generic
12 safety issues are complex and we're not saying they
13 should be resolved as expeditiously or in the same
14 timeframe as the licensing actions, the license
15 renewals, or the power uprates. What we are saying is
16 that the same discipline, and process, and rigor that
17 the industry and the NRC staff exhibit by doing those
18 other things consistently in a timely manner should be
19 applied to the resolution of these safety issues.

20 The benefit that would be derived, other
21 than the safety benefit, the safety gain that's derived
22 from that, is that, by taking some of these issues off
23 the table, instead of wasting everybody's time for 18.4
24 years, you would free-up resources to do a bunch of other
25 things.

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1 So instead of metering how many more balls
2 the juggler gets up in the air, we think more effort
3 should be focused on getting some of the balls that have
4 been up in the air for nearly two decades down off the
5 ground and free-up resources to do some of these things
6 that the industry and others want to do.

7 The second gap that we think needs to be
8 closed is the gap between what the licensees see as risk
9 and what the NRC staff sees as risk. I went back through
10 the yellow and red findings issued by the NRC since the
11 ROP was adopted in April of 2000 and compiled the results
12 in Table 4. I didn't capture every one of those,
13 because they're kind of hard to find. There's no one
14 repository for these things, and it does take some time
15 to wander through ADAMS and fetch them.

16 But the ones I found showed -- and I didn't
17 ignore any that showed that there was agreement, so I
18 didn't cherry-pick the results to only pick the ones
19 that they disagree. But of the ones I found, the
20 closest agreement was the issue at Oconee involving the
21 safe shutdown facility, where the NRC's estimate of what
22 the risk was from that non-conforming condition was
23 double that of the licensee.

24 The more recent flood protection issue at
25 Watts Bar was three orders of magnitude different

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1 between what the licensee thought and what the NRC
2 thought. If we're seeing these kinds of differences
3 when you apply it to risk rankings, and the NRC thinks
4 that the risk will be derived using their methodology
5 and their computers, and the licensees are using one
6 that's up to three magnitudes lower, that's going to
7 skew the results.

8 So we're a little concerned that just as the
9 wide cost estimate gap needs to be narrowed, this risk
10 gap also needs to be narrowed, otherwise, you're not
11 ranking things properly per risk. And again, I'm not
12 -- I have an opinion as to who's right or wrong in terms
13 of whether the licensee or the NRC's risk calculations
14 are right, but in some respects, it doesn't matter.
15 That gap itself is inappropriate when you're trying to
16 then rank issues based on risk.

17 In terms of the actual NEI guidance and the
18 results from the pilots that were conducted last year,
19 we noticed some issues that could affect how emerging
20 issues are ranked. The NRC, in the report on their
21 observation of the pilots, staff noted that in at least
22 one plant, the NFPA-805 modifications that were
23 scheduled, the licensee didn't use some of the fire
24 modeling techniques that are available.

25 You know, if you can cherry-pick what

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1 inputs you use in order to have the lower outcome, then
2 that's not the way this thing should be working. There
3 should be more objectivity, more repeatability amongst
4 the risk rankings and not, you know, work backwards from
5 the answer you want to figure out what inputs should go
6 into it, and that's not right.

7 Similarly, the NRC staff noticed that the
8 security factor, which is one of the five factors used
9 to rank issues, that one licensee was comparing the
10 compensatory measures that were in place for the
11 security violation with the final configuration after
12 the security problem was fixed, that it really should
13 the as-found condition versus the to-be-fixed
14 condition, not some unregulated interim point that
15 gives you a low answer.

16 Again, it seems like that's a neat way to
17 come up with the lower ranking and obviously, then,
18 reduce the prioritization of those issues. And the
19 last factor that could be gained to, basically, just
20 whatever answer you want to come up with, is the
21 radiation protection factor.

22 You know, recently, USC and others have
23 advocated accelerating the transfer of irradiated fuel
24 from pools into dry storage. The industry was quick to
25 point out that that would entail more radiation exposure

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1 to workers, and therefore, would be a very bad thing,
2 and they opposed it for the increased radiation
3 exposure.

4 Yet, around the same time, the NRC staff and
5 the Indian Point licensee came up with this weird scheme
6 where Indian Point Unit 3's pool doesn't have a high
7 capacity crane, so they load 12 assemblies into a little
8 bitty canister, move it over to the Unit 2 pool, and then
9 load it into a big canister, 32-assembly canister, to
10 move out to the ISFSI in the backyard.

11 That moves fuel about two or three times
12 more often than it needs to be, but this whole worker
13 exposure thing somehow disappeared from the view when
14 this licensee chose to do that cockamamie scheme rather
15 than just upgrade the Unit 3 crane like they did the Unit
16 2 crane.

17 Similarly, in just the last year, San
18 Onofre, Kewaunee, and Vermont Yankee have all announced
19 that they're going to offload their spent fuel pools as
20 quickly as they can into dry storage, with target
21 completion dates of about six years, the same timeframe
22 we are proposing for the safety gate, but none of them
23 mentioned the increased worker exposure that that plan
24 would entail.

25 So this whole worker radiation exposure

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1 thing, and workers are being used as pawns, concerned
2 about their health when there's dollars involved and you
3 might have to spend a few more, and no concern at all
4 about their radiation exposure when you're saving
5 money. So therefore, this radiation exposure factor
6 looks like a wildcard that can be used to either bump
7 up or drop down a priority level dependent on what you
8 want before you started, and that's just a waste of time.

9 If you don't want to do it, don't do it.
10 Don't play with the math and use voodoo math to justify
11 some answer you already had in mind. And lastly, we
12 emphasize was the point made by the NRC staff in their
13 report on the pilots. The process in the NEI draft
14 guidance could result in continual deferral or delay of
15 corrective actions. We don't need anymore of that.

16 That kind of nonsense was what led to the
17 near-miss at Davis-Besse when outage after outage, the
18 plan to go in there and modify the service platform to
19 facilitate inspections and cleaning of the reactor
20 vessel head was deferred for economic reasons.

