

ADDRESSING THE CONCERNS OF STATES AND OTHERS REGARDING THE ROLE OF NEED FOR  
GENERATING CAPACITY, ALTERNATIVE ENERGY SOURCES, UTILITY COSTS, AND COST-BENEFIT  
ANALYSIS IN NRC ENVIRONMENTAL REVIEWS FOR RELICENSING NUCLEAR POWER PLANTS: AN  
NRC STAFF DISCUSSION PAPER

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ADDRESSING THE CONCERNS OF STATES AND OTHERS REGARDING THE ROLE OF NEED FOR GENERATING CAPACITY, ALTERNATIVE ENERGY SOURCES, UTILITY COSTS, AND COST-BENEFIT ANALYSIS IN NRC ENVIRONMENTAL REVIEWS FOR RELICENSING NUCLEAR POWER PLANTS: AN NRC STAFF DISCUSSION PAPER

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I. INTRODUCTION

The U. S. Nuclear Regulatory Commission (NRC) published in the Federal Register (56 FR 47016), dated September 17, 1991, proposed amendments to its environmental protection regulations, 10 CFR Part 51, which would establish new requirements for the environmental review of applications to renew operating licenses for nuclear power plants. Concurrently, the NRC published NUREG-1437, a draft Generic Environmental Impact Statement (GEIS) that contained the analyses which the NRC proposed to codify in Part 51. In commenting on the proposed rule and the draft GEIS, a number of States expressed dissatisfaction with the treatment of need for generating capacity, alternative energy sources, and certain other issues. The Commission has instructed the NRC staff to develop and present to it options for responding to these State concerns. In developing the options the staff is to solicit the views of the States.

This paper has been developed by the NRC staff to initiate and facilitate discussions with the States about how NRC should address their concerns. The paper provides focus for a series of three regional meetings which will be held in February 1994 to obtain the views of the States and others. Each meeting will be conducted in a panel format with panelists representing those States that submitted comments on the treatment of need for generating capacity and alternative energy sources, other interested States, electric utilities, the NRC, and interest groups concerned with the economic regulation of electric utilities. All interested persons are welcome to attend as observers and time will be scheduled to take questions and comments from the floor. In this paper, the staff presents its tentative proposals for addressing these concerns. Comments on the staff's proposals and submission of alternative proposals will be welcome. Following these meetings and the receipt of written comments from the States and other interested parties, the staff will prepare and present to the Commission a paper which will describe the alternative approaches considered and identify a recommended approach for addressing the States' concerns.

Section II of this paper provides a brief history and background for the reader. Section III summarizes the concerns expressed by the States that are the subject of this paper. Section IV describes the NRC proposals made to the Council on Environmental Quality (CEQ) and the U. S. Environmental Protection Agency (EPA) to address their concerns, which also are partially responsive to State concerns. In Section V the staff presents for discussion a set of options for addressing State concerns on Federal "preclusion" or "intrusion" into the need for power and alternative energy sources issues. In Section VI a series of focusing questions are presented to aid in reviewing the staff proposals and in developing alternative proposals.

## II. BACKGROUND

This rulemaking was initiated by NRC in order to improve the efficiency of the environmental review process for renewal of operating licenses. Comments on the proposed rule and draft GEIS were received from approximately 130 organizations and individuals. These comments covered both procedural and technical concerns. The CEQ and the EPA each commented that the proposed rule would present unnecessary obstacles to public participation in the site-specific license renewal reviews. Various States made similar comments and also expressed concerns about the regulatory overlap between the NRC and State agencies relative to treatment of need for generating capacity, alternative energy sources, and economic analysis.

