

# **Official Transcript of Proceedings**

## **NUCLEAR REGULATORY COMMISSION**

Title:                   Status of Security Baseline Inspection  
                              Program Assessment in Response to  
                              SRM-SECY-16-0073: Public Meeting

Docket Number:     (n/a)

Location:             Rockville, Maryland

Date:                 Wednesday, July 12, 2017

Work Order No.:     NRC-3161

Pages 1-56

NEAL R. GROSS AND CO., INC.  
Court Reporters and Transcribers  
1323 Rhode Island Avenue, N.W.  
Washington, D.C. 20005  
(202) 234-4433

UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION

+ + + + +

PUBLIC MEETING

+ + + + +

STATUS OF SECURITY BASELINE INSPECTION PROGRAM  
ASSESSMENT IN RESPONSE TO SRM-SECY-16-0073

+ + + + +

WEDNESDAY, JULY 12, 2017

+ + + + +

ROCKVILLE, MARYLAND

+ + + + +

The meeting was held in the Commissioners'  
Hearing Room at the Nuclear Regulatory Commission, One  
White Flint North, 11555 Rockville Pike, at 8:00 a.m.

PRESENT FROM THE NRC:

JIM ANDERSEN

MARISSA BAILEY

MIKE BUCKLEY

LOUIS CUBELLIS

CLAY JOHNSON

TODD KEENE

ANDREW PRETZELLO

ALISON RIVERA

DARRELL ROBERTS

**NEAL R. GROSS**  
COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

ALSO PRESENT:

A.J. CLORE, NEI

CHRIS KELLEY, Exelon

ED LYMAN, Union of Concerned Scientists

CHRIS NEWTON, Duke Energy

MICHAEL WHITLOCK, Dominion Energy

DAVID YOUNG, NEI

## P R O C E E D I N G S

8:09 a.m.

MR. ANDERSEN: -- any force-on-force exercises that we do from the enforcement perspective.

Not to say that we would not having any findings, but maybe that the level of the finding or the severity of the finding would be reduced depending on if the licensee had an approved methodology and could show that, in that exercise, it would have impacted the results.

So that's Option 2. In Option 3, it goes on and allows SEMA to do a little bit more. The other part of the purpose of SEMA that NEI provided was to inform vulnerability assessments, and, by informing those vulnerability assessments, it would inform their strategic plans and possibly strategic plan changes that they could make. So Option 3 kind of includes Option 2 but then goes a step further in allowing credit for the SEMA methodology to support strategic plan --- potentially strategic plan changes down the road. So that's Option 3.

And then Option 4, since the Commission asked us to evaluate integrated response, and over the course of the last number of years, we've had that more on a voluntarily basis, and in --- few sites have

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

(202) 234-4433

(202) 234-4433

1 participated. Actually, a number of sites have  
2 participated in contingency response tools with the  
3 FBI developing those tools onsite. So we're probably  
4 over half the sites, I believe, have participated in  
5 that activity. And then a much smaller number of sites  
6 have participated in limited exercises, you know,  
7 probably a handful of sites participating in limited  
8 exercises with local law enforcement to exercise those  
9 types of things. So Option 4 would basically be some  
10 type of regulatory framework approach rulemaking.

11 To be honest, I think we're still putting  
12 --- the whole rulemaking process will do this if the  
13 Commission decides to go down this path, what the rule  
14 will look like when it gets to the tail-end of the  
15 rulemaking process. But initially, my thought was that  
16 they would have some sort of minimum level of what  
17 everyone needs to do.

18 We would encourage licensees to reach out,  
19 and if they can get an MOU with local law enforcement  
20 or FBI put in place, that would be a piece of it. And  
21 then it would grate it up, so if you wanted to do some  
22 sort of crediting of local law enforcement, the rule  
23 would have the requirements as part of the rule package.

24 So that one's, you know, again, in  
25 development a little bit. Rulemaking is never an easy

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

(202) 234-4433

(202) 234-4433

1 task. When we go through it, it's a lot of resources,  
2 so we'd have to consider that if the staff were going  
3 to recommend that option.

4 So, that's the four options we've kind of  
5 laid out to this point. Again, you know, the paper  
6 is due, Todd, in September, October?

7 MR. KEENE: October 4th.

8 MR. ANDERSEN: October 4th to the  
9 Commission. So, you know, we're very close to starting  
10 to put -- actually, we have put pen to paper already  
11 and we're very close to actually getting it into the  
12 concurrence process.

13 But before we put it into the concurrence  
14 process, we wanted to have this meeting to get feedback  
15 from our external stakeholders at this point.

16 We've gotten a lot of feedback from our  
17 internal stakeholders. There's still a lot  
18 responding, too.

19 So, maybe I'll pause there for a second  
20 and see if there's any questions in the room. And maybe  
21 we can open it up to see if there's any questions on  
22 the line as well. So, let's start in the room first.

23 MR. YOUNG: David Young, NEI.

24 Could you just maybe elaborate a bit more  
25 on -- so, Two would be consideration for force-on-force

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 exercises. Three would be consideration for  
2 vulnerability assessments.

3 So, if you combine Two and Three, how does  
4 that look different from Four? Where does Four go  
5 beyond the combination of Two and Three?

6 MR. ANDERSEN: Yes. Four puts the  
7 requirements that we deem necessary into a rulemaking  
8 and establishes some sort of minimum threshold for all  
9 plants for integrated response-type of activities,  
10 where Two and Three would be strictly voluntary.

11 MR. YOUNG: Okay. Voluntary and in  
12 guidance.

13 MR. ANDERSEN: And I should mention before  
14 I take another question, due to the, you know, we're  
15 very close -- like I said, we're writing the paper right  
16 now, so, you know, right now is my intent, at least,  
17 to recommend to the Commission if we recommend Two or  
18 Three, that that would also include a pilot.

19 That we pilot Option 2 and Option 3, if  
20 we recommended those, that's actually in the pros and  
21 cons for the paper. We probably say "pilot" in both  
22 of them.

23 And then we would come back to the  
24 Commission at a later date with the results of that  
25 pilot and, you know, permission to go forward.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1                   So, that's my thinking right now on Two  
2                   and Three. And I should have said that up front,  
3                   because that changes things a little bit.

4                   Another question?

5                   MR. LYMAN: Yeah. This is Ed Lyman.

6                   So, with regard to the difference between  
7                   Two and Three, I thought I heard you say so with Two,  
8                   you would just use the LLEA credit to -- for a  
9                   significant determination of the findings.

10                  But Three, it sounded like you were  
11                  actually changing the allowed defensive strategy so  
12                  there would no longer be a denial of task on the part  
13                  of the licensee, but maybe just contained in their --  
14                  a delay in communicate, something like that. So, is  
15                  that --

16                  MR. ANDERSEN: It's not so much delay in  
17                  communicate, it's more of -- under a lot of scenarios  
18                  it takes a long time to get to core damage.

19                  And in those scenarios, I think it's  
20                  reasonable that, you know, local law enforcement, FBI,  
21                  will show up on site and be able to assist the licensee  
22                  in moving personnel around the site, to maybe hook up  
23                  FLEX-type equipment, and arrest potential core damage  
24                  before it would happen.

25                  So, that's the type of scenario we're

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701



1 thinking about for that piece of it.