21 In addition, in 1999, when workers found
22 problems with junk clogging the radiation filters, or
23 the air filters on the radiation detectors, it was
24 dismissed because it's a low priority, non-safety
25 system, so, you know, we can continue to dilute

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1 ourselves into missing safety issues, and this seems
2 like an enabler of that practice rather than one that
3 controls it and ensures that important stuff gets done
4 in a timely manner.

5 With that, I'd be glad to entertain any
6 questions or comments, and I, again, appreciate both
7 your listening to our perspectives and providing for the
8 remote participation.

9 CHAIRMAN STETKAR: Anything for Dave?
10 Dave, thanks a lot and everything that you said, and as
11 I said, your written comments are on the record. I
12 don't know if you're planning to participate. I think
13 we're scheduled March 5th for the Full Committee
14 briefing, and we could accommodate your remote
15 participation at that time also, if you want to do that.

16 MR. LOCHBAUM: I appreciate that. We have
17 an annual report on the NRC and nuclear power plant
18 safety that, right now, may come out on March 5th, which
19 would keep me busy --

20 CHAIRMAN STETKAR: Oh, okay.

21 MR. LOCHBAUM: -- so I just need to nail
22 that down, but I do appreciate that offer and we'll get
23 back to Mike as quickly --

24 CHAIRMAN STETKAR: Yes, just coordinate it
25 with Mike so that we know what to plan for for the Full

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1 Committee.

2 MR. LOCHBAUM: I'll do that. Thank you.

3 CHAIRMAN STETKAR: Thanks a lot. Mike,
4 was Dave on the public line? We only had one line open?
5 I'm confused. Maybe just tell me we have phone lines
6 and --

7 MR. SNODDERLY: You should open up the
8 public line.

9 CHAIRMAN STETKAR: Is it open? It is not.
10 Okay. Leave it. That's my confusion. While we're
11 doing that, let me ask if there's anyone in the room that
12 has any comments that you'd like to make. Come on up
13 and identify yourself and do so. Hearing nothing,
14 we'll get the public line opened up soon. It is
15 allegedly open. If there's anyone from the public out
16 there, do me a favor, please, and just say hello, or
17 something, so that we can confirm that the line is open.

18 Hello. Thank you. Honestly, it's a
19 high-tech system. That's the only way we have to find
20 out that it's open. Now, if there is anyone, a member
21 of the public, who would like to make a comment, please
22 identify yourself and do so. Okay. Hearing none,
23 we'll close that. And as we always do at the end of
24 Subcommittee meeting, I'd like to go around the table
25 and ask for any final comments by the Members. And

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1 we'll start with Steve this time.

2 MEMBER SCHULTZ: Thank you. I would just
3 like to thank the staff and all the participants in the
4 meeting for the presentations this afternoon. Those
5 presentation have shed a lot of light on, not only the
6 paper, but also the interpretations of the paper, and
7 the comments on the paper by the UCS and NEI have been
8 very helpful as well. So that's really all I have.

9 A lot of questions that I had in reading the
10 current draft have been answered through the
11 presentations and I appreciate that very much. Thank
12 you.

13 MEMBER SKILLMAN: No further comment.
14 Thank you.

15 CHAIRMAN STETKAR: Thanks. Dennis?

16 MEMBER BLEY: I trust the staff will take
17 note of what Steve said. Just about everybody had
18 trouble understanding this without the explanations,
19 which implies there's something not clear in the text,
20 so better next time.

21 CHAIRMAN STETKAR: Mike?

22 MEMBER RYAN: The only thought I'd add a
23 little bit to is that complex facilities that have more
24 than a radiological hazard and, you know, where you're
25 kind of embarking on this risk analysis sort of

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1 approach, I think it's important to at least think
2 about, or maybe even get some experience from other
3 industries, you know, on the next waste facilities that
4 might be out there that could be helpful to see if
5 there's anything to learn there as you embark on trying
6 to sort this out for the licensees.

7 They may have a competing risk that needs
8 equal attention, and perhaps more attention, than the
9 radiological risk. And we heard, you know, Mr.
10 Lochbaum, talk a little bit about that. So I appreciate
11 the discussion and it's clear the staff's done a
12 tremendous amount of work to think this through and get
13 organized, but I think there's a few more feet in front
14 of us before the finish line to maybe get it to the next
15 level and really make it workable, and clear to
16 everybody, which is good. Thank you very much for your
17 time here.

18 MEMBER BALLINGER: No comment.

19 CHAIRMAN STETKAR: Charlie?

20 MEMBER BROWN: I got some better
21 appreciation, understanding, of what was going on that
22 I didn't gather before, so other than that, I had no
23 additional comments.

24 CHAIRMAN STETKAR: Joy?

25 MEMBER REMPE: No additional comments, but

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1 I triple or quadruple the comment about the
2 clarification in the SECY because it's important to have
3 it as clear as possible.

4 CHAIRMAN STETKAR: Good. And I don't have
5 anything further to add, so I'd like to thank the staff
6 and also, again, I echo the thanks to NEI. I think your
7 presentation helped. It certainly helped to flesh-out
8 some of what we discussed here in terms of oral
9 clarifications, and also, I'd like to thank UCS for a
10 very thoughtful set of written comments and oral
11 comments that we'll certainly include in our
12 deliberations.

13 And with that, if there's nothing more, we
14 are adjourned.

15 (Whereupon, the meeting in the above-entitled matter was concluded at
16 4:19 p.m.)