NRC's environmental protection regulations 10 CFR Part 51 which implement Section 102(2) of the National Environmental Policy Act requires that the "purpose of and need for action" and "alternatives including the proposed action" be addressed in NRC's environmental assessments and environmental impact statements. These provisions parallel CEQ's regulations 40 CFR Parts 1500-1508. The treatment of need and alternatives in the draft GEIS and the proposed rule was designed to be consistent with the provisions of 10 CFR Part 51 and established Commission practice for construction permit and for operating license reviews. Thus, "need" is defined in the draft GEIS and the proposed rule as need for an amount of generating capacity equivalent to the generating capacity of the nuclear power plant and "alternatives" are defined to be alternative energy sources that could supply equivalent generating capacity or actions to reduce need through energy conservation.

In addressing need for generating capacity, alternative energy sources, utility economics, and cost-benefit balancing in the proposed rule and the draft GEIS, the staff proposed to treat these issues in the same manner as they are treated at the operating license stage. In the environmental review at the construction permit stage, the NRC performs a detailed analysis of need for power (generating capacity) and alternative energy sources. The construction permit review covers both construction and operation issues. The general objective of the environmental review at the operating license stage is to confirm the continued validity of the information and analyses relevant to operation. The treatment of need for power and alternative energy sources at the operating license stage is codified in § 51.53(a) and § 51.95(a) which state that unless otherwise determined by the Commission, need for power and alternative energy sources need not be discussed in the supplement to the environmental report and the supplemental environmental impact statement for the operating license review. The rationale for this rule was promulgated in 47 FR 12940, March 26, 1982, which states on page 12940:

"The Commission stated its tentative conclusion that while there is no diminution of the importance of these issues [need for power and alternative energy sources] at the construction permit stage, the situation is such that at the time of the operating license proceeding the plant would be needed to either meet increased energy needs or replace older less economical generating capacity and that no viable alternatives to the completed nuclear plant are likely to

exist which could tip the NEPA cost-benefit balance against issuance of the operating license. Past experience has shown this to be the case. In addition, this conclusion is unlikely to change even if an alternative is shown to be marginally environmentally superior in comparison to operation of a nuclear facility because of the economic advantage which operation of nuclear power plants has over available fossil generating plants. An exception to the rule would be made if, in a particular case, special circumstances are shown in accordance with 10 CFR 2.758 of the Commission's regulations."

The staff proposed that the reasoning supporting the determination not to review need for power and alternative energy sources in individual operating license reviews could also be applied to license renewal reviews. The analyses reported in Chapters 8 and 9 and Appendix H of the draft GEIS were undertaken to provide the factual basis for promulgating provisions in the Part 51 relicensing rule similar to the existing provisions for the operating license stage. However, the analysis was not able to demonstrate that the costs of relicensing and continuing to operate a nuclear plant would be clearly lower than the continued operation of other existing generating capacity due to the possible capital cost penalty associated with refurbishment and because nuclear operating and maintenance costs had escalated to a point where nuclear's production costs were comparable to the production costs of select alternative sources of generation.

In the staff's view, the economic justification for relicensing could be sustained generically if it could be shown that the alternatives to relicensing would involve the construction of new capacity so that the capital costs of constructing the alternative would outweigh the refurbishment costs associated with relicensing. In following this line of reasoning, the staff's assessment of need for capacity in Chapter 8 analyzed whether the electrical generation from nuclear units could be made up by planned capacity (i.e., existing capacity plus all planned additions minus the capacity projected to be retired) or would, in fact, require the construction of new replacement capacity. In Chapter 9 of the draft GEIS, the staff reviewed alternative sources of energy that could replace the generating capacity of a nuclear power plant if it were not relicensed. The environmental impacts, as well as technical availability and cost of each alternative were reviewed. In Appendix H of the draft GEIS, the staff concluded that the alternative to relicensing is new capacity, that the least cost source of new capacity sufficient to replace a nuclear unit is a new coal-fired plant, and that, in general, relicensing is expected to result in substantial cost savings relative to constructing and operating new coal capacity. However, due to the prospect that some plants may have high refurbishment, and the generally higher operating and maintenance costs being encountered for nuclear plants, there remains some uncertainty about the economic cost of relicensing and the potential for an unfavorable cost-benefit balance. Because of this uncertainty the staff determined that a threshold cost criterion must be met by a plant, and if the criterion is not met, a more detailed cost analysis will be performed to demonstrate net benefits from relicensing compared to the most reasonable alternative.