2 MR. LYMAN: All right. So, right now the  
3 licensee has to protect against radiological sabotage,  
4 which means protection against significant core damage  
5 or radiological sabotage.

6 So, what this would mean was the definition  
7 of that would no longer be prevention of destruction  
8 of entire target set, but it would allow destruction  
9 of the target set provided that there was a finding  
10 or showing that they would be able to mitigate that  
11 before significant core damage occurred to the set.

12 MR. ANDERSEN: Right. There would still  
13 be a finding that they've lost the target set, but they  
14 still must protect against --

15 MR. LYMAN: Option 3.

16 MR. ANDERSEN: They would have to defend  
17 against the DBT. It would just be when we evaluate  
18 the finding, there would be a reduction --

19 MR. LYMAN: Oh, I thought that was Option  
20 2.

21 MR. ANDERSEN: That is Option 2.

22 MR. LYMAN: Right. So, Option 3 would be  
23 a change in the allowed defensive strategy.

24 MR. ANDERSEN: No.

25 MR. LYMAN: Okay.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1                   MR. ANDERSEN: They would still have to  
2 defend against the DBT, but in evaluating the -- they  
3 could take credit for additional -- potentially  
4 additional operator actions or mitigated -- or  
5 mitigative actions.

6                   It really puts more of a cap on how long  
7 is -- does the licensee have to, you know, defend before  
8 local law enforcement will come in to assist.

9                   MR. LYMAN: So, then I'm confused about  
10 the difference between Two and Three.

11                  MR. ANDERSEN: Yeah.

12                  MR. LYMAN: Sounds like they're the same,  
13 I think.

14                  MR. ANDERSEN: Maybe it's just the way I'm  
15 describing them. All right.

16                  MR. LYMAN: Are any of the options, would  
17 they change the fundamental requirement that you have  
18 to protect -- the licensee has to protect against  
19 radiological sabotage, meaning significant core  
20 damage?

21                  MR. ANDERSEN: No. Although the licensee  
22 must protect against that, it's just that in defending  
23 against that, we'd allow them to take additional credit  
24 for other things.

25                  MR. LYMAN: I'm not sure I understand.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 MR. ANDERSEN: Okay. Any other question  
2 from the room before we open it up to the --

3 MR. KEENE: Shirley, if you could open up  
4 the phone lines to see if anybody on the line has any  
5 questions?

6 THE OPERATOR: Certainly. If you have a  
7 question on the phone line at this time, just press  
8 star followed by one. Thank you. And that's star  
9 followed by one, and record your name clearly.

10 One moment, please, for our first question.

11 THE OPERATOR: And at this time, I'm  
12 showing no questions on the phone line.

13 MR. KEENE: Thank you, Shirley.

14 MR. ANDERSEN: Thanks, Todd.

15 Before I turn it over to Clay or Marissa  
16 to start going into the force-on-force and security  
17 baseline piece, I just -- some of our initial thoughts  
18 on the SEMA methodology, there's some discussion in  
19 the document about how you gather the data to do the  
20 methodology.

21 And there's discussion about kind of the  
22 option to the licensees for how they do that and the  
23 periodicity they do that.

24 And I think a number of our comments that  
25 we'll be providing and much more specifics are going

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 to be around that in that, you know, the staff believes  
2 there should be some sort of demonstration and periodic  
3 training-type thing that, you know, people are going  
4 to change, forces are going to change.

5 So, there's got to be some sort of periodic  
6 review, periodic demonstration to validate -- if  
7 "validate" is the right word -- the numbers that are  
8 into the methodology.

9 So, we'll get into that in a little bit  
10 more detail in the second half of this meeting, but  
11 that's kind of -- from a big picture, I think that's  
12 where a number of our comments are going to come from.

13 And with that, unless there's additional  
14 questions, I'm sending it back to you. Clay, looks  
15 like you're on the bottom end of the boulder or whatever  
16 you want to call it.

17 MR. JOHNSON: Okay. From the last  
18 discussions we've had, there's really been one change  
19 to the three options for force-on-force and that is  
20 combining -- we blended our 2A and 2B into a single  
21 option. So, I'll walk sort of through the three options  
22 that we have now.

23 The first option -- is your handout -- the  
24 handout was put out a couple weeks ago when we first  
25 came up with it. The only real difference is that 2B

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 -- what we have listed as 2A and 2B, 2B is not going  
2 to be discussed in our paper.

3 It's just going to be -- why don't I --  
4 it's been NEI has a concept and we felt the  
5 defense-in-depth initiation had been fully integrated  
6 and we'll just add that Option 2 is what it's based  
7 on.

8 So, we call that a 2B, but it's primarily  
9 based on NEI's submission. And that was what that was  
10 meant to be focused on. So, it wasn't adding to the  
11 conversation.

12 And I'll go through some of how we  
13 characterized Option 2. You'll see it's really a  
14 blending of the two.

15 For Option 1, it's primarily the  
16 force-on-force program we have now. With all of our  
17 options at the high level, we are implementing changes.

18 We're looking at the SDPs, we're changing  
19 inspection procedures, we're looking at the overall  
20 baseline inspection program, reducing redundancies,  
21 things along those lines.

22 So, that happens for all three options.  
23 So, the high level, there are changes occurring, but  
24 Option 1 is effectively the force-on-force program we  
25 have now. It's two exercises. It's a planning week,

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 it's an exercise week.

2 Option 2 really blended our 2A and 2B.  
3 It is a planning week and exercise week. We are  
4 planning two exercises.

5 As part of that planning, we are putting  
6 a placeholder in the second exercise to start halfway  
7 through it. That gives you your defense-in-depth  
8 portion.

9 If the first exercise during exercise week  
10 is effective, the second exercise will be done as a  
11 defense-in-depth, which means adversaries start close  
12 in.

13 We will shift the exercise to where there's  
14 no external evaluation. This also means that because  
15 we are bypassing all external defenses to look at  
16 defense-in-depth, loss of the target set is not the  
17 regulatory problem. It would be focused on command  
18 and control, situation awareness, interdiction,  
19 redirects. It's all the functionality of response  
20 internally.

21 If the first exercise was anything other  
22 than effective, the second exercise would be run as  
23 planned. So, it would effectively be very similar to  
24 today's force-on-force.

25 For this, some work is going to have to

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 be conducted on the significance determination process,  
2 because we don't currently have an SDP that covers  
3 defense-in-depth. So, modifications would occur to  
4 the significance determination process for  
5 force-on-force and for the defense-in-depth.

6 Option 3. Option 3 provides us with two  
7 opportunities to evaluate the site protective strategy.

8 The force-on-force would be planning week,  
9 exercise week, one exercise. So, very similar to what  
10 is done now, except it's only planning and executing  
11 one exercise.

12 At a later time, the NRC inspection team,  
13 hopefully the same inspection team, will observe a  
14 licensee -- will inspect a licensee-run annual  
15 exercise. It will be evaluated the same way we do the  
16 force-on-force now.

17 There will have to be some modifications  
18 with the licensee's planned and conducted exercise.  
19 We may have to work with the planning documents.

20 If there was a problem in the first NRC-led  
21 force-on-force, we may work with the licensee to  
22 specifically evaluate some aspect. And that sort of  
23 covers a follow-up piece. So, there are still details  
24 to be worked out there.

