

July 28, 2016

Mr. Michael Tschiltz
Director of Risk Assessment
Nuclear Energy Institute
1201 F. Street, NW, Suite 1100
Washington, DC 20004

SUBJECT: NUCLEAR REGULATORY COMMISSION RESPONSE CONCERNING
INDUSTRY COMMENTS ON PROCESS TO ADDRESS LICENSEE
PROPOSED DISPOSITION OF PEER REVIEW FINDINGS AND
OBSERVATIONS, AND INDUSTRY PROCESS TO DETERMINE
ACCEPTABILITY OF NEW PRA METHODS

Dear Mr. Tschiltz:

By letter dated June 9, 2016, to Joseph Giitter, the Nuclear Energy Institute (NEI) sent a letter (Agencywide Documents Access and Management System (ADAMS) Accession No. ML16209A527) to the U.S. Nuclear Regulatory Commission (NRC), providing industry comments regarding the NRC's draft position for 1) *Licensee Proposed Disposition of Peer Review Facts and Observations*, and 2) *Process to Determine Acceptability of New PRA Methods*. Your letter stated that the NRC staff position as written is contrary to previous consensus positions developed by industry and NRC working groups, and will not improve efficiencies in reviews of risk-informed licensing applications as was originally envisioned.

The staff has reviewed your letter, and found that it incorrectly characterized the efforts of both the NRC staff and industry to meet the NRC Risk Informed Steering Committee's (RISC) goal for improving the evaluation of Probabilistic Risk Assessment (PRA) technical adequacy in support of risk-informed licensing applications.

Your letter of June 9, 2016, states "...the draft NRC staff position...is contrary to previous consensus positions developed by industry and NRC working groups...". The June 2015 NEI White Paper, "Recommendations of the Industry Risk Informed Steering Committee Working Group on PRA Technical Adequacy," discussed five options for Fact and Observation (F&O) closure, specifically recommending to pursue the Hybrid Approach option. By NRC letter dated January 7, 2016 (ADAMS Accession No. ML 15362A456), the staff provided its response to the industry White Paper agreeing to the industry-recommended Hybrid Approach option for closure of F&Os. However, NEI's draft revised guidance, "NEI 05-04/07-12/12-06 Appendix X", attached in the NEI letter dated February 9, 2016, to the contrary, abandoned the Hybrid Approach and included a new approach, the Independent Assessment, as an option for closeout. This change in position in the draft guidance was provided to NRC staff without the benefit of discussion or consensus amongst the NRC and industry working group members.

Furthermore, previous consensus positions developed by the industry and NRC working groups on the Hybrid Approach to F&O closure were no longer applicable to this new option.

The history of the working group efforts notwithstanding, the NRC staff is actively working with the industry on the Independent Assessment option and has committed resources to observing industry pilot projects for the benefit of reaching a consensus position.

The June 9, 2016, letter also presented issues with regard to the staff's draft position on NEI 16-04, "Process to Determine Acceptability of New PRA Methods." Specifically, the letter states "The document also deviates from the original intention of the vetting panel concept for acceptance of new methods..., and appears to call for a duplicate NRC staff review following the joint review..." To the contrary, NEI 16-04 is consistent with the NRC staff's position on these topics. NEI 16-04 indicates that the vetting panel may either perform or direct a technical review of the new method, in addition to determining the process and level of effort of review. Furthermore, as reflected in the staff position, NEI 16-04 states that NRC staff will review the results of the vetting panel in its closure process and accept or reject the results, as well as identify comments, considerations, or qualifications.

The NRC staff is in the process of reviewing the specific comments provided in the attachment of the NEI June 9, 2016, letter. The staff is planning to hold a joint working group meeting in the October-November time-frame to discuss the industry comments in an effort to further facilitate working with the industry and continuing to improve the processes for evaluating PRA technical adequacy for risk-informed licensing applications. This time frame will allow the industry and the NRC staff to develop lessons learned from the on-going pilot efforts and refine the industry guidance and staff position as necessary.

We appreciate the NEI initiative to develop the draft guidance documents and for continuing work on PRA technical adequacy.

Sincerely,

/RA/

Joseph G. Giitter
Division Director, Risk Assessment
Office of Nuclear Reactor Regulation
U.S. Nuclear Regulatory Commission

cc: Victoria Anderson, NEI

Furthermore, previous consensus positions developed by the industry and NRC working groups on the Hybrid Approach to F&O closure were no longer applicable to this new option.

The history of the working group efforts notwithstanding, the NRC staff is actively working with the industry on the Independent Assessment option and has committed resources to observing industry pilot projects for the benefit of reaching a consensus position.

The June 9, 2016, letter also presented issues with regard to the staff's draft position on NEI 16-04, "Process to Determine Acceptability of New PRA Methods." Specifically, the letter states "The document also deviates from the original intention of the vetting panel concept for acceptance of new methods..., and appears to call for a duplicate NRC staff review following the joint review..." To the contrary, NEI 16-04 is consistent with the NRC staff's position on these topics. NEI 16-04 indicates that the vetting panel may either perform or direct a technical review of the new method, in addition to determining the process and level of effort of review. Furthermore, as reflected in the staff position, NEI 16-04 states that NRC staff will review the results of the vetting panel in its closure process and accept or reject the results, as well as identify comments, considerations, or qualifications.

The NRC staff is in the process of reviewing the specific comments provided in the attachment of the NEI June 9, 2016, letter. The staff is planning to hold a joint working group meeting in the October-November time-frame to discuss the industry comments in an effort to further facilitate working with the industry and continuing to improve the processes for evaluating PRA technical adequacy for risk-informed licensing applications. This time frame will allow the industry and the NRC staff to develop lessons learned from the on-going pilot efforts and refine the industry guidance and staff position as necessary.

We appreciate the NEI initiative to develop the draft guidance documents and for continuing work on PRA technical adequacy.

Sincerely,

/RA/

Joseph G. Giitter
Division Director, Risk Assessment
Office of Nuclear Reactor Regulation
U.S. Nuclear Regulatory Commission

cc: Victoria Anderson, NEI

DISTRIBUTION:

RidsNrrOd
JGiitter
MDrouin

RidsNrrDra
JSHyslop
SRosenberg

RidNrrDraApla
DHarrison
RidsnrrRESPrb

RidsNRODSra

ADAMS Accession No.: MLML16210A406

***via electronic concurrence**

OFFICE	NRR/DRA/APLA	NRR/DRA/APLA	NRO/DSRA	RES/DRA/PRB
NAME	ADriver*	JHyslop	DHarrison*	MDrouin*
DATE	07/21/2016	07/28/2016	07/26/2016	07/22/2016
OFFICE	NRR/DRA/APLA			
NAME	SRosenberg			
DATE	07/20/2016			

OFFICIAL RECORD COPY