As a result of this draft GEIS analysis, the staff believed that it had significantly limited the scope of the need for power and alternatives analyses at the relicensing stage. Load forecasts and supply and demand analyses for individual relicensing actions would not be required based on the generic findings that the alternative to relicensing would require the construction of new capacity which, with the exception of geothermal, was not environmentally preferable to relicensing. As a result, the need for power and alternative analyses collapse to the same economic argument used to eliminate these issues at the operating license stage. At the relicensing stage, however, the economic analysis is not as absolute. Consequently, the staff proposed a relatively simple economic threshold test, passage of which would fully satisfy the need for generation capacity and alternative energy source issues. The proposed rule at § 51.53(c)(ii)(J) requires justification of the choice of relicensing whenever replacement of equivalent generating capacity by a coal-fired plant has a demonstrated cost advantage over the individual nuclear power plant relicensing. Further, given that Chapter 9 found geothermal environmentally preferable, licensees for plants in California, Oregon, Washington, or Arizona would also submit a cost comparison with geothermal energy. For these reasons, the findings in the draft GEIS were summarized in the proposed rule and upon passing the economic threshold test the findings could be adopted without further analysis in individual license renewal reviews, (i.e., need and alternatives were determined to be Category 1 issues).<sup>1</sup>

### III. CONCERNS OF STATES AND OTHERS RELATED TO NEED, ALTERNATIVES, AND UTILITY COSTS

A number of States expressed dissatisfaction with the treatment of need for generating capacity, alternative energy sources, and related matters in the proposed rule and the draft GEIS. The States expressed dissatisfaction with:

- a) the designation of need and alternatives as Category 1 issues which are not subject to further review in individual plant renewal reviews;
- b) Category 1 determinations substantially eliminating public (including State and local government) participation and inadequately providing for consideration of current project-specific information at the time of a license renewal review, as required by NEPA;
- c) the treatment of need and alternatives by NRC in the proposed rule which is seen to be in conflict with the traditional authority of the States to regulate electrical utilities with respect to questions of

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<sup>1</sup> Each issue assessed in the draft GEIS was designated Category 1 or Category 2 or Category 3 depending on whether the analysis and conclusions bounded all plants (Category 1) or a subset of all plants (Category 2) or whether the analysis could reach no conclusion at this time (Category 3).

need, reliability, cost, resource options, and other non-safety aspects of nuclear power generation;

- d) inadequate provision in the proposed rule for the necessary consultation and cooperation with State and local governments at the time of relicensing;
- e) the high degree of uncertainty in long term forecasts of need and alternatives and inadequate provision for the consideration of significant new information available at the time of a plant-specific license renewal review; and,
- f) the timing of individual license renewal reviews that may take place up to 20 years in advance of license expiration, which is far beyond a State's own planning and decision horizon.

Because of strong concerns, several States recommended that the proposed rule be withdrawn, and all States commenting on need and alternatives stated that these two issues should be made a Category 3, rather than a Category 1, so that they would be reviewed at the time a license renewal application is considered. The States of New York and Minnesota further believe that the NRC decision whether to relicense a nuclear power plant should either not consider need (New York)<sup>2</sup> or should defer to a State's determination of need (Minnesota).<sup>3</sup> (Note that the determination of need for a specific energy facility by a State includes consideration of both need for electric generating capacity and the relative merits of alternative energy sources for meeting that need.)