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**ACRS Subcommittee Briefing:
March 2015 Cumulative Effects of Regulation/Risk
Prioritization Initiative Paper**

February 20, 2015

Steve Ruffin
NRR Division of Policy and Rulemaking
Antonios Zoulis
NRR Division of Risk Assessment

Purpose

- Provide an overview of draft SECY-15-XXXX, “Cumulative Effects of Regulation Process Enhancements and Risk Prioritization Initiative: Response to Commission Direction and Recommendations”
- Brief ACRS Subcommittee in advance of the Full Committee meeting
- Obtain letter from ACRS Full Committee

Outline

- Background
- Update on Cumulative Effects of Regulation (CER) Efforts
- NEI Draft Guidance
- Discussion of CER and Risk Prioritization Initiative (RPI) Options
- Recommendation

Background

- SECY-12-0137, “Implementation of the Cumulative Effects of Regulation Process Changes” (October 5, 2012; ADAMS Accession No. ML12223A162)
- SRM-SECY-12-0137 (March 12, 2013; ADAMS Accession No. ML13071A635)

Background (Cont'd)

- SRM-COMGEA-12-0001/COMWDM-12-0002, “Proposed Initiative to Improve Nuclear Safety and Regulatory Efficiency” (February 5, 2013; ADAMS Accession No. ML13037A541)
- COMSECY-14-0014 (April 9, 2014; ADAMS Accession No. ML14069A061)
- SRM to COMSECY-14-0014 (July 18, 2014; ADAMS Accession No. ML14199A187)

Update on CER

- Fuel Cycle Facilities and Agreement States
 - NMSS Fuel Cycle maintains an Integrated Schedule of regulatory activities
 - NMSS Fuel Cycle conducts quarterly meetings with stakeholders to discuss and adjust the regulatory milestones
 - NMSS is working with Agreement States to identify Agreement State CER impacts

Update on CER (Cont'd)

- Regulatory Analysis Improvements
 - Report outcome of CER case studies
 - Improvements to the Regulatory Analysis Process
- CER Expansion to Generic Communications Program
 - Six CER questions in the Federal Register notices
 - Generic Letters
 - Other Generic Communications (CER enhancements not necessary)

- **Development and Demonstration Pilot Exercises**
 - The proposed guidance consists of Generic Assessment, Plant-specific Assessment, and Issue Aggregation
 - NRC staff participated in the demonstration pilots (ADAMS Accession No, ML14302A269 and ADAMS Accession No. ML14349A378 contain summary reports from NRC staff and industry, respectively)

NEI Draft Guidance (Cont'd)

- NEI process was effective in applying objective decisionmaking attributes to prioritize both regulatory and plant issues
- Integrated Decisionmaking Panel (IDP) used rational methods, asked challenging questions, and considered both the positive and adverse effects of the proposed issues
- Insights from the site-specific probabilistic risk assessment (PRA) models, when included in the IDP discussion facilitated the process.

NEI Draft Guidance (Cont'd)

- Emergency Preparedness, Radiation Protection and Security are not easily amenable to risk quantification
- The staff would have to rely on qualitative risk insights as well as other attributes of the risk-informed framework
- Improvements have been made in the proposed NEI guidance but additional work is still necessary to ensure those issues are being characterized correctly and consistently

- Incentivizing PRA
 - COMGEA-12-0001/COMWDM-12-0002 proposed an initiative to explore ways to incentivize PRA by allowing licensees to prioritize regulatory and explore proposing alternatives and in some cases eliminate based on full-scope level 1 and 2 PRA
 - Options promote the use and in some case the development of PRA
 - NRC staff explored methods to allow elimination of issues without prior NRC approval

Discussion (Cont'd)

- Inspection Findings
 - SRM to COMSECY-14-0014 directed the NRC staff to consider “how corrective actions for findings, violations, and degraded or nonconforming conditions adverse to quality will be treated as part of the risk prioritization initiative”
 - Reactor Oversight Process (ROP) is a mature process
 - Uses risk-informed criteria to establish significance of findings

Discussion (Cont'd)

- Inspection Findings (Cont'd)
 - Fundamental assumption of ROP is that corrective actions (CA) associated with “green” and other findings would be promptly addressed.
 - Inspection guidance (IMC 326) discusses what is meant by “prompt” for certain operable, but degraded SSCs, consistent with regulations
 - Rescheduling of CAs associated with findings can complicate or hinder follow-on supplemental inspections

Discussion (Cont'd)

- Inspection Findings (Cont'd)
 - Current proposed guidance only allows prioritization of docketed commitments resulting from inspection findings