25 But one NRC force-on-force exercise very

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 similar to what's done today, and then attending and  
2 inspecting a licensee-led force-on-force.

3 So, again, changes to significance  
4 determination process would be needed, a new inspection  
5 procedure probably for the evaluation of the  
6 licensee-run force-on-force. So, lots of work to do  
7 there.

8 The staff is currently leaning towards  
9 Option 3, but we would like feedback on pros, cons,  
10 unintended consequences for all three options.

11 We received some good feedback in previous  
12 letters, but we're looking for anything that --  
13 sometimes it's invisible to us what a cost is. So,  
14 we will need you to be looking for and to bring forward  
15 any hidden costs that you're unaware of in terms of  
16 -- one of the proposals the staff intends to accept  
17 is the CAF showing up early so that all the work could  
18 be done during normal working hours the previous week.

19  
20 Is there a hidden cost in the number of  
21 CAF members just given exercise schedules? We're not  
22 aware of that, but we're seeking feedback.

23 The other piece that we're planning on  
24 accepting is having a CAF director embedded with the  
25 team to alleviate some of the time that's required to

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

(202) 234-4433

(202) 234-4433



1 actually conduct some of the planning operations.

2 So, I mean, those were proposals, but they  
3 came without explanation of cost or benefit, but  
4 initially it looks good to the staff.

5 MS. BAILEY: Before we open it up to  
6 questions, I think what I'd like to do is just summarize  
7 the three options and emphasize a couple of things.

8 First of all, the three options that the  
9 staff is considering maintains this concept of having  
10 to look at the -- to evaluate the effectiveness of the  
11 licensee strategy.

12 The first option's status quo, we do have  
13 the two NRC-conducted exercises. The second option,  
14 plan for two NRC-conducted exercises, but will be a  
15 defense-in-depth exercise if that first exercise ends  
16 up being effective.

17 And then the third option is one  
18 NRC-conducted exercise and an evaluation of one of the  
19 licensee's annual exercises.

20 And one other thing that I want to emphasize  
21 with that one is that evaluation is an inspection.  
22 We wanted to make sure that you're all aware of that.

23 So, those are the changes I wanted to  
24 highlight.

25 MR. ANDERSEN: Okay. Questions at the

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 table.

2 MR. CLORE: Thanks, Clay and Marissa.  
3 This is A.J. Clore with NEI. Just a couple high-level  
4 questions you might be able to answer now or might not  
5 be fully vetted.

6 In regards to scheduling of the -- looking  
7 at the site's observed or led exercise following the  
8 initial one, have we looked at -- have you guys talked  
9 about time frames in when you would come back to the  
10 site after the initial exercise?

11 The reason I bring that up is I -- we talked  
12 a little bit yesterday, was there are some utilities  
13 that purposely schedule their annual exercises around  
14 weather. Certain sites have inclement weather.

15 There are other utilities who actually  
16 schedule the bulk of their annual exercises in certain  
17 quarters of the year to kind of knock them all out.  
18 That's just one we thought we'd consider.

19 I know we had talked about, you know, we  
20 have, you know, look at three months or a calendar year,  
21 what would be best preferential -- I think from an  
22 industry standpoint, I think a calendar year would be  
23 the most beneficial in regards to efficiencies and  
24 resources, because a lot of sites are doing what they  
25 do now.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1           Most people already know that already, but  
2           that way it wouldn't be, you know, an example I could  
3           use -- I'll use Chris for an example.

4           Some of the northern sites, which FOF was  
5           in, say, November, three months will put you in  
6           February, which probably isn't the most, you know,  
7           pleasurable in February in upstate New York. But  
8           that's just something we talked a little about yesterday  
9           and things to scheduling.

10          And I'll turn it over to you if you have  
11          thought about that or if there's just a concern we have  
12          or a thought.

13          MR. JOHNSON: Great question. It has come  
14          up. There's been some intense discussions on how the  
15          scheduling would work.

16          We do realize, you know, weather events,  
17          outages can have an impact. It makes the scheduling  
18          a little more complicated.

19          And because we're now putting the schedule  
20          in RPS and all the licensees are aware of those  
21          schedules, it's published, we're going to have to work  
22          very closely with the regions to coordinate with the  
23          sites so that we can make every attempt to ensure we  
24          don't end up at -- one of my favorite nights was D.C.  
25          Cook on January -- I think it was 7th, listening to

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 the ice flows build up.

2 So, trying to work through that issue is  
3 going to require more planning. And that's the real  
4 key to it. Will it always be successful? Probably  
5 not. So, we need to plan for that.

6 One of the considerations on Option 3 and  
7 the way we laid it out for the normal force-on-force  
8 process, there's a lot of in-depth assessment that goes  
9 on in the planning week. The protective strategies,  
10 the lock-downs, all of that that occurs informs what  
11 happens next.

12 So, if we end up in a circumstance where  
13 an evaluation of a licensee's annual exercise occurs  
14 before, we may have to figure out how we swap that  
15 assessment to happen prior to the licensee's and then  
16 truncate what happens during the NRC force-on-force.

17 So, we're going to have to be a little bit  
18 flexible in figuring out the full schedule. It hasn't  
19 been fully thought out, but it will require far more  
20 planning between the region's headquarters and the  
21 licensee's.

22 MR. CLORE: Thank you.

23 MR. NEWTON: Yeah. Well, just to  
24 piggyback on that -- Chris Newton from Duke Energy --  
25 we have to work with the region now for the 05 schedule

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 and send them a list of all our annual exercises  
2 upcoming.

3 That's something we can honestly share with  
4 the region now with NSIR to help facilitate that  
5 scheduling.

6 And when you look at when that observed  
7 exercise would occur, talk about hidden costs, we  
8 wouldn't have to schedule an additional exercise just  
9 to meet our official time frame there.

10 So, that would be one thing to consider  
11 --

12 MR. JOHNSON: Absolutely. We haven't  
13 settled on, you know, within a month or within six  
14 months. That's still a remaining detail we need to  
15 work out.

16 There is no intent to have a special annual  
17 exercise above and beyond what's currently required.

18  
19 MR. CLORE: Clay, just another quick  
20 question.

21 In current practice, you know, if weather  
22 dictates Night 1 being moved to Night 2 and if the  
23 exercise is effective, the inspection team is  
24 satisfied, a question for Option 3 if there's just one  
25 night of the inspection team for force-on-force, if

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 weather were to dictate that exercise, how would --  
2 I guess what would be the path forward after that?

3 Would it be if the inspection team came  
4 to the observed -- or licensee-led exercise, would that  
5 be sufficient enough just inspecting that if weather  
6 dictated the first night of the initial week?

7 MR. JOHNSON: We still have to do the  
8 NRC-led force-on-force exercise.

9 MR. CLORE: Sure.

10 MR. JOHNSON: So, options available are  
11 stay an extra day. Or in cases where we've had  
12 blizzards that locked down the site for a week, we would  
13 have to reschedule.

14 MR. CLORE: Okay.

15 MR. LYMAN: So, doesn't the NRC already  
16 inspect, to some extent, the licensee's exercises and  
17 how is what you're proposing different from what you  
18 do now?

19 MR. JOHNSON: We have an inspection  
20 procedure that does look at licensees' drills and  
21 exercises. This is a different procedure.

22 It is modeled after our inspection  
23 procedure 71130.03, which is the force-on-force  
24 contingency response inspection.