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<sup>2</sup> "Therefore, in exercising its authority to renew licenses for nuclear power plants, the Nuclear Regulatory Commission must base its decisions on issues of national security, public health and safety, and not on need and economic feasibility which are solely matters of state concern." [Written comments of Eugene J. Gleason, New York State Energy Office, page 14, Docket No. 31]

<sup>3</sup> "In spite of the absolute right of states to determine need for generating power based on cost or other considerations of a non-safety nature, the NRC in this rulemaking has determined the need for nuclear power for decades to come." [Written comments of Amy Kvalseth, Minnesota Department of Public Service, page 5, Docket No. 53]

"...and since the NRC apparently agrees it does not have the authority to preempt a state's right to determine need, the NRC should defer to the relevant state agency's determination of need, and refuse license renewal in the absence of need." [Kvalseth, page 7]

"The Minnesota Agencies reiterate, however, that whether the alternatives are considered Category 1, 2, or 3 issues, the issue of alternatives as part of need determination is an issue for the states. States have the right under case law to decide on the basis of cost whether nuclear power generation is needed." [Kvalseth, page 28]

IV. PROPOSED CHANGES IN RESPONSE TO CEQ AND EPA COMMENTS THAT SHOULD PARTIALLY ADDRESS STATE CONCERNS

In a paper to the Commission, SECY-93-032, dated February 9, 1993, the staff reported on an agreement that was reached with the CEQ and the EPA on modifications to certain procedural aspects of the proposed rule which were of particular concern to those agencies. The staff believes that these changes to the proposed rule are also responsive to State concerns on limiting State and public participation and on obstacles to the introduction of significant new information in individual environmental reviews for relicensing. Major features of the changes to the proposed rule include the following:

- Rather than a final environmental assessment (EA) a site-specific supplemental environmental impact statement (EIS) will be published in draft for public comment.
- Conclusions on the overall cumulative impacts will be left entirely to each site-specific supplemental EIS and no conditional conclusion will be in the final rule.
- Procedures will exist whereby public comments will be accepted on any issue regardless of its categorization as Category 1 or 2 or 3. If the staff determines that the comments contain new and significant information, the staff will then determine whether that information substantively changes the results of previous analyses.

These changes will ensure that the license renewal review process will have adequate provisions for identification of new significant site specific environmental effects. The staff also is proposing that the environmental analyses summarized in Part 51 (Appendix B) will be reviewed and, if necessary, updated every 7 years by the NRC.

In addition to these changes to the license renewal provisions of Part 51, it should be noted that certain provisions for public involvement in environmental reviews are already in Part 51. These provisions require that

- 1) an applicant's environmental report include a discussion of the status of compliance with applicable Federal, State and local environmental standards and requirements (§ 51.45 (d) and (e));
- 2) the NRC publish in the Federal Register a notice of intent to prepare an EIS (§ 51.27);
- 3) the NRC conduct scoping for individual supplemental EISs (§ 51.28 and .29) by inviting interested parties, including affected State and local agencies, to participate in identifying significant issues;
- 4) the NRC distribute the draft supplemental EIS for public comment (§ 51.73 and .74); and

- 5) commenters not satisfied with the NRC response to their comments may pursue their concerns through petition to intervene (§ 2.714), through petition to waive the rule (§ 2.758), or through petition to amend the rule (§ 2.802).

#### V. ADDITIONAL PROPOSED CHANGES TO ADDRESS STATE CONCERNS

In SECY-93-032, the staff also informed the Commission of the concerns expressed by the States. Subsequently, the Commission instructed the staff to develop options for responding to these State concerns. The Commission further instructed that prior to developing and presenting the options to the Commission for approval: "the staff may afford all States the opportunity to comment, but should particularly solicit the views of those States that have expressed concerns on the above issues."

Although the changes to the rule proposed in response to CEQ and EPA comments would allow States and others to more easily present information on need and alternatives to NRC at the time of an application for license renewal, the changes stop short of the States' requests to designate need and alternatives as Category 3 rather than Category 1. However, the staff is continuing to review the Category designations.<sup>4</sup> The concern that treatment of need for generating capacity and alternative energy sources conflict with State regulatory authority over these matters also remains to be addressed. The four options presented below directly address this concern to varying degrees. These four options are in addition to the option of continuing with the approach taken in the proposed rule and draft GEIS.

