



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

June 19, 2017

Technical Specifications Task Force
11921 Rockville Pike, Suite 100
Rockville, MD 20852

SUBJECT: COMMENTS ON INDUSTRY-PROPOSED MULTI-LICENSEE CONSOLIDATED
LICENSE AMENDMENT REQUEST PROCESS (CAC NO. TM3112)

Dear Members of the Technical Specifications Task Force:

On February 8, 2017, a public meeting was held between the U.S. Nuclear Regulatory Commission (NRC) staff and representatives of the nuclear industry. As discussed in the meeting summary dated February 17, 2017 (Agencywide Documents Access and Management System (ADAMS) Package Accession No. ML17045A070), the purpose of the meeting was to discuss an industry proposal regarding a new submittal process for license amendment requests (LARs). The proposed process would allow a group of licensees to submit a single LAR pertaining to multiple commercial nuclear reactor facilities. During the public meeting, industry representatives stated that the intent of the proposed consolidated LAR approach was to encourage more licensees to adopt NRC-approved Technical Specifications Task Force (TSTF) travelers and to reduce fees associated with NRC reviews.

During the meeting, the NRC staff raised a number of issues regarding this proposed multi-licensee consolidated LAR approach (e.g., proper allocation of time to each docket in the fee billing system, potential need for Office of Management and Budget (OMB) clearances for requests for additional information (RAIs), challenges in evaluating plant-specific exceptions and deviations, and added administrative burden on NRC staff in processing these types of LARs).

As a followup to the public meeting, by e-mail dated March 21, 2017 (ADAMS Accession No. ML17081A380), a representative of the nuclear industry sent a sample draft multi-licensee consolidated LAR to the NRC. The purpose of this submittal was to obtain feedback from the NRC staff regarding whether the consolidated LAR approach is feasible, given the regulatory requirements, as well as the NRC's administrative processes for review of license amendments. The enclosure to this letter provides the NRC staff comments regarding the proposed multi-licensee consolidated LAR process. Some of the specific issues identified with respect to the proposed new process include:

- LARs would need to be submitted under the signature of each of the affected licensees (not by the TSTF as shown in the draft example LAR).
- Oath or affirmation statements, applicable to the entire submittal, would need to be included in the LAR from each of the affected licensees.
- RAIs for an application, pertaining to ten or more licensees, or a substantial portion of the industry or class of plants, would require an OMB clearance prior to issuing the RAIs. This would likely add 9-12 months to the review schedule for each round of RAIs.

- Each step of the NRR staff review process will be more complicated than the existing LAR review process. As such, consolidated submittals will likely have an adverse impact on the efficiency of performing the reviews and the resources, as compared to plant-specific and fleet-specific reviews. Use of this approach would also place additional administrative burden on the staff.

The NRC staff has recently performed assessments of the Office of Nuclear Reactor Regulation (NRR) licensing process and has implemented significant improvements, including procedure revisions, enhanced performance monitoring, and management oversight. These improvements have been effective in reducing the number of licensing actions greater than one year old and in enhancing the predictability and timeliness of reviews. The recent improvements to NRR's licensing process should improve efficiencies and, accordingly, reduce fees associated with LAR reviews. The NRC staff is concerned that a significant change in the licensing process, such as the proposed consolidated LAR approach, could result in longer review times, thus negating the recently improved efficiency, and adversely affecting the stability and reliability of the current licensing process.

During the public meeting, the industry representatives also discussed another new proposed LAR submittal process, the industry-coordinated approach. For this approach, a group of licensees would coordinate the preparation of the format and content of an LAR application to adopt the same NRC-accepted generic change. The LARs would be submitted by licensees individually. The industry would coordinate with the NRC regarding submittal schedules and requested completion dates. As discussed in the NRC's meeting summary dated February 17, 2017, the staff commended the industry on its efforts to gain efficiencies and encouraged the use of the industry-coordinated approach to gain efficiency in NRC staff reviews. This approach could be used presently with no changes needed to the NRC's processes and procedures.

The NRC staff believes that TSTFs that are well thought out and developed on the front end, with minimal licensee variations in submittals, can provide sufficient efficiencies in the current licensing process without creating new processes. In addition, licensee use of TSTF Travelers that are approved as part of the Consolidated Line Item Improvement Process (CLIIP) provide additional efficiencies. CLIIP Travelers, when adopted by a licensee, require minimal plant-specific information or justification for use. Therefore, the NRC staff can review a CLIIP license amendment request in less time than that of a non-CLIIP request. The efficiencies in the existing TSTF process can be further enhanced by use of the proposed industry-coordinated approach.