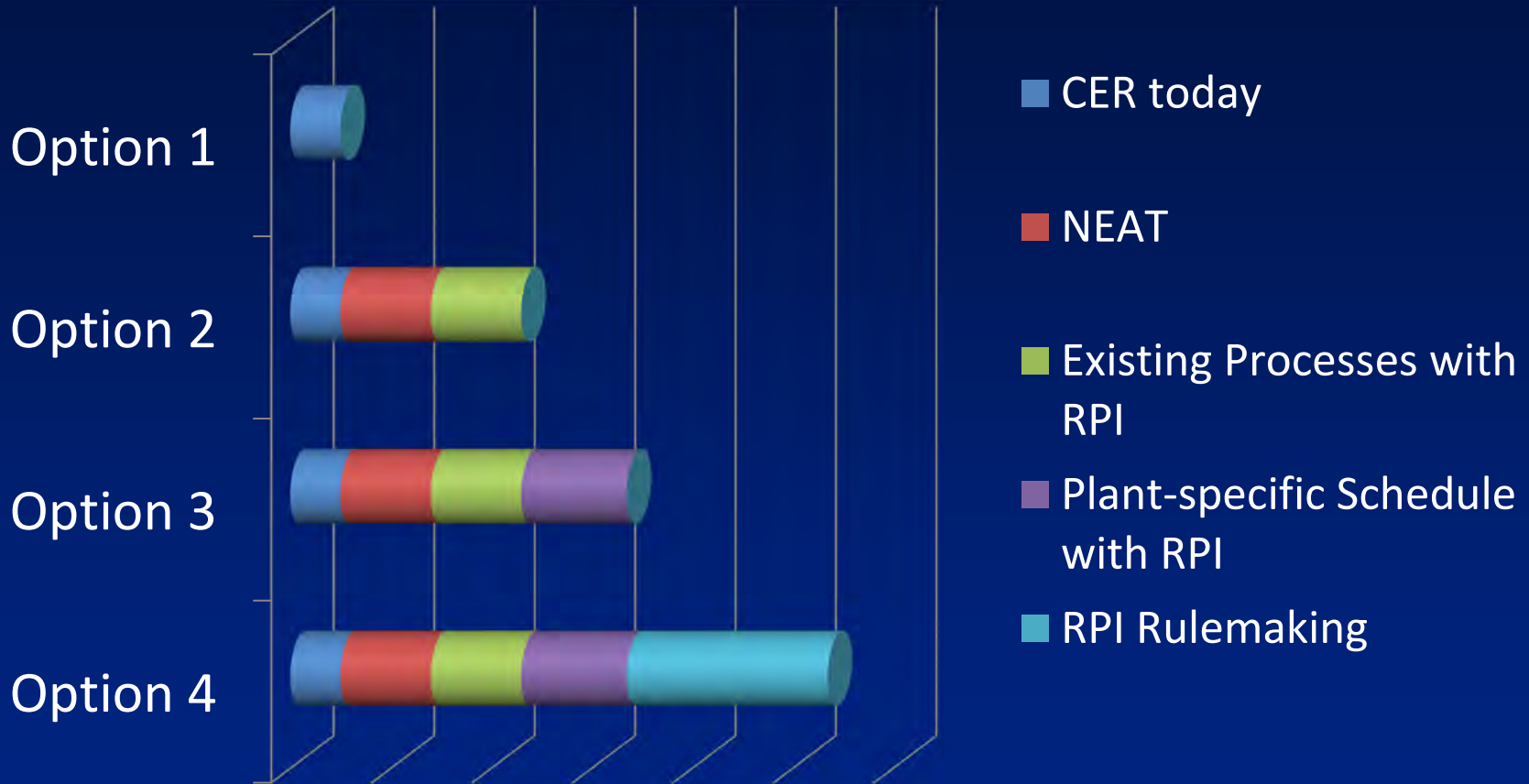
Regulatory Process Changes

- “Obviate the Need for Exemptions”
 - SRM to COMSECY-2014-0014 directed staff to explore “regulatory process changes required to support reliable, efficient, and effective implementation of the RPI in the long term”
 - Develop a process to allow licensees to be exempt from regulation with appropriate level of PRA for low or very low significant issue
 - Staff consider options and determined that rulemaking would be necessary to support such a method

Issue Management

- SRM from the Commission directed NRC staff to examine how issue management under RPI would be addressed
 - Commission is concerned with the continuous deferral of issues i.e. imposing a backstop
 - Should the significance of an issue determine the number of deferrals?
- Options presented in the paper discuss the applicability or need for a backstop

CER – Options*



* Options could be implemented in a phased approach

Option 1

- Rulemaking process enhancements
- Continue to improve cost estimating within regulatory analyses
 - Increased (and early) interaction with stakeholders on draft regulatory analysis
 - Explore use of contractors to develop independent cost estimates
- Expanding CER to Generic Letters

Option 1 (Cont'd)

- Pros
 - Will not require additional staff resources
 - Maintains the existing regulatory processes
 - Continues the current approach to regulation that is well understood
 - Continues to implement approved CER process enhancements across the agency

Option 1 (Cont'd)

- Cons
 - Would not incentivize licensees to use or develop PRA models
 - May not resolve some industry CER concerns with existing or future requirements