Whatever the option selected, the NRC recognizes the primacy of State regulatory and energy planning agencies in the economic regulation of utilities and in establishing energy-mix policies for their State. When the final rule is published, the NRC will include an exemption in the Federal Register Notice that the rule in no way preempts State jurisdiction over determination of the continued need for nuclear power plant capacity, taking cost and alternatives into consideration.

Option 1: Need and alternatives are factors in the NRC license renewal decision; however, the cost-benefit method used in making the decision would be replaced with a decision method that considers utility costs only under specific conditions.

Under this option need for generating capacity and alternative energy sources would be factors in the NRC license renewal decision but the cost-benefit

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<sup>4</sup> The staff is still formulating responses to public comments and considering revisions to the Chapters on need for generating capacity and alternative energy sources in the GEIS. Until this work is completed, a final decision will not be made as to whether the Category 1 determinations can be sustained for these two issues. The decision will consider both the soundness of the analyses and the potential for significant, new information to arise in individual license renewal reviews.



balancing method for making license renewal decisions that was used in the draft GEIS and proposed rule would be replaced with a license renewal decision method that would focus on environmental considerations and would give weight to overall direct economic costs and benefits only under certain circumstances. Even with this refocusing, the staff anticipates that after responding to public comments and making the necessary revisions to Chapters 8 and 9 the general analytical approach to need and alternatives in the final GEIS will remain essentially the same as in the draft. Whether further analyses will be required in individual license renewal reviews will depend on whether need and alternatives are designated to be Category 2 or Category 3 or they remain Category 1. If need or alternatives are designated as either Category 2 or Category 3 the plant specific analyses of these issues would be tiered to the GEIS.

The renewal review by NRC would be conducted between 5 years and 20 years prior to the expiration of a plant's current operating license, depending on when the licensee submits the application. Notification of receipt of the application would be given to the host State and other affected parties and comments would be solicited as part of the scoping process required of the NRC staff by 10 CFR Part 51. All information provided by the State during the scoping process and as a result of the State's review of the draft supplemental EIS would be considered by the NRC in preparing the supplemental EIS. The NRC, however, would be responsible for the analysis and the conclusions reached about need and alternatives in the supplemental EIS and would be responsible for their defense in NRC hearings.

There are three circumstances that could lead to consideration of direct economic costs and benefits in a supplemental EIS. These are: 1) inadequate need for generating capacity; 2) an environmentally preferable alternative energy source; and 3) significant cumulative adverse environmental impacts from renewal of the license. In Chapter 8 of the GEIS, the need for generating capacity is established by comparing available forecasts of supply and demand for the geographic area in which each nuclear plant is located in order to demonstrate that the electrical generation from the plant could not be made up by planned capacity (i.e., existing capacity plus all planned additions minus the capacity projected to be retired) but would require the construction of new unplanned replacement capacity. The potential for energy saving technologies and practices to reduce demand will be assessed in this analysis. If in an individual license renewal review it is found that there may be surplus generating capacity during the forecast period, the NRC would then consider the contribution of other factors such as economics to the overall desirability of license renewal and continued operation relative to the alternatives. In Chapter 9, the review of alternatives focuses on those technologies and energy sources that by themselves or in combination can supply baseload power equivalent to the nuclear plant under review. The environmental impact of license renewal of the plants and of the alternatives is reviewed and compared. If in an individual license renewal review an alternative is found to be environmentally preferable, the cost of the alternative will be compared to license renewal and if found to be superior, the renewal application may be denied. Even absent an environmentally preferable alternative, direct economic costs and benefits may be considered

if it is found that the relicensability of a plant is brought into question by significant cumulative adverse environmental impacts that cannot be mitigated.