Although the NRC staff believes that the coordinated approach could have immediate benefits and should be the industry's near term focus, the NRC staff would potentially consider a modified consolidated LAR approach if it could be demonstrated that the issues raised could be adequately resolved. For example, a multi-licensee consolidated LAR that pertains only to plants with improved standard technical specifications, with no deviations or exceptions from the TSTF, could potentially yield some efficiencies. However, the number of plants in such a submittal would need to be limited to address the OMB clearance issue.

Based on the above and the enclosed comments, the NRC staff concludes that the consolidated LAR approach, as currently proposed, complicates the existing licensing process, without a tangible commensurate benefit. Consistent with the discussion during the public meeting on February 8, 2017, and the unique challenges in the sample draft multi-licensee example, the NRC staff does not yet find a basis for proceeding with a trial consolidated LAR at this time.

We greatly appreciate industry's efforts to further enhance the licensing process and share your desire for the continuing need for a stable, predictable and efficient regulatory framework.

If you have any questions, please contact NRR Project Manager, Rick Ennis, at (301) 415-1420 or Rick.Ennis@nrc.gov.

Sincerely,



Mary Jane Ross-Lee, Acting Director
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Project No. 753

Enclosure:
NRC Staff Comments

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Technical Specifications Task Force

Project No. 753

cc:

Technical Specifications Task Force
c/o EXCEL Services Corporation
11921 Rockville Pike, Suite 100
Rockville, MD 20852
Attention: Brian D. Mann
E-mail: brian.mann@excelservices.com

James R. Morris
Diablo Canyon Power Plant
Building 104/5/21A
P.O. Box 56
Avila Beach, CA 93424
E-mail: james.morris@pge.com

Lisa L. Williams
Energy Northwest
Columbia Generating Station
PO Box 968
Mail Drop PE20
Richland, WA 99352-0968
E-mail: llwilliams@energy-northwest.com

Otto W. Gustafson
Entergy Nuclear Operations, Inc.
Palisades Nuclear Power Plant
27780 Blue Star Memorial Highway
Covert, MI 49043
E-mail: ogustaf@entergy.com

Jordan L. Vaughan
Duke Energy
EC2ZF / P.O. Box 1006
Charlotte, NC 28202
Email: jordan.vaughan@duke-energy.com

Jason P. Redd
Southern Nuclear Operating Company
42 Inverness Center Parkway
Bin B234
Birmingham, AL 35242-4809
E-mail: jpredd@southernco.com

NRC Staff Comments on Industry-Proposed Multi-Licensee Consolidated License Amendment Request Process

1.0 Background

On February 8, 2017, a public meeting was held between the U.S. Nuclear Regulatory Commission (NRC or the Commission) staff and representatives of the nuclear industry. As discussed in the meeting summary dated February 17, 2017 (Agencywide Documents Access and Management System (ADAMS) Package Accession No. ML17045A070), the purpose of the meeting was to discuss an industry proposal regarding a new submittal process for license amendment requests (LARs). The proposed process would allow a group of licensees to submit a single LAR pertaining to multiple commercial nuclear reactor facilities. During the meeting, the NRC staff raised a number of issues regarding this proposed multi-licensee consolidated LAR approach (e.g., potential need for Office of Management and Budget (OMB) clearances for requests for additional information (RAIs) and added administrative burden on NRC staff in processing these types of LARs).

As a followup to the public meeting, by e-mail dated March 21, 2017 (ADAMS Accession No. ML17081A380), a representative of the nuclear industry sent a sample draft consolidated LAR to the NRC. The purpose of this submittal was to obtain feedback from the NRC staff regarding whether the consolidated LAR approach is feasible given the regulatory requirements, as well as the NRC's administrative processes for review of license amendments.

The following provides a summary of the NRC staff's comments on the proposed consolidated LAR process. This process is referred to below as a multi-licensee application (MLA).

2.0. Comments Relating to Regulatory Requirements

2.1 Authority to Submit License Amendment Request

Title 10 of the *Code of Federal Regulations* (10 CFR) Section 50.90 states that whenever a "holder of a license" desires an amendment to the license, an application must be filed. The regulation does not specifically state that the license holder needs to file the application. However, such meaning is implied when construing the provision as a whole and considering the unique nature of the information to be submitted in order for the NRC staff to make a licensing decision. In addition, numerous NRC regulations pertaining to license amendments either state that a licensee requests an amendment or require the "licensee" to submit a license amendment application to the NRC¹. As you know, 10 CFR 50.2 defines "licensee" as "a person authorized to conduct activities under a license issued by the Commission." Based on a holistic view of NRC regulations and to ensure accuracy and completeness of information, the NRC staff expects a license holder to submit a license amendment application or request under 10 CFR 50.90.