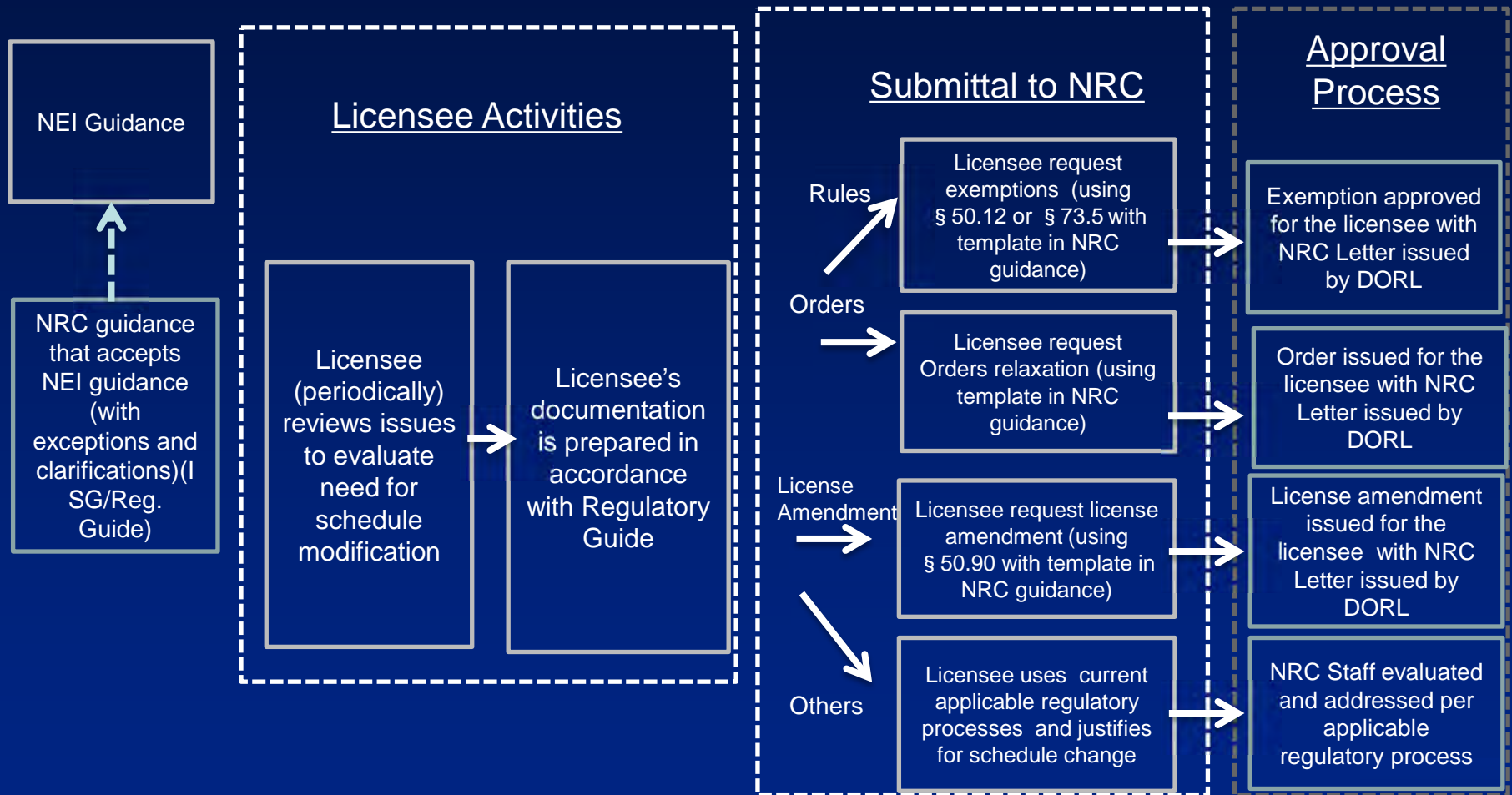
Option 2

- Establish pilot of an NRC expert panel to consider CER impacts for operating reactors
- Panel would characterize and prioritize regulatory actions using risk insights
 - Pilot across the operating reactor business line
 - Screen and prioritize prospective regulatory actions
 - Comprised of senior managers and subject matter experts

Option 2 (Cont'd)

- Existing applicable regulatory processes augmented with a risk-informed prioritization process for scheduling
 - Augments existing processes with a risk-informed prioritization methodology to facilitate the submittal, review, and approval/non-acceptance
 - Regulatory Guide that would endorse a risk-informed method to justify the regulatory action
 - Development of templates for the licensees to facilitate submittals and ensure consistency in the information provided

Option 2 (Cont'd)



Option 2 (Cont'd)

- Pros
 - Further the use of PRA risk insights
 - Support industry and agency's efforts in CER by focusing resources on existing issues of greater safety significance
 - May reduce review time for exemptions/order modifications/commitment changes in the long-term
 - Use of expert panel could ensure NRC's resources and skill sets are focused on the items of highest safety significance

Option 2 (Cont'd)

- Cons
 - Voluntary - would not incentivize licensees to further develop or enhance PRA models
 - May increase number and associated review time of certain exemptions/order modifications/commitment changes and also the number of reviews in the short-term
 - Would require additional staff resources to develop supporting templates and standard review plans

Option 2 (Cont'd)

- Inspection and Enforcement
 - Staff would review and approve any changes to the schedule of implementation in accordance with existing processes
 - Inspection and enforcement would be minimally impacted since changes would be made on a case-by-case basis

Option 3

- Prospective rules/orders that allow for licensees to submit plant-specific implementation schedules using a risk-informed prioritization process
 - Licensees would be allowed to implement future rules or orders using a plant-specific schedule
 - Important feature is the use of plant-specific risk insights to inform the implementation schedules of new rules or orders or other regulatory actions.

Option 3 – Plant-specific Schedule Implementation

Proposed Rule or Order

Regulatory Guide endorsing one
method of risk-informed
prioritization

Rule will contain some proposed
generic date or language embedded
in the regulatory requirement
allowing licensees to propose a
plant-specific date using a risk-
informed prioritization process.

Option 3 (Cont'd)

- Pros
 - Allow licensees to propose a flexible plant-specific date of implementation of a new rule/order
 - May reduce the number of exemptions
 - Further the use of PRA risk insights
 - Support industry and agency's efforts in CER (consistent with EO 13563) by focusing resources on current and future requirements of greater safety significance

Option 3 (Cont'd)

- Cons
 - Voluntary - would not incentivize licensees to develop or enhance PRA models
 - Would require additional staff time and resources to develop final rules

Option 3 (Cont'd)

- Inspection and Enforcement
 - Inspections planning (e.g., temporary instructions, baseline inspections) would need to be adjusted to reflect licensees flexible implementation schedules
 - Potential to impact inspection schedules
 - Overall, enforcement and inspection would be manageable if sufficient coordination is provided

Option 4

- Explore rulemaking to develop a new process that would allow licensees the flexibility to reschedule regulatory requirements without the need for prior regulatory approval

Option 4 (Cont'd)

- Level of PRA development will dictate degree of flexibility
 - Development of full-scope level 1 & 2 PRA would allow deferral and proposal of alternatives and perhaps elimination commensurate with their plant-specific safety significance
 - Current and available risk insights would allow for scheduling flexibility

Option 4 (Cont'd)

- Pros
 - Allows licensees flexibility in scheduling and implementation of regulatory requirements
 - Enable staff to enforce deviations from process
 - Establish requirements for level of PRA development and regulatory flexibility to promote regulatory stability/predictability
 - Further the use of PRA risk insights and potential development of PRA

Option 4 (Cont'd)

- Cons
 - Will not address current industry CER concerns with existing requirements
 - Would require additional Staff time and resources to develop new RPI rule
 - PRA is not applicable in the areas of Emergency Preparedness, Radiation Protection, and Security

Option 4 (Cont'd)

- Inspection and Enforcement
 - Modeled after other performance based risk-informed regulations
 - Pilot, roll-out to all licensees, audit of the process, and then eventual inclusion into the baseline inspection
 - Deferring regulatory actions adds challenges to our assessment of the date of a violation and when compliance was required

Option 4 (Cont'd)

- Inspection and Enforcement (Cont'd)
 - Enforcement actions may be more varied and require additional time and resources to close
 - Requires new baseline inspection procedure and additional resources
 - Requires additional training for inspectors
 - May be difficult to disposition a finding/violation
 - Potential to impact Regional inspection planning and create unforeseen resource challenges

Recommendations

- Approve Option 2 in full. Part 1 augments existing regulatory processes with a risk-informed prioritization methodology. Part 2 permits the staff to explore the use of an internal expert panel
- Approve the pilot for Option 3, which would provide a voluntary opportunity for power reactor licensees to submit a plant-specific implementation plan when NRC adopts a final rule.

Recommendations (Cont'd)

- After obtaining feedback and lessons-learned from Option 2 and results of the pilot of Option 3, the staff would return to the Commission to seek direction on whether to pursue additional steps.