25 The 05, which you're referring to, focuses

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 more on the performance evaluation program, which is  
2 Part 73, Appendix B. That is a training program, and  
3 the focus is more on training and evaluation. How are  
4 their responders being trained anywhere from CAF and  
5 TAF to command and control.

6 So, the focus is different. We're looking  
7 at prevention of radiological sabotage against the DBT.  
8 There's no intent to replace the current 05 inspection  
9 procedure with this.

10 MR. LYMAN: I have a question about what  
11 I think of as defense-in-depth is. So, you pass the  
12 first exercise and then you would want to modify the  
13 second by, you know, reducing the number of responders  
14 or increasing the adversary characteristics or  
15 something, but the objective should be the same.

16 You want to see if perturbing the first  
17 response would then also lead to a successful outcome.  
18 So, I don't understand why you would say the evaluation  
19 would be different than the defense-in-depth.

20 MR. JOHNSON: The -- since we are not  
21 evaluating, we are bypassing the external strategy.  
22 So, all the external defenses, which we have shown  
23 through five cycles, are pretty significant.

24 We would be starting a force internal to  
25 the fight strategy. So, there's no way to -- there's

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 no way to hold a licensee accountable for loss of a  
2 target set if we are not evaluating the full strategy.

3 So, the focus is really on the command and control  
4 and the internal actions.

5 In many -- in a significant number of our  
6 current force-on-force, everything ends somewhere at  
7 the protected area. So, we're looking beyond that.  
8 We're looking at the internal strategy -- simply by  
9 bypassing what they currently have, the target set is  
10 not the objective of the evaluation.

11 Any other questions here?

12 MR. KELLEY: The observed exercise will  
13 be part of an inspected process. Is that going to fall  
14 under the 03 or the 05? And would it be a separate  
15 inspection report, or would it be the same inspection  
16 report?

17 MR. JOHNSON: Great question. Lots of  
18 discussion internally. I am going to have to give you  
19 sort of a guess, because we're still working out some  
20 of the implementation details.

21 I think that we lean towards a separate  
22 inspection procedure. It's not the 03, not the 05,  
23 which may result in two inspection reports.

24 There's simplicity with that, but it is  
25 advantageous.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701



1 MR. KELLEY: Sure. Another question.  
2 Chris Kelley from Exelon.

3 So, we're talking about embedded or hidden  
4 costs and I think having the CAF directors involved  
5 is a good idea. It probably would expedite the  
6 development of the mission planning.

7 But we do pay cost, travel per diem cost,  
8 for times that the CAF team, you know, are in travel  
9 status and on site. So, moving them in a week earlier,  
10 I don't know if we're going to gain enough from that  
11 to justify the cost of putting them up for a week.

12 If the director is there, we've been pretty  
13 effective over the weekend between when they come on  
14 site to do the, you know, the drills and the dry runs  
15 with them -- with the controller.

16 So, I'm not sure that a week on site would  
17 be cost-justified, in my mind.

18 MR. JOHNSON: Great comment. And that's  
19 the feedback we're looking for. Okay. I appreciate  
20 that comment.

21 If somebody could provide even a  
22 qualitative description of that, it would be greatly  
23 appreciated. And we can be sure to include it in the  
24 paper, because right now our plan is to accept NEI's  
25 proposal.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1                   So, if there's some downside to that, we  
2                   need to know.

3                   MS. BAILEY:    I also appreciate that  
4                   comment. One of their -- the Commission directed us  
5                   to focus on efficiencies.

6                   And when we're developing this option, I  
7                   think it's easy for us -- or easier for us to  
8                   characterize what the efficiencies are for the NRC,  
9                   but it's not so easy what the impact is in terms of  
10                  efficiencies for the industry.

11                  So, any feedback that we can get from  
12                  industry on what are the efficiencies for any of the  
13                  three options would be helpful.

14                  MR. KELLEY:   Thanks. A second question  
15                  or comment is in reviewing the various options as, you  
16                  know, currently we run the exercises, we break into  
17                  a series of hot washes.

18                  We typically then do a critique with the  
19                  entire force at the end of the exercise. And then the  
20                  day after the final exercise, there's a management  
21                  critique with the site senior leadership team.

22                  Are we going to continue with that process  
23                  if we go with Option 3?

24                  MR. JOHNSON:   Yes.

25                  MR. KELLEY:    So, there would still be a

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 management critique at the end with the site leadership  
2 team. Okay.

3 MR. CLORE: This is A.J. from NEI again.  
4 Just a quick add-on to Chris and Clay. You guys can  
5 share this if you have a vision.

6 Just I guess in regards to the critique  
7 and things like that, could you, I guess, map out what  
8 your vision looks like for the planning week and  
9 exercise week under Option 3?

10 Is there a lot of changes in regards to  
11 what those were?

12 MR. JOHNSON: For the NRC led?

13 MR. CLORE: Yes. Like, I know there's a  
14 -- I believe in the one proposal it was hours on site  
15 for the NRC and stuff. I know that the way things are  
16 set up in this area, does the vision you have of the  
17 planning week have any wholesale changes in regards  
18 to that, or are we pretty much status quo as we are  
19 now and exercise week is pretty much the same as opposed  
20 to just one night of force-on-force, then the critique,  
21 and then --

22 MR. JOHNSON: The overall goal for the  
23 NRC-led force-on-force planning week is time reduction,  
24 because we're only planning one exercise. And it goes  
25 back to regardless of the outcome, the exercise is what

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 the exercise is.

2 So, planning one exercise we see a  
3 reduction in the time required rather than planning  
4 two, briefing two, critiquing two, all of that portion.

5 It's now focused down to one mission plan,  
6 run the mission, do the critique and the NRC departs  
7 the site.

8 MR. CLORE: Thank you.

9 MS. BAILEY: Just a -- and I'm not sure  
10 that this is the question, but I'm going to answer it  
11 anyway.

12 In terms of the critique process with  
13 Option 3 with the one exercise, we would still be  
14 expecting the licensee to identify corrective action  
15 through that critique process.

16 MR. NEWTON: So, going back to the  
17 management critique piece, would you then expect to  
18 see that at the conclusion of the licensee-observed  
19 exercise as well, that formal critique? You have any  
20 thoughts on that?

21 MR. JOHNSON: It has been discussed and  
22 I think the current discussion is leading towards yes,  
23 because long-range industry has really proposed going  
24 to some sort of EP model. And this is just an extension  
25 of that model. So, currently I think the thought

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 process is a yes for that.

2 Again, implementing details is what we are  
3 -- we're asking the Commission to approve this option  
4 so that we go figure out all those details.

5 MR. NEWTON: And one comment, Clay, on that  
6 is typically, when we do our internal annual exercises,  
7 we don't do a follow-up management critique the next  
8 day, but at a following plan-of-the-day meeting with  
9 the senior leadership team, security will go in and  
10 debrief, cover the, you know, what's in CAP results  
11 of the exercise.

12 Maybe that's something the management  
13 could observe and report back on as they're in there  
14 now, you know. So, something to consider in lieu of  
15 scheduling another day with the site.

16 MR. JOHNSON: Absolutely. There's lots  
17 of potential.

18 MR. LYMAN: One more. So, for the NRC-run  
19 force-on-force you have advisors or subject matter  
20 experts who help to inform prep.