This approach of focusing first on environmental impacts should greatly reduce the instances when direct economic costs and benefit are determinants in the NRC license renewal decision, and thus should reduce the potential for NRC involvement in matters that are the States' regulatory responsibility. Additionally, this approach to the license renewal decision will assure that if direct economic costs and benefits are considered, it will be in the context of significant concerns about environmental impacts or need. Such concerns may be expected to prompt State and public involvement in the review. Consistent with modification of the cost-benefit method, the staff proposes to remove the economic test in the proposed rule (§ 51.53(c)(3)(ii)(J)) which requires that "The replacement of equivalent generating capacity by a coal-fired plant has no demonstrated cost advantage over the individual nuclear power plant license renewal."

Option 2: Need and alternatives are factors in an NRC license renewal decision; however, the NRC would adopt a State's analyses and determinations of need and alternatives after confirming that the analyses meet NRC guidelines.

Under this option need for generating capacity and alternative energy sources would be factors in an NRC license renewal decision; however, the NRC would use a State's analyses and determinations in the license renewal decision after confirming that the analyses meet NRC guidelines. Under this option, the NRC would establish, with the advice of the States, guidelines for analyses acceptable to NRC. The guidelines would cover information requirements, standards for analyses, and decision methods to provide consistency and objectivity. These guidelines would need to accommodate NRC requirements for complying with NEPA and State regulatory requirements and practice. The guidelines would need to cover the treatment of environmental impacts for those States that consider them in their regulatory determinations. Because the guidelines for decision methods would be compatible with State requirements and practice, it is unclear at this time as to what extent the guidelines would follow or deviate from the cost-benefit method used in the draft GEIS or from the decision method proposed in Option 1.

NRC would adopt the State analyses and determinations after confirming that they meet NRC guidelines. Whether the NRC staff would have the primary responsibility for defending the analyses and determinations or the State would have the lead for the analysis and defense of these two issues would have to be determined. State analyses and determinations could be those performed by State agencies or by a utility and concurred in by the appropriate State agencies. Documentation on these analyses and determinations would be submitted as part of an application for license renewal. In these cases, regardless of whether NRC or State officials present such analyses at license renewal hearings, NRC would have the ultimate legal responsibility for the analyses. When State analyses and determinations are not available for a license renewal application, the applicant would be

required to submit its own analyses, and NRC would perform the review the same as in Option 1.

Option 3: "Need for Power" not required to be reviewed at the license renewal stage by the NRC to satisfy NEPA.

Under this option the Commission would treat the "need for power" issue in a manner similar to its treatment at the operating license (OL) stage in that a detailed analysis, including forecasting and economic evaluations, would not be performed. Alternatives would be addressed as discussed in any of the previously discussed options.

The "need" would be identified as not requiring evaluation to support the Commission's NEPA responsibilities at license renewal. The situation at license renewal is substantially different than at the construction permit (CP) phase. At the CP phase the issue is focused on whether or not new power generating capacity should be constructed and ultimately operated. At license renewal, the generating capacity (i.e., the nuclear power plant) already exists and even more importantly is being operated to provide electricity to the supply system grid. In view of this, the NRC/NEPA issue of "need" at license renewal can be viewed as even more straightforward than at the OL stage prior to any plant operation. It is reasonable to assume that retirement of this existing capacity would necessitate some form of replacement (e.g., new power generation facility, power import, conservation).

Additionally, it is unlikely that license renewal will be sought for existing plants which are determined by the licensees and States to be uneconomical or unneeded to supply a demand either during their initial 40-year operating term or during a renewal term. Practical cost considerations, on the part of both licensees and State regulatory authorities, are already having an impact on the continued need for some existing nuclear power plants. At license renewal the most important assessment of need will continue to be carried out by owners and the States. As a result, for license renewal, further justification of "need" should not be required to support NRC responsibility under NEPA. The NRC's NEPA review, under this option, would focus on the assessment of alternatives, including the alternative of energy conservation, and environmental impacts.