¹ For example, 10 CFR 50.91(a) requires a "licensee" to provide its analysis of no significant hazards consideration at the time it requests an amendment. In addition, each of the following regulations state the "licensee" shall submit a license amendment application under 10 CFR 50.90: 10 CFR 50.48(c)(2), 10 CFR 50.48(c)(3), 10 CFR 50.54(p)(1), 10 CFR 50.54(q)(4), 10 CFR 50.61a(c), 10 CFR 50.67(b), and 10 CFR 50.69(b)(2). Also, 10 CFR 50.55a(f)(5)(ii), 10 CFR 50.83(d), and 10 CFR Part 50, Appendix E, paragraph IV.B.2, similarly state that the licensee shall submit the amendment application and 10 CFR 50.59(c)(2) states that the licensee shall obtain a license amendment pursuant to 10 CFR 50.90 in certain circumstances.

Page 2 of the cover letter for the draft example MLA lists five Owners' Group members as the submitters. Page 1 of the letter indicates that the "Technical Specifications Task Force (TSTF)" is submitting the LAR. Based on the above, an MLA would need to be submitted under the signature of each of the affected licensees.

2.2 Oath or Affirmation

The provisions in 10 CFR 50.30(b) state that each application for license amendment must be submitted under oath or affirmation. Although Attachments 2, 3, 4, and 5 of the March 21, 2017, e-mail each contain an oath or affirmation statement from a senior corporate manager for each of the specific plants, there is no oath or affirmation statement provided to support the information in Attachment 1. An MLA would need to have oath or affirmation statements applicable to the entire submittal from each of the affected licensees. The oath or affirmation statement should be contained in the cover letter.

2.3 Electronic Submittal of Documents

The requirements for submittal of documents to the NRC are described in 10 CFR 50.4. This regulation contains a link to the NRC's website for detailed guidance on making electronic submissions (i.e., Electronic Information Exchange (EIE)). The website includes a link to the document "Guidance for Electronic Submissions to the NRC," dated May 18, 2017 (ADAMS Accession No. ML13031A056). Section 1.3.3.1 of this document provides guidance on three options in using the EIE process for documents that need to be submitted under oath or affirmation. Based on Section 2.2 above, an MLA would need to have oath or affirmation statements from each of the affected licensees. As such, Option 1 in Section 1.3.3.1 (i.e., standard EIE process for a document with a single oath or affirmation affidavit) cannot be used. Option 2 (multiple oath or affirmation statements submitted using the method described in 10 CFR 2.304(d)(1)) or Option 3 (scanned hard copy of original signed document) can be used.

2.4 Fee Billing

During the public meeting on February 8, 2017, the NRC staff indicated that fee billing would be difficult due to limitations on NRC's time and attendance system. Specifically, there would be a separate Cost Activity Code (CAC) for each docket such that fee billing would be properly apportioned to each plant/licensee. However, since the time and attendance system only allows a minimum charge of 0.25 hours, a reviewer spending only a few hours each day would not be able to easily distribute hours evenly among the dockets.

Page 2 of the cover letter for the draft example MLA states that review fees for this LAR should be billed to the TSTF. This proposal was discussed with staff of the NRC's Office of the Chief Financial Officer (OCFO) and the Office of the General Counsel (OGC). It was concluded that the TSTF could be billed for plant-specific reviews and it does not appear to raise any issues with the requirements in 10 CFR Parts 170 and 171.

The NRC staff also confirmed that the TSTF does have its own docket number (00000753), although it has not yet been used for billing. It appears that further discussions between the TSTF and OCFO would need to take place for this docket number to be used for billing purposes.

2.5 Paperwork Reduction Act

NRC Management Directive (MD) 3.54, "NRC Information Collections Program" (ADAMS Accession No. ML15239A370), describes the procedures for managing the NRC's information collection activities as prescribed under the Paperwork Reduction Act (PRA) of 1995 and OMB's implementing regulations in accordance with 5 CFR Part 1320, "Controlling Paperwork Burdens on the Public." As discussed in MD 3.54, Handbook pages 7, 13, and 22, any new request for information affecting ten or more non-Federal entities must be approved by OMB before implementation. OMB presumes that any request for information addressed to all or a substantial portion of an industry involves ten or more persons. These new collections must receive OMB approval regardless of whether they are mandatory, voluntary, or low-burden. NRC offices should allow 9-12 months to obtain an OMB approval and clearance number. As such, as was discussed during the public meeting on February 8, 2017, each RAI on an MLA may need clearance from OMB. The timeframe for OMB review would not allow completion of LAR reviews consistent with the NRC's metrics or licensees' requested completion dates.