21 Would they be involved in the evaluation  
22 of the licensee-run exercise at all?

23 MR. JOHNSON: Yes, sir.

24 MR. LYMAN: Okay.

25 MR. JOHNSON: Any other questions at the

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 table?

2 MR. CLORE: I think I -- the last thing,  
3 I was just going to thank you guys for the hard work  
4 on all three options.

5 And I spoke to David offline that people  
6 will go back and, you know, to the rest of the industry  
7 and we can send a letter up from NEI addressing what  
8 our preferred recommendation is in regards to the  
9 options.

10 I guess the only question I have is  
11 obviously I know sooner is better than later in regards  
12 to the letter. I -- is there a drop-dead time frame  
13 we need to hit by to get the letter up to you?

14 MR. JOHNSON: We're hoping to have our  
15 paper in concurrence by the end of this month.

16 MR. CLORE: Okay.

17 MR. JOHNSON: So, quicker is probably  
18 better.

19 MR. CLORE: Sounds good.

20 MR. JOHNSON: Do we have any questions on  
21 the phone?

22 THE OPERATOR: On the phone line, if you'd  
23 like your line open, just press star followed by one  
24 and record your name clearly. Again, that is star,  
25 one. One moment, please.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1                   We do have a question coming in. One  
2 moment, please.

3                   The question is from Dave Birkenpatch  
4 (phonetic). His line is open.

5                   MR. BIRKENPATCH: Yeah. Clay, I have a  
6 question regarding Option 3 in the interest of  
7 efficiencies.

8                   Is there any possibility the NRC could  
9 observe the licensee drill the night following the NRC  
10 drill reducing the number of trips to the site?

11                  Licensee could plan their own exercise in  
12 parallel, I believe, with the NRC exercise.

13                  MR. JOHNSON: Thank you for the question.

14                  It has been discussed and we don't have  
15 -- I don't have an answer for that, but it has been  
16 part of the discussion on how we would implement Option  
17 3.

18                  MR. BIRKENPATCH (phonetic): Okay.

19                  MS. BAILEY: I guess I would say we're open  
20 to that. We're not against it.

21                  THE OPERATOR: And at this time, I am  
22 showing no further questions.

23                  MR. JOHNSON: Thank you.

24                  MS. BAILEY: I do have one question for  
25 licensees and for NEI.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1                   One of the, I guess, arguments for Option  
2                   3 is that the licensee security programs have evolved  
3                   over the last four cycles. And so it's recognizing  
4                   the evolution of that program, the performances are  
5                   good.

6                   And NEI has even alluded to that a couple  
7                   of times in your letter when you talk about reducing  
8                   the number of NRC-run exercises, that the program has  
9                   evolved and so it's time to change to perhaps reduce  
10                  the number of exercise -- NRC-run exercises.

11                  So, help build that argument for me,  
12                  because all I really have in terms of that is a statement  
13                  in your letters, but really not a lot of details to  
14                  support that argument.

15                  MR. CLORE: Thanks, Marissa. That's a  
16                  great question. And I can lean on Chris and Chris also  
17                  for support, but I think one of the reasons our push  
18                  in recent years was, you know, we are in our fifth cycle  
19                  force-on-force.

20                  And looking back on performance,  
21                  performance has been very well in regards to effective  
22                  exercises and so forth in the past few cycles.

23                  And I think as time has gone on, you know,  
24                  we have, you know, had push-backs from folks saying,  
25                  you know, maybe it's a time -- I think it was a couple

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701



1       years ago we went from originally two full exercises  
2       and the third night beyond DBT.

3               And Step 1 of the program was, well, get  
4       rid of the beyond-DBT night and just do two nights of  
5       force-on-force, which, at the time, was great. I think  
6       it worked out well for the industry and the NRC at the  
7       time.

8               And I think as -- we've been doing it about  
9       two years now, going on three years total, we looked  
10      at another cycle coming up. Might be time to revise  
11      again, because performance hasn't changed. It kept  
12      excelling. It might be time to look at potentially  
13      one night of force-on-force.

14              And with, you know, in regards to we have  
15      the national CAF team and site adversary training  
16      programs and so forth, our site's internal adversary  
17      teams have been coming up to a more better standard  
18      than where they were previously.

19              In regards to the licensee-led  
20      observation, their exercises have become almost to the  
21      level, if not at the level of the NRC-led exercises.

22              So, I think at a time the cycle's a go,  
23      the industry may have not been there, but I think we  
24      have developed and grown since then that our  
25      licensee-led exercises are on par with the NRC-led

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 exercises.

2 And in the name of efficiency for  
3 inspectors and for the sites and so forth, we -- going  
4 forward we think the one night of NRC-led force-on-force  
5 and, you know, same with regard to Option 3, one night  
6 of industry-led force-on-force may be a good program  
7 to look into and achieve.

8 And I would solely, I guess, to answer your  
9 question to get back is base that on performance. And  
10 I think we, as an industry, have grown with our internal  
11 teams, our internal scenarios. I think everything has  
12 gotten better and evolved to a more efficient program.

13 MS. BAILEY: So, when you say that it's  
14 "based on performance," are you looking at the data,  
15 I guess, in terms of numbers of exercises that come  
16 out as ineffective/effective? And are you looking out  
17 across the industry?

18 Is that what you're basing that argument  
19 on?

20 MR. CLORE: Yeah. We do that and we try  
21 to trend all the areas. And primarily we looked at  
22 where the ineffective exercises are.

23 And we do know that, you know, we can't  
24 lie to say there has not been indeterminates and  
25 marginals, you know, here and there.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1           But I think looking -- we talk and share  
2 information. Looking at the overall scope of it, the  
3 number of ineffective exercises have been very, very  
4 minimal.

5           I can't give you a number right now off  
6 the top of my head, but in contrast to the marginals  
7 and indeterminates.

8           And the reason we look at the marginals  
9 and indeterminates is what caused that exactly in the  
10 scenario.

11           And a lot of the findings we have found  
12 from the industry side is that, you know, the cause  
13 for the indeterminate or the marginal was not as heavy  
14 as what an ineffective exercise carries.

15           And in looking at the grand scope, the  
16 ineffectives are very, very minimal compared to the  
17 effective exercises we've had over the course of the  
18 cycles.

19           And I guess I can lean on Chris and Chris  
20 if they have any supporting info on that.

21           MR. KELLEY: I can speak for a large fleet.  
22 I've been with Exelon now going on ten years. We've  
23 obviously ran a number of exercises.

24           And in that ten-year period, we had one  
25 ineffective exercise and I really believe the root cause

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 of that was based largely on two things.

2 One was we had removed a barrier that should  
3 have been left in place. And, two, we had some  
4 ineffective control of the exercise.

5 So, you know, we've done hundreds of these  
6 exercises. We've had one ineffective exercise in the  
7 ten years I've been there.

8 We've had a few indeterminate exercises  
9 that range from start an exercise, a blinding snowstorm  
10 occurs in the middle of it and we can't complete the  
11 exercise for safety. It becomes indeterminate.

12 We've had some where we had a lot of  
13 artificialities and simulations that our controllers  
14 were not able to adequately portray to the players and  
15 it just sort of got off the rails and we couldn't  
16 complete it where you could evaluate the exercise, but  
17 -- and I know Chris can speak to a large fleet, but  
18 I think our performance has been exemplary. And I think  
19 this is -- it's time to make these changes, yeah.