NEI Comments on Draft SECY Addressing CER/RPI

ACRS Reliability and PRA Subcommittee
February 20, 2015

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Basic Principle

“Nuclear safety is advanced when licensees and the staff focus their time, attention, and resources on the issues of greater safety significance at each plant”

(COMGEA-12-0001/COMWDM-12-0002)

- The process described in NEI 14-10 will enable operating plants to prioritize and schedule plant activities on the basis of their importance to plant safety.
- The prioritization framework can be adapted by NRC to improve the management of emerging regulatory issues

Site-specific Prioritization

- Implementation of site-specific prioritization is a fundamental component of actions to address CER
- Enables tasks with greatest impact on plant safety to be implemented first
- NRC endorsement of NEI 14-10 will facilitate industry-wide implementation
- Value of process was demonstrated during pilot
 - Generic assessment highlights key attributes that impact importance
 - Site-specific application enables unique attributes to be taken into account

Option 2, Part 1

– Endorsement of Industry Guidance

- Possible endorsement of industry guidance via a Regulatory Guide
 - 1 to 2 year Regulatory Guide development and approval process
- Consider letter endorsement of NEI 14-10 as interim step
 - Would enable sooner application of process by industry
 - Provide means to gain experience on licensee submittals using prioritization results
 - Will assist development of Regulatory Guide

Option 2, Part 1

– Schedule and Scope changes are possible

- Important to not preclude possibility of project scope changes in addition to schedule changes
 - Insights gained from Integrated Decision-Making Panel deliberations can identify distinct differences in importance within a project.
 - Example from pilots: Open Phase Resolution
 - Monitoring and Alarm
 - Offsite Power separation

Option 2, Part 1

– Treatment of Corrective Actions for Inspection Findings

- NEI 14-10 guidance revised to address concerns
- Limited to corrective actions for inspection findings for which a schedule has been established by commitment with NRC

Option 2, Part 2 – NRC Expert Panel Pilot

- NRC staff will pilot the use of an expert panel
 - would use risk insights and other relevant technical information to make recommendations to prioritize and eliminate (when appropriate) proposed regulatory actions
- Details on use and application of expert panel are needed
 - Expert panel representation
 - Expert panel objectives
 - Scope of regulatory actions considered
 - Proposed generic communications
 - Rulemakings
 - Opportunities for stakeholder input

Option 3

– Voluntary Plant-Specific Implementation Schedules

- How will Option 3 pilot be conducted?
 - Pilot of one rulemaking, or
 - Multiple rulemakings during conduct of pilot

Comments by David Lochbaum, Director, Nuclear Safety Project before the ACRS Subcommittee on Reliability & PRA

The Cumulative Effects of Regulation (CER) process enhancements and Risk Prioritization Initiative (RPI) will not be successful unless two gaps are eliminated, or at least significantly narrowed:

- 1) Gap between pace resolving nuclear business items and pace resolving nuclear safety issues
- 2) Gap between licensees' perception of risk and NRC's perception of risk

The last sentence of the first paragraph under the Background section on page 2 of the draft SECY paper (ML15036A181) states:

“The goal of RPI is to enable NRC staff and licensees to focus resources on issues that are most significant to public safety using risk insights and incentivize the further use and development of probabilistic risk assessment (PRA).”

Unless the second gap is eliminated or significantly narrowed, the first gap will likely widen to have the opposite effect from this stated goal. It is vitally important that steps be taken to address both these gaps.

GAP BETWEEN NUCLEAR BUSINESS AND NUCLEAR SAFETY ISSUE RESOLUTION

The nuclear industry and the NRC have the capacity to resolve nuclear business issues in a timely, effective manner. Three examples demonstrate this capacity.

Licensing Actions: The NRC issues semiannual status reports to the US Congress. The information provided to the Congress includes the NRC's progress resolving licensing actions. The NRC defines licensing actions to be:

Operating power reactor licensing actions are defined as orders, license amendments, exemptions from regulations, relief from inspection or component testing, topical reports submitted on a plant-specific basis, notices of enforcement discretion, or other actions requiring NRC review and approval before they can be implemented by licensees. (Source: ML14106A293)

Exemptions from regulations, relief from inspection and testing requirements, and notices of enforcement discretion are clearly more nuclear business oriented than nuclear safety oriented. This is not to suggest that nuclear safety is compromised or undermined by exemptions, relief, and non-enforcement, but it would be hard to contend that such efforts improve nuclear safety. At best, they are safety neutral.

Table 1 reflects the NRC's pace in resolving licensing actions from a recent report to the Congress.

Table 1: NRC's Report to Congress on Resolving Licensing Actions FY11 to FY14 (ML14106A293)

PERFORMANCE BUDGET PLAN					
Output Measure	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Goals	FY 2014 YTD
Licensing actions completed per year	849	770	668	900	217
Age of licensing action inventory	90.3% ≤ 1 year and 99.9% ≤ 2 years	95.8% ≤ 1 year and 100% ≤ 2 years	95% ≤ 1 year and 100% ≤ 2 years	95% ≤ 1 year and 100% ≤ 2 years	87% ≤ 1 year and 99% ≤ 2 years
Other licensing tasks completed per year	465	674	529	500	402
Age of other licensing tasks inventory	94.2% ≤ 1 year and 99.6% ≤ 2 years	94.6% ≤ 1 year and 100% ≤ 2 years	97.6% ≤ 1 year and 100% ≤ 2 years	97.6% ≤ 1 year and 100% ≤ 2 years	90% ≤ 1 year and 99% ≤ 2 years

The NRC resolves hundreds of licensing actions (a.k.a. nuclear business issues) each year. In fact, the NRC resolves ALL or a very high percentage of nuclear business issues within two years.

License Renewals: While technically a subset of licensing actions because they require license amendments, license renewals are examined separately because they typically involve more resource efforts by licensees and the NRC. Figure 1 shows the time taken by the NRC in approving several license renewal requests.

The NRC has a long, proven track record of approving license renewals within three years. To be sure, there are some exceptions such as Pilgrim and Indian Point, but the majority get approved like clockwork.