Per discussion with the NRC's Clearance Officer in the Office of the Chief Information Officer and OGC, for the proposed MLA process, if the NRC asks identical RAIs (i.e., we ask respondents to provide the same level of information on the same subject) to ten or more licensees, then an OMB clearance would be needed. As noted above, OMB presumes that any request for information addressed to all or a substantial portion of an industry involves ten or more persons. As such, RAIs on an MLA submittal for ten or more licensees, or a substantial portion of the industry, would require an OMB clearance prior to issuance of the RAIs. This would add 9-12 months to the review schedule for each RAI round.

3.0 Comments Relating to NRC's Internal Processing

3.1 General Comments Regarding Efficiency/Resource Implications

The NRC staff considered the efficiency and resource implications for NRC review of an LAR submitted as an MLA. The staff also considered the process if an MLA was split (i.e., TSTF applies, and we review each individual plant separately). Comparisons to the process for NRC review of LARs submitted on an individual plant basis and fleet submittals were also considered.

At least one project manager (PM) and one licensing assistant (LA) would need to become subject matter experts (SMEs) on MLAs and split-MLAs to ensure that official communication is done properly. These SMEs would likely have to peer review all MLA and split-MLA documents until significant experience is gained, such that a valid repeatable process could be added to the Office of Nuclear Reactor Regulation (NRR) Office Instructions LIC-101 and LIC-109.

Split-MLAs are likely more efficient than MLAs since reviewers can focus on a single licensee, less time is spent on validating information across licensees, and review would be similar to the existing process for individual LARs.

3.2 General Correspondence and Documentation

Currently, both the plant and fleet PMs have routine correspondence with their licensing contacts, including status of fleet actions. Plants are kept aware of the fleet actions and their status by corporate personnel. It would be more difficult to maintain the same level of cognizance for MLAs due to a third-party contact that has no stake in the operation of the facility. In addition, if MLAs become common, it will require more time for a dedicated MLA PM to routinely provide status updates to multiple plant PMs.

For fleet PMs, a PM assignment letter is issued to the fleet licensee. This allows the fleet PM and his branch chief (BC) to have signature authority over issuances and avoids having several additional concurrences and signatures. For MLAs, management would need to decide whether to issue a PM/BC assignment letter for each MLA or have each cognizant PM and BC review, concur, and sign, as appropriate, all correspondence.

Development of correspondence and documentation applies across all stages of the review. Boilerplates for common correspondence would require much more input for MLA and split-MLA (i.e., since plants, licensees, addressees, TSTF, etc. are not constant). MLA and split-MLA correspondence would require greater resources due to:

- validation of information for each licensee (e.g., did each licensee make the same statement or are there wording differences?);
- proper referencing (i.e., each statement must be properly attributed to the correct licensee); and
- complexity of submittal (i.e., multiple licensees, multiple attachments, no attachment is stand-alone) requires more effort to meet plain language requirements.

3.3 Acceptance Review

MLA and split-MLA would require greater resources for acceptance review due to:

- additional time spent on oath and affirmation reviews,
- additional coordination with individual plant PMs,
- additional time spent on kickoff meetings explaining how review of this new type of licensing action will be reviewed, and
- attachments to LARs are not stand-alone documents.

3.4 Federal Register Notices

MLA and split-MLA would require greater resources for *Federal Register* notices (i.e., proposed no significant hazards consideration determination) due to added complexity and the potential need for OGC review until the process is fully established. The NRC staff would also need to determine if a single notice or separate notice for each licensee is appropriate.

3.5 Technical Review

The technical review of an MLA may benefit from consistency of a single reviewer, but split-MLA, fleet, and individual applications can all go to the same reviewer as well. MLA and split-MLA would require greater resources due to attachments to the LAR not being stand-alone documents.

MLAs would require greater resources than split-MLA, fleet, and individual applications due to:

- validating and proper referencing of information for each licensee, and

- determining if differences between licensee statements are relevant, such that separate review sections need to be provided (e.g., a fleet LAR states in one sentence what four separate licensees state in four separate attachments in an MLA).