20 MR. NEWTON: Yeah. Just one thing to make  
21 sure we're focused on apples and apples. So, this year  
22 we've had, I think, 16 evaluated exercises. There's  
23 been one failure.

24 And I know we hear the terms  
25 "indeterminate," we hear "marginal." But at the end

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 of the day, you know, those are not failures. So, I  
2 just think we need to make sure we're talking apples  
3 and apples here as far as that goes.

4 When you speak to the indeterminates and  
5 the marginals, if you go back to Cycle 1 looking now  
6 into this cycle, the complexity of these exercises has  
7 grown exponentially. And what we require for the  
8 controllers to be able to portray that security response  
9 force leads to a lot of the indeterminate outcomes,  
10 at least from my perspective and when I look at the  
11 data across not just Duke, but also the industry.

12 We talk about the health of the program,  
13 its base defense. Cycle 5, there's really only so many  
14 ways to attack the plant. So, you start looking, okay,  
15 now the mission has become really complex.

16 So, I think the core defense there -- say  
17 on the core defense has always been improving since  
18 we started this in Cycle 1.

19 In addition to that, we've also added the  
20 05 inspection, too. So, now you've got the region  
21 coming in, looking at the training program that backs  
22 up all of this. That's the training for the security  
23 response force members, the training for the internal  
24 CAF team that runs the annual exercises for us, as well  
25 as the controller training.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1                   So, I think that also helps demonstrate  
2                   the robustness of the program.

3                   MR. LYMAN: All right. So, from the point  
4                   of view of the public, you look at the record and there's  
5                   been about one from the annual report. This number  
6                   hasn't changed for several years. This has been one  
7                   ineffective exercise roughly every year. So, that's  
8                   about a five-percent rate.

9                   This year there is also listed a marginal  
10                  exercise. We do have the report of the lessons our  
11                  task force and other public statements about the quality  
12                  of the controllers and the problems with control of  
13                  the exercises with the licensees.

14                  So, I wonder if the statement -- NEI  
15                  statement that the licensee-led exercises would be on  
16                  par with NRC-led is justifiable.

17                  And the other aspect is how much of the  
18                  improved performance is due to the fact that you have  
19                  the inspection program in place and how do you know  
20                  that it's not going to deteriorate if you let up on  
21                  it? I mean, that could be the reason why it has  
22                  improved.

23                  So, I don't think the argument that because  
24                  performance has improved that it's time to lighten up  
25                  on inspections makes sense. I think it speaks to why

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1       you need to maintain them.

2                   MS. BAILEY:  Okay.  Thank you.

3                   And actually your comment about the  
4       improved performance being due to NRC inspection causes  
5       me to ask another question.

6                   And that's under Option 3, we would be  
7       inspecting the licensee-conducted force-on-force  
8       exercise, the annual force-on-force exercise.

9                   So, what would the effect of NRC actually  
10      inspecting that have on the quality of those  
11      exercises?

12                  MR. CLORE:  This is A.J. from NEI.

13                  I don't think there would be an impact.  
14       I think where the licensee -- I think part of the  
15       transition that Chris alluded to with the 05 and the  
16       regions inspecting it, I think the regions have been  
17       happy and satisfied with what they've seen from the  
18       licensee-led that I think when NSIR goes to the site,  
19       I think they'll see the same kind of vision.

20                  I think they'll see that the sites -- excuse  
21       me -- whether or not the exercises are challenging.  
22       I think they'll see that the -- under Options 1 and  
23       2, I think defense-in-depth, I think they'll see those  
24       challenging as well.

25                  I think they'll also see that sites'

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 internal adversary teams are also very challenging up  
2 to where the National CAF Team is at.

3 So, I don't think -- if anything, I think  
4 having NSIR on site would actually, you know, help the  
5 program even more because I think what the regions have  
6 seen they've been satisfied and happy with.

7 And I think NSIR will be the same way  
8 because I think they'll see what they expect to see  
9 at the NRC-led force-on-force.

10 MR. KELLEY: Yeah. If I can just  
11 piggyback -- this is Chris Kelley with Exelon -- I want  
12 to talk a little bit based on what Chris Newton from  
13 Duke said.

14 Our licensee-developed and run exercises  
15 are really more based on core defense. And we're  
16 running with qualified security officers who, in many  
17 cases, have years of experience at the plant.

18 So, not only do they know the protective  
19 strategy, they know the guy in Tower 4. I mean, they  
20 know -- they know a lot more about the site than the  
21 CAF team does. They've been there for years. They've  
22 played both sides of the equation as far as exercises  
23 go.

24 And I think the difference is when NSIR  
25 comes in, what we see are a little bit more of

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701



1 simulations and artificialities than we do when we run  
2 our own exercises, but our guys -- when I say "our guys,"  
3 our internal CAF players typically penetrate further  
4 into our defenses than is achieved by the NSIR teams  
5 based on their in-depth knowledge of the strategy and  
6 actual capabilities of the individual players that are  
7 in place.

8 So, I would hesitate to say that they're  
9 more challenging, but we tend to get more  
10 defense-in-depth using our own players who know better  
11 how to exploit our strategy than the NSIR team does.

12 So, I'm not saying our guys are more  
13 challenging, I'm just saying that we tend to achieve,  
14 you know, further into the strategy than typically we  
15 get from the NSIR teams.

16 MR. NEWTON: Yeah. I can echo that.  
17 We've done the same analysis at Duke and we have, in  
18 fact, seen that the internal teams penetrate further  
19 into the protective layers than does the national team.

20 You're ultimately running a team ultimate  
21 insiders is what you're running against, or whatever  
22 number you want to run, you know.

23 MS. BAILEY: Thank you.

24 THE OPERATOR: We do have a question on  
25 the phone line, if you'd like to take it.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 MR. JOHNSON: Yes, please.

2 THE OPERATOR: Thank you. It comes from  
3 Mike McNally. Your line is open. Go ahead with your  
4 question.

5 MR. McNALLY: I actually have two  
6 questions. The first one will stay on subject.

7 So, when you talk about in Option 3 bringing  
8 in the -- bringing in the NSIR advisors, what role are  
9 they particularly having in bringing them back?

10 Are they evaluating your site adversary  
11 team or what role are they going to play? And then  
12 I'll move on to the second one.

13 MR. JOHNSON: The advisors play a unique  
14 role in providing technical expertise to the inspection  
15 team.

16 But in the case of evaluating a licensee's  
17 program, one of the considerations that we have to keep  
18 in mind, the CAF team was developed at the Commission  
19 direction because there were situations in Cycle 1  
20 effectively where there was inconsistency in  
21 performance of licensee adversaries.

22 So, we need to have somebody that has the  
23 physical capability and the mission to participate with  
24 the licensee adversary as an evaluator.

25 MR. McNALLY: So, if the determination is

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 made that they're not living up to the CAF standard,  
2 what's going to happen in that -- I mean, obviously  
3 there's a lot of criterions that go on at the sites  
4 with the site adversary teams as far as the monitoring  
5 of time and such.

6 So, these CAF advisors are used to seeing  
7 a certain standard out there running around with CAF  
8 and they're probably not going to necessarily see that  
9 standard even though, going back to what Chris said,  
10 the knowledge is there from the site adversaries.