This option would stress the Commission's recognition of the State's key role in determining need for power and energy mix within its jurisdiction. While NRC's NEPA role regarding the "need" issue is similar, it is fundamentally different and NRC actions to satisfy NEPA are not intended to preempt or prejudice State decisions on energy strategy. Since this option would not include detailed NRC assessments of power demand, power availability etc. to satisfy NRC NEPA responsibilities for "need," it may be less likely to overlap with evaluations carried out by a State.

Option 4: Neither need for generating capacity nor alternative energy sources will be a factor in the NRC decision whether to grant a renewed operating license.

Under this option NRC would adopt a policy that need for generating capacity and alternative energy sources are not to be factors in an NRC decision whether to grant a renewed operating license. This option reserves to the States the decisions on overall energy mix. As in Options 1 and 2, need and alternatives would still be addressed in the GEIS but only for the purpose of disclosure and to demonstrate that the policy on which this option is based is reasonable. NRC's individual license renewal decision will be made only on the basis of the 10 CFR Part 54 safety review and cumulative environmental impacts and not on need for generating capacity and alternative energy sources. Adoption of this option would require even further modification of the NRC decision method than is discussed in Option 1.

The proposed rationale for removing need and alternatives as a decision factor is that it reflects the relationship between the regulatory authority of NRC and that of the States. The NRC is responsible to ensure that a nuclear power plant can and will be operated safely during the term of the renewed operating license and to be aware of and give consideration to the environmental impacts that are likely to be associated with license renewal and continued operation. The States are responsible for the economic regulation of their utilities and may have statutory responsibility for energy policy planning. Thus, the States provide the proper institutional and legal framework to monitor and regulate utilities on matters of utility economics and energy policy. Under this option, the NRC would adopt a narrower view of its decisional responsibilities for license renewal so as to not draw conclusions that overlap with or unnecessarily restrict the flexibility of State utility regulators and energy policy planners. In adopting this policy NRC would assume that the institutional framework existing at the State level will continue.

## VI. FOCUS QUESTIONS

The following focus questions have been developed to (1) assure that the State concerns are addressed, (2) move the dialog toward identifying an option (possibly a new one) to recommend to the Commission, and (3) assure that the States properly focus on those issues NRC believes to be central to successful resolution of State concerns.

### Focus Questions:

1. Is the characterization of State concerns in Section III of this paper complete and accurate? What, if anything, should be added or changed?
2. To what extent are the concerns of the States resolved by the changes to the GEIS and rule that are being made in response to CEQ and EPA comments?

3. To what extent are the concerns of the States resolved if the GEIS and the rule are modified to include statements that the NRC's findings with respect to need for generating capacity and alternative energy sources are only intended to assist the NRC in meeting its NEPA obligations and do not preclude the States from making their own determinations with respect to these issues?
4. What problems, if any, do the States have with NRC using for license renewal reviews the decision method explained in Option 1 rather than the traditional cost-benefit balancing?
5. Do the States have legal concerns or see other problems if the NRC accepts a State's conclusions with respect to the issues of need for generating capacity and alternative energy sources as discussed in Option 2? What are the practical considerations in developing and applying guidelines that would be met by the States?
6. Do the States have legal concerns or see other problems if the NRC adopts the position that need for generating capacity need not be analyzed in a license renewal review as discussed in Option 3?
7. Do the States have legal concerns or see other problems if the NRC treats the issues of need for power and alternative energy sources for disclosure purposes only and excludes them from its decision whether to renew an operating license as discussed in Option 4?
8. Are there any other options that should be considered in addition to those presented in Section V?
9. From a State perspective what are the strengths and weaknesses of each option? What problems, if any, would a State have with its responsibilities under each option?
10. What is the State's preferred option?