Fleet LARs require less resources when plants are similar due to:

- reduced volume of material (one application that provides a single evaluation covering all plants),
- clearly stating differences between plants where relevant (do not have to compare across multiple attachments),
- one voice/style is used throughout application, and
- ability to identify bounding plant that covers other plants in the LAR.

Split-MLAs would also require slightly greater resources than individual LARs due to complexities in coordination and documentation.

3.6 Requests for Additional Information

MLAs and split-MLAs would require greater resources and more time for the RAI process due to coordination with a larger group of applicants and licensees.

Assuming that a single RAI covering all plants would be issued, a split-MLA would require greater resources and more time due to coordination with additional PMs and reviewers (some reduction if single reviewer assigned) and schedule differences among reviews.

3.7 Safety Evaluation

The model safety evaluation (SE) for TSTFs is written for a single licensee with an improved standard technical specifications (TSS) plant. Differences in the application create additional work for the NRC staff in revising the model SE. At a minimum, the model SEs would have to be adapted to properly attribute variations for each of the plants.

In the example MLA, Section 2.0, "Variations," was different for each licensee. These differences included General Design Criteria (GDC) requirements versus pre-GDC requirements, non-standard TS wording being changed, and additional editorial changes outside the scope of the TSTF.

The NRC staff is expected to write in plain language. With the example MLA, it is likely easier to write separate SEs for each plant rather than writing a single SE trying to cover everything. This will be somewhat more burdensome than if these were submitted as individual LARs, since the cover letter and each SE will need to address the applicant and the other licensees. Specifically, the SE would need to explain the relationship between the applicant and the licensees, and explain how each licensee's amendment is being addressed by the staff's SEs.

4.0 Other Comments

4.1 Potential Adverse Impact on Metrics

Due to the large number of plants that might be covered under an MLA, if an issue arose with the review for an individual plant, this could delay issuance of the overall amendment package (assuming the package is not split apart). As such, a single MLA review taking longer than 12 months to complete would have a significant impact on the ability of NRR to meet its goal of 95 percent of licensing actions completed within 1 year.

4.2 Choice of TSTF-535, “Revise Shutdown Margin Definition to Address Advanced Fuel Designs,” as an Example MLA

It is not clear of the intent of the draft example MLA using TSTF-535 as an example. Two of the four plants (Brunswick Steam Electric Plant (Brunswick) and Hope Creek Generating Station (Hope Creek)) have already submitted TSTF-535 LARs for NRC review. In addition, during the public meeting on February 8, 2017, the industry representatives stated that the proposed MLA approach is intended for LARs that require no plant-specific information. Contrary to the meeting discussion, the example MLA included one plant (Brunswick), which required plant-specific information to be addressed. Specifically, TSTF-535 is based on plants licensed to the GDC in Appendix A to 10 CFR Part 50. However, since Brunswick is a pre-GDC plant, Attachment 2 to the draft submittal provided plant-specific information regarding the plant’s licensing basis.

4.3 Plants Included in Example MLA

The example MLA includes one plant (Hope Creek) with custom TSs. Plants with custom TSs should not be considered candidates for MLAs due to plant-specific information that must be described in the NRC staff’s SE. It is noted that the “Insert” showing the revised Hope Creek TSs on the last page of Attachment 4 to the example consolidated LAR incorrectly reflects a markup of the improved standard TSs, not Hope Creek’s actual TSs.

4.4 Review Timeframe

MLAs will likely take longer to review and process than LARs submitted individually. The example MLA cover letter requested an approval date of 7 months. A 12-month requested date would be more realistic.

5.0 NRC Staff Conclusions

Based on the above, the NRC staff concludes that the MLA approach, as currently proposed, complicates the existing licensing process, without a tangible commensurate benefit. Use of this approach would be an administrative burden on the NRC staff and would require changes to the NRR processes and procedures. Consistent with the discussion during the public meeting on February 8, 2017, and the unique challenges in the sample draft multi-licensee example, the NRC staff does not yet find a basis for proceeding with a trial MLA at this time.

SUBJECT: COMMENTS ON INDUSTRY-PROPOSED MULTI-LICENSEE CONSOLIDATED LICENSE AMENDMENT REQUEST PROCESS (CAC NO. TM3112) DATED JUNE 19, 2017

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OFFICE	DORL/LPL1/PM	DORL/LPL1/LA	DORL/LPL2-1/BC	OCIO/GEMSD/ISB*
NAME	REnnis	LRonewicz	MMarkley	DCullison
DATE	06/14/2017	05/25/2017	06/14/2017	05/31/2017
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