11 But from performance-wise, because they  
12 know the training that they have and that's their sole  
13 duty, I just would have a concern about what the  
14 adversary advisor is evaluating as far as my site  
15 adversaries, because they're probably not going to see  
16 the level of efficiency that they're going to see from  
17 the CAF just because of the training aspect. And these  
18 guys are actually security officers 99 percent of the  
19 time.

20 MR. JOHNSON: Completely understood.

21 What you are pointing to is probably a  
22 driver that will require us under performance  
23 assessment to come up with metrics, to have a  
24 standardized evaluation of adversaries. And that  
25 would apply to the national CAF team and licensees'

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1       adversaries.

2               There's already been work -- I'll call it  
3       groundwork done preliminary -- and I believe it went  
4       out for public comment some time ago, Regulatory Guide  
5       575, the potential rewrite. There was an extensive  
6       section added to it on adversaries.

7               So, you're pointing out the fact that this  
8       is one area in the development should we go with Option  
9       3, that we may have to put together some very clear  
10      metrics that would be standardized across industry and  
11      the national CAF team.

12              MR. MCNALLY: Okay. Thanks.

13              The second one is going back to the SEMA  
14      part of the conversation -- early part of the  
15      conversation, is there talk about revising 5.81  
16      particularly having to do with the six operator actions  
17      and what needs to be done for sites to take credit?

18              If we're implementing the potential of the  
19      SEMA and LOE response and such and the coping time  
20      issues, they seem to conflict with what 5.81 says in  
21      the six operator -- credit operator actions.

22              So, is there a look at revising those six  
23      credit operator actions or removing those completely  
24      if we're going to take -- be able to take credit for  
25      the SEMA mitigation?

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 MR. ANDERSEN: This is Jim Andersen.

2 They won't be removed completely. There  
3 will be some assessment in the future, if we go down  
4 the path, of providing another alternative to -- I think  
5 it's Criterion 3 that's causing most of the problems  
6 for the licensees to deal with operator actions, but  
7 so SEMA might allow an alternate method to achieve  
8 Criterion 3.

9 So, in that respect, the reg guide would  
10 probably be updated to include that alternative method  
11 in the future.

12 Actually, Reg Guide 5.81 is in the process  
13 of going out for public comment. So, this is actually  
14 a very good opportunity.

15 If we proceed with discussions on SEMA and  
16 proceed with the revisions of the reg guide, it might  
17 time out fairly well. But then again, you never know.  
18 Hopefully I answered your question.

19 MR. MCNALLY: Yeah. Thanks, Jim.  
20 Appreciate it. That's all I have. Thank you.

21 THE OPERATOR: Thanks. At this time, I'm  
22 showing no further questions on the phone line.

23 MR. PRETZELLO: Yeah, I had a question.  
24 Marissa touched on this a little bit.

25 The Commission asked us to look at areas

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1       that yield improvement and efficiencies. And a lot  
2       of the discussion we've been having we're talking about  
3       areas of improvement.

4                Could you just go into each of the options  
5       and talk about where you see efficiencies?

6                MR. CLORE: Yeah. Thanks, Drew.

7                So, looking at the three options, looking  
8       at Option 1, as Clay had mentioned earlier, the kind  
9       of status quo, what we currently do now, I think one  
10      of the areas is elimination of IP redundancies, you  
11      know.

12               We discussed this and part of the reason  
13      why we revised NEI 05-05, part of the reason with NEI  
14      03-11, you know, a lot of our documents is because we  
15      had a lot of documents overlapping.

16               And I believe the last was a guidance  
17      document or a white paper, I think, that was in regards  
18      to force-on-force that was -- kind of narrowed down  
19      what we do in the 03 as an inspection procedure and  
20      what's done in the 05. And there was a heavy overlap  
21      of a lot of things. So, I think that's one thing.

22               Another part -- piece of that would be the  
23      inspection hours, as Clay alluded to, you know. I think  
24      that the sites have become so streamlined that, you  
25      know, it may be beneficial to not have the inspectors

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 on site as much during the planning week stages.

2 As, you know, the sites have grown, you  
3 know, over the cycles that I think that for Option 1  
4 specifically, I think that would be the biggest  
5 efficiency for us.

6 And, like, if you guys want to jump in,  
7 feel free to. Option 2, I think Option 2, the biggest  
8 thing there would be, you know, if the first night would  
9 be effective, the second night is a defense-in-depth  
10 exercise, which a lot of the utilities already do.

11 So, what that does is, you know, we are  
12 currently doing something we already do. So, I think  
13 having, you know, not having to, as Clay mentioned,  
14 you know, potentially plan a full-scale exercise, we're  
15 just going to let them go and start right in the middle  
16 of it and things of that nature.

17 And then Option 3, you know, I think Option  
18 3 would be the most efficient, you know, speaking from  
19 NEI and the industry. And if these guys disagree, they  
20 can jump in.

21 But I think when you look at -- the biggest  
22 thing there is not having a second night of NRC-led  
23 force-on-force. And what you're doing is not even  
24 currently having to schedule a second night.

25 The second night could be whenever the site

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 does their annual force-on-force. So, we're already,  
2 you know, doing our -- required to do our annual  
3 exercises that, you know, if NSIR and when you do the  
4 schedule look at, okay, so, here's Site A, we do the  
5 force-on-force on March and you have an annual exercise  
6 scheduled in August. We'll come back on that date and  
7 finish up our NSIR inspection in August and be done.

8 I think that's the most efficient because  
9 it's taking, you know, taking a whole day away. It's,  
10 you know, officers on overtime, officers, you know,  
11 being on site for a second day.

12 And I think it's the prep work up until  
13 that point, because it comes from my days on site when  
14 you have to have the other crews fill in for the crews  
15 you have to pull off shift to train and do your limited  
16 scopes for that, you're really having all four crews  
17 participate almost in a way into an evaluated exercise.

18 So, it's a lot on the site and I think that  
19 would be the most beneficial efficiency-wise -- the  
20 biggest efficiency, I think, across all three options.

21 But I think coming to the table, I think  
22 all three do provide efficiencies. And we had talked  
23 about that, you know, a while back with a lot of the  
24 industry that all three options from an industry  
25 standpoint do provide efficiencies for us, which I think

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701



1 is a big step forward in regards to where we're at in  
2 2017 going to 2018 and into the other cycles.

3 MR. YOUNG: I think our position being --  
4 is clearly Option 3 provides the most efficiencies,  
5 right, because there's -- you're only doing one  
6 exercise during this planning week.

7 With Option 2, I'm not sure how much  
8 additional efficiency you're really gaining here,  
9 because you're going to have to do the planning for  
10 the second exercise and then also have the planning  
11 for the DID demonstration as well. So, if anything,  
12 it may be a little extra work for Option 2.

13 But, you know, with Option 3, that's  
14 clearly -- that's clearly where the biggest savings  
15 are.

16 MR. NEWTON: Yeah. One other efficiency  
17 we thought about yesterday that would apply to any of  
18 the three options, if you look at the conduct of  
19 tabletops, we've seen a tabletop go upwards of two hours  
20 and they're very formal in nature.

21 You've got your alarm station operators  
22 there, your RTL and your Triple S, Ops EP if they want  
23 to participate as well.