Figure 1: Completed License Renewal Applications from
<http://www.nrc.gov/reactors/operating/licensing/renewal/applications.html>

Plant Applications for License Renewal

Completed Applications:

(Includes application, review schedule, supplemental environmental impact statement, and safety evaluation report.)

Plant Name and Unit(s)	Application Received	Renewed License Issued	Date Entering Extended Operation
Calvert Cliffs 1 & 2	04/10/98	03/23/00	07/31/14 (Unit 1) 08/13/16 (Unit 2)
Oconee 1, 2 & 3	07/07/98	05/23/00	02/06/13 (Unit 1) 10/06/13 (Unit 2) 07/19/14 (Unit 3)
Arkansas Nuclear One 1	02/01/00	06/20/01	05/20/14
Turkey Point 3 & 4	09/11/00	06/06/02	07/19/12 (Unit 3) 04/10/13 (Unit 4)
Edwin I. Hatch 1 & 2	03/01/00	06/15/02	08/06/14 (Unit 1) 06/13/18 (Unit 2)
North Anna 1 & 2	05/29/01	03/20/03	04/01/18 (Unit 1) 08/21/20 (Unit 2)
Surry 1 & 2	05/29/01	03/20/03	05/25/12 (Unit 1) 01/29/13 (Unit 2)
Peach Bottom 2 & 3	07/02/01	05/07/03	08/08/13 (Unit 2) 07/02/14 (Unit 3)
St. Lucie 1 & 2	11/30/01	10/02/03	03/01/16 (Unit 1) 04/06/23 (Unit 2)
Fort Calhoun	01/11/02	11/04/03	08/09/13
McGuire 1 & 2	06/14/01	12/05/03	06/12/21 (Unit 1) 03/03/23 (Unit 2)
Catawba 1 & 2	06/14/01	12/05/03	12/05/23 (Unit 1) 12/05/23 (Unit 2)
H.B. Robinson 2	06/17/02	04/19/04	07/31/10
V.C. Summer	08/06/02	04/23/04	08/06/22
R.E. Ginna	08/01/02	05/19/04	09/18/09
Dresden 2 & 3	01/03/03	10/28/04	12/22/09 (Unit 2) 01/12/11 (Unit 3)
Quad Cities 1 & 2	03/03/03	10/28/04	12/14/12 (Unit 1) 12/14/12 (Unit 2)
Joseph M. Farley 1 & 2	09/15/03	05/12/05	06/25/17 (Unit 1) 03/31/21 (Unit 2)
Arkansas Nuclear One 2		06/30/05	07/17/18
D.C. Cook 1 & 2	10/31/03	08/30/05	10/25/14 (Unit 1) 12/23/17 (Unit 2)
Millstone 2 & 3	01/22/04	11/28/05	07/31/15 (Unit 2) 11/25/25 (Unit 3)
Point Beach 1 & 2	02/26/04	12/22/05	10/05/10 (Unit 1) 03/08/13 (Unit 2)

The NRC has a track record over more than a decade of approving license renewals within three years.

Reactor Power Updates: Power uprates are also technically a subset of licensing actions because they too require license amendments. But they are examined separately because they involve considerable resources by licensees and the NRC and often entail plant modifications.

Table 2: Recently Approved Power Uprates (source: ML13098A298)

Table 1 – Power Uprates Approved Since June 15, 2012							
No.	Plant	% Uprate	MWt	Application Date	Acceptance Date	Approval Date	Type
1	Grand Gulf 1	13.1	510	9/08/2010	12/09/2010	7/18/2012	EPU
2	St. Lucie 1	11.9	320	11/22/2010	3/03/2011	7/09/2012	EPU*
3	St. Lucie 2	11.9	320	2/25/2011	6/23/2011	9/24/2012	EPU*
4	McGuire 1	1.7	58	3/05/2012	4/25/2012	5/16/2013	MUR
5	McGuire 2	1.7	58	3/05/2012	4/25/2012	5/16/2013	MUR
		Total	1,266				

The NRC staff, even for extended power uprates, has demonstrated an ability to approve power uprates within two years after receiving the applications.

Contrast the NRC’s pace resolving nuclear business issues with the pace resolving nuclear safety issues.

Table 3: Age of Unresolved Safety Issues

Issue	Beginning Date*	Age, Years	Sources
GSI-191, PWR containment sumps	09/1996	18.4	ML14261A178
GSI-193, BWR suction strainers	05/2002	12.7	ML14261A178
GSI-199, seismic protection	05/2005	9.7	ML14261A178
GSI-204, flooding from upstream dam failure	01/2012	3.1	ML14261A178
NFPA-805 fire protection	07/2004	10.6	Many

* “Beginning Date” is misleading because it refers to when the NRC established a resolution plan rather than when the NRC first recognized the safety implications of the issue (typically several years earlier).

Nuclear safety issues such as those listed in Table 3 are complex. Consequently, UCS does not expect or envision that complex nuclear safety issues can be resolved within the year or two that it takes to resolve nuclear business issues. However, UCS sees no valid justification for the resolution of GSI-191 needing 18-plus years and counting or for it to take longer than a decade for dozens of reactors to achieve compliance with the NFPA-805 regulation.

The process and discipline that licensees and NRC use to resolve nuclear business issues should also be applied to resolving nuclear safety issues. It seems to be a viable, effective model that could be equally effective resolving nuclear safety issues in a timely manner.

More timely resolution of nuclear safety issues would also reduce the resource burdens on licensees and the NRC. Even the best juggler can get too many balls up into the air. Rather than meter putting more

balls up into the air as CER and RPI seek to do, more effort should be focused on retiring some of the balls that have been up in the air for a very long time. Doing so would better serve safety and would free up resources that could be applied to emerging nuclear business and nuclear safety issues.

GAP BETWEEN LICENSEE AND NRC RISK PERCEPTIONS

UCS reviewed yellow and red findings issued by the NRC since the inception of its Reactor Oversight Process in April 2000. As shown in Table 4, the licensees and the NRC did not come close to agreeing on the risk significance of the events.

Table 4: Comparison Between Industry and NRC Risk Estimates				
Event	Licensee ΔCDF	NRC ΔCDF	Risk Difference	Sources
ANO flood protection yellow finding	1.44E-05	1.00E-04	594%	ML14329B209
ANO Stator Drop on Unit 1 yellow finding	4.8E-06	6.0E-05	1,150%	ML14174A832
ANO Stator Drop on Unit 2 yellow finding	1.8E-06	2.8E-05	1,456%	ML14174A832
Browns Ferry Unit 1 RHR Valve red findings	1.0E-06	1.0E-04	9,900%	ML111290482 ML111930432
Fort Calhoun flood protection yellow finding	8.4E-07	3.2E-05	3,710%	ML102800342
Fort Calhoun trip relay contactor white finding	1.0E-06	2.6E-05	2,500%	ML111660027 ML112000064
Indian Point 2 steam generator tube leak red finding	6.6E-06	2.85E-05	332%	ML003770186
Monticello flood protection yellow finding	8.92E-07	3.6E-05	3,936%	ML13233A068 ML13162A776
Oconee safe shutdown facility yellow finding	8.0E-06	1.6E-05	100%	ML102240588
Palo Verde voided ECCS suction line yellow finding	7.0E-06	4.6E-05	557%	ML051010009
Watts Bar flood protection yellow finding	8.15E-09	6.35E-06	77,814%	ML13115A020 ML13071A289

The closest agreement between the licensees’ perception of risk and the NRC’s perception was the safe shutdown facility problems at Oconee. In that case, the licensee’s risk was ONLY half that seen by the NRC. The widest gap involved the flood protection issues at Watts Bar where the licensee’s risk was ONLY three orders of magnitude lower than that estimated by the NRC.

This gap is troubling and must be eliminated or at least significantly narrowed for any CER and RPI efforts to be successful. Otherwise, the NRC might accept the process believing that risks for emerging safety issues will be assigned consistent with their perceptions while licensees will actually assign significantly lower risks (and consequently lower priorities).

Unless this perception gap is eliminated or significantly narrowed, the gap between the pace for resolving nuclear business issues and that for resolving nuclear safety issues will likely only widen. The past shows that licensees value licensing actions like power uprates and license renewals while vastly

underestimating—at least in comparison to the NRC’s perception—the risks from unresolved nuclear safety issues. For the CER and RPI process to truly work, the NRC and its licensees have got to be on the same page—or at least within the same book—when it comes to risk perceptions.

OBSERVATIONS ON THE NEI GUIDANCE AND THE RPI PILOTS

The NRC guidance document (ML14349A378) describes the five factors used to assign the importance ranking of issues: (1) safety, (2) security, (3) emergency planning, (4) radiation protection, and (5) reliability. A mix of quantitative and qualitative analysis is used to rank issues using these factors.

The pilots revealed a problem with the safety factor. Specifically, the NRC staff noted in their report on the pilots (ML14302A222) that:

The NRC Staff noted that for some NFPA 805 modifications, a licensee performed qualitative evaluations for the Safety importance as oppose to quantitative evaluations even though Fire PRA information is readily available. Furthermore, when identifying the “current risk for the issue,” there were instances when a licensee used the total risk of the plant versus using the risk associated with the specific issue. This potential inconsistency may affect the ranking of the results. (page 11)

The cousin of GIGO (Garbage In, Garbage Out) is CICO (Cherry-picked Inputs, Cherry-picked Outputs). The process cannot allow analysts to shop around for the input data that yields the output ranking they desire.

The pilots also revealed a problem with the security factor:

Since compensatory measures are in place for most security weaknesses, the prioritization process does not adequately identify any deltas in risk. (page 9)

The risk analyses must consider the delta risk between the non-conforming and conforming configurations and not between some unregulated mid-point and compliance with security requirements.

And experience reveals a problem with the radiation protection factor. When UCS and others advocated accelerating the transfer of irradiated fuel from overcrowded spent fuel pools into safer and more secure dry storage, the nuclear industry objected on grounds that transferring fuel within six years exposed workers to higher and unnecessary radiation exposures than allowing it to undergo several more years of radioactive decay in the pools.

Yet neither the nuclear industry or the NRC objected to the higher and unnecessary worker radiation exposures from a scheme (ML121230011) whereby Indian Point, with only one high capacity crane between two operating reactors, transfers irradiated fuel from the spent fuel pool at the unit with the low-load crane in small canisters to the spent fuel pool for the unit with the high-load crane which then transfers the irradiated fuel into a normal-sized canister. Upgrading the crane to handle normal-sized canisters would avoid all the radiation exposures to workers from all the inter-units transfers, but apparently costs more than this licensee wants to incur.

And the licensees for San Onofre, Kewaunee, and Vermont Yankee have announced plans to offload the irradiated fuel from spent fuel pools to dry storage as quickly as possible with target completion dates of about six years—the same time frame as we’d advocated, but now it saves licensees money so the worker radiation exposure concern magically disappeared.

Thus, it's clear that radiation protection is highly subjective—being of high concern when licensees want to avoid spending money and being of no concern when licensees want to save money.

It seems apparent that several of the factors used to prioritize issues are subjective enough to skew the rankings. Whether by intent or not, skewed rankings must be avoided. The evidence presented above makes it abundantly clear that skewing is not likely to be in nuclear safety's favor.

UCS echoes and emphasizes this conclusion made by the NRC staff from its monitoring of the pilots:

The process in the NEI draft guidance could result in continual deferral or delay of corrective actions.

(page 7)

As table 3 above illustrates, nuclear safety is not served by enabling delays in the resolution of known safety problems. The NRC must be a protector of public health, not an enabler of licensee dawdling.

If an accident were to occur at a U.S. nuclear power reactor that might have been avoided or mitigated had a known safety issue been resolved rather than delayed, the nuclear industry and the NRC would not be able to look the American public in the eyes and honestly claim to have taken every reasonable measure to protect them. The timely approval of power uprates and license renewals does not protect them, but the timely resolution of known safety issues will. The two gaps must be eliminated or significantly narrowed in order to support timely resolution of known safety issues.