24 It appears to us, you know, the primary  
25 folks that has mission planning, where are the

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 responders going to be, what are your actions going  
2 to be?

3 Maybe we could do that more informally,  
4 bring in an RTL and/or Triple S and just have the  
5 advisors and your team leads just kind of purvey if  
6 we did this, what would your response be? If we did  
7 that, what would your response be?

8 I think there's some opportunities there  
9 maybe to cut that time back by 50 percent easily. So,  
10 that's something to consider.

11 MR. YOUNG: Did that answer your question  
12 or did you get the answer you were looking for?

13 MR. PRETZELLO: Yes, that did answer my  
14 question.

15 MR. YOUNG: Thank you. All right.

16 MS. BAILEY: Can I turn the question around  
17 for both industry and the public, if you're willing  
18 to answer it, so for the three options, what are your  
19 concerns with each of the options? Well, what's the  
20 unintended consequence?

21 MR. CLORE: I'll jump in. I guess I'll  
22 start off.

23 I think for Option 1, I guess -- and my  
24 opinion would be that it's status quo. And not that  
25 that's a bad thing. I just think that we've -- a few

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 years ago, as I mentioned, we went down to two exercises.

2 And I think we're at an important time that I think  
3 we could potentially look at gaining efficiencies  
4 elsewhere. So, I think that's the only negative I have  
5 with Option 1.

6 Option 2, as David alluded to, would be  
7 defense-in-depth, you know, although confident I can  
8 say all the sites do defense-in-depth exercises, I don't  
9 see the efficiencies gained there. I think that's a  
10 lot of planning. That's a lot of keeping the folks  
11 on site.

12 And, you know, comparing Option 2 to Option  
13 1, I think Option 1 may be, you know, a little preferable  
14 to Option 2.

15 Option 3, I think the biggest challenge  
16 we had with that would be to scope out parameters on  
17 exactly what the second night looks like when the NSIR  
18 team comes back to site in regards to the inspection  
19 team and the continuity.

20 I know you guys have crazy schedules as  
21 well. But, you know, I think if Team Lead A was at  
22 the site for Exercise 1, that if Team Lead A can make  
23 it to the second time, obviously that's going to depend  
24 on a lot of scheduling, a lot of logistics with the  
25 site and NRC.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1                   But I think there's a lot around the  
2                   licensee-led exercise that would be -- probably until  
3                   it gets further developed, it will be a lot of our  
4                   questions.

5                   And that's why a lot of the questions today,  
6                   if you notice, came within that area, because that's  
7                   one of the areas that's kind of new to us, you know.

8                   It's a different part of the option that we think that,  
9                   like, we mentioned that the most efficiency can be  
10                  gained.

11                  So, we're curious and interested to see  
12                  what that second licensee-led NRC-inspected exercise  
13                  would look like.

14                  MR. YOUNG: Yeah. To me, I mean, the only  
15                  unintended consequence I could think of on Option 3  
16                  would be just, you know, depending on when you had to  
17                  do that second exercise.

18                  And I think, as Clay said, as long as  
19                  there's some flexibility in the scheduling, this will  
20                  be to address, again, things like, you know, potential  
21                  weather impacts or some other things that can crop up  
22                  at power plant sites.

23                  As long as there's flexibility in when you  
24                  schedule that second exercise, I think that can go  
25                  a long way to, you know, addressing any unintended

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 consequences.

2 MS. BAILEY: Any other comments or any  
3 other feedback on that on the consequences?

4 MR. NEWTON: One other concern on Option  
5 2A off of this list is to starting anything  
6 defense-in-depth. Because obviously you have the full  
7 with the fight, and now we're going to start responders  
8 in the middle of that fight.

9 And the ability for those controllers to  
10 paint the picture of exactly what they have, where they  
11 would be at that point in their protective strategy,  
12 that would cause us some concern.

13 It would be quite a high degree of logistics  
14 to make sure they're set up for success with that option,  
15 I believe.

16 MS. BAILEY: Thank you.

17 MR. KEENE: Does anybody else here have  
18 any questions?

19 Okay. Shirley, do you want to open up the  
20 phone line for questions one last time?

21 THE OPERATOR: Certainly. Again, if  
22 you'd like to ask a question, just press star followed  
23 by one and record your name clearly. One moment,  
24 please.

25 We do have a question from Mike McNally.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1                   Your line is open. Go ahead with your  
2 question.

3                   MR. MCNALLY: Yeah. This has to do with  
4 Option 2 and the consideration it may be taken, because  
5 obviously every site out there has a different type  
6 of protective strategy as far as where they want to  
7 neutralize or know where they're going to have the most  
8 opportune time to neutralize adversaries.

9                   And while the option on the second night  
10 may be to -- depending on the type of strategy that  
11 you have, I haven't heard any talk about reducing  
12 numbers of adversaries to compensate for that.

13                  Because if the protective strategy is to  
14 neutralize that defense prior to the power block, then  
15 the majority of my firepower is going to be concentrated  
16 there.

17                  So, to stand up the DBT site adversary force  
18 to hit the power block, I may not be set up to handle  
19 that. In particular, when I'm relying on those  
20 adversaries to be neutralized outside.

21                  So, is there any consideration to reduce  
22 those numbers and a defense-in-depth compensate for  
23 that?

24                  MR. JOHNSON: Thank you for the question.

25                  The current thought process -- again, this

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 is all in the implementation. The current thought  
2 process is we would be challenging command and control,  
3 interdiction, situational awareness, things along  
4 these lines. Defense of the target set would not be  
5 the regulatory issue.

6 So, would we use the full adversary force?

7 Maybe, maybe not. That goes to -- in the mission  
8 planning, we have to determine what it is we're trying  
9 to evaluate and then we bring the tool -- the appropriate  
10 tools to do that evaluation. So, it may or may not  
11 involve all the DBT attributes.

12 MR. MCNALLY: Okay. I understand.  
13 Thanks.

14 THE OPERATOR: Thank you. At this time,  
15 I'm showing no further questions on the phone line.

16 MR. KEENE: Thank you, Shirley. So, with  
17 that, I would suggest that we adjourn the public  
18 meeting.

19 Darrell, did you have anything to close  
20 out with?

21 MR. ROBERTS: Yeah. I just wanted to  
22 thank all of you for your participation in this part  
23 of the meeting, and the folks on the phone as well.  
24 I appreciate the dialog and the comments.

25 This is obviously an important juncture,

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 I would offer, in terms of the force-on-force program  
2 and where it could potentially be heading, number of  
3 options we are considering.

4 And your input and feedback is obviously  
5 very important to that to what we're considering. So,  
6 appreciate that.

7 And with that, I'll just close this part  
8 of the meeting and turn it over --

9 MR. KEENE: Okay. We'll adjourn the  
10 public. We'll close off the phone line and we'll take  
11 a 10-minute break -- actually, let's come back at 9:30  
12 and then we'll set up for the next one. Thank you very  
13 much.

14 Shirley, we can go ahead and sign off,  
15 please.

16 THE OPERATOR: Thank you. That does  
17 conclude today's conference. We thank you for your  
18 participation. And on the phone lines, you may  
19 disconnect your lines.

20 (Whereupon, the above-entitled matter went  
21 off the record at 9:17 a.m.)

22

23

24

25



1  
2  
3  
4  
5  
6