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NUCLEAR REGULATORY COMMISSION

10 CFR Part 50

COMMISSION POLICY STATEMENT ON DEFERRED PLANTS

AGENCY: Nuclear Regulatory Commission.

ACTION: Final policy statement.

SUMMARY: This statement presents the policy of the Nuclear Regulatory Commission (NRC) with regard to the procedures that apply to nuclear power plants while in a deferred status and when they are being reactivated. The regulations and guidance applicable to deferred and terminated plants; maintenance, preservation, and documentation requirements; and the applicability of new regulatory requirements and other general administrative considerations are addressed.

EFFECTIVE DATE: November 13, 1987

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SUPPLEMENTARY INFORMATION:

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I. BACKGROUND

On March 16, 1987, the Commission published a proposed policy statement on deferred plants in the Federal Register for a 30-day comment period (52 FR 8075). Five commenters offered a total of nine comments on the proposed policy statement. The Commission has modified the policy statement in Section III of this notice in response to Comment B(1) in Section II below. In addition, some minor editorial changes were made.

II. RESPONSE TO PUBLIC COMMENTS ON THE PROPOSED POLICY STATEMENT

A. KMC, Inc.

Summary of Comment. KMC, Inc. and the Utility Safety Classification Group recommended that the term "safety-related" be substituted for the term "important to safety" in Sections III.B.2.a and III.B.2.b because there is not yet a clear definition of the latter term.

Commission Response. The Commission rejects this suggestion. The term "safety-related" is a subset of the term "important to safety." Safety-related is more precisely defined at this time because licensees provide a list of structures, systems, and components that come within its scope. However, there is sufficient Commission guidance regarding the term "important to safety" to warrant its use without causing confusion. For example, the Commission has indicated that while there is not "a predefined class of equipment at every plant whose functions have been determined by rule to be 'important to safety,' ... whether any piece of equipment has a function

'important to safety' is to be determined on the basis of a particularized showing of clearly identified safety concerns..., and the requirements of ...GDC 1 must be tailored to the identified safety concerns." Long Island Lighting Company (Shoreham Nuclear Power Station, Unit 1), CLI-84-9, 19 NRC 1323, 1325 (1984); see also Shoreham, ALAB-788, 20 NRC 1102, 1115-1119 (1984).

In the context of this policy statement, it is expected that a utility, planning to maintain its reactivation option or transfer of ownership to others, will identify any structures, systems, and components (SSC) which are important to safety and establish appropriate maintenance, preservation, and documentation (MPD) for these SSC. If a utility determines, based on an analysis of cost-effectiveness, to develop MPD only for safety-related SSC, it must recognize the possibility that SSC for which adequate MPD were not developed may have to be replaced if and when reactivation or transfer of ownership takes place.

The NRC does not want to limit its application of MPD requirements to safety-related SSC because that could allow other SSC, which are important to safety, to be placed into service without proper MPD.

B. Washington Public Power Supply System (WPPSS)

Summary of Comments. WPPSS submitted the following three comments:

- (1) The commenter recommended that the requirement in Section III.A.6.e (incorrectly referred to by the commenter as 6.c) be amended. This item

requires that a listing of any new applicable regulatory requirements that are made effective during the deferral period be submitted with a description of the licensee's proposed plans for compliance with these requirements. The commenter suggests that this presumes a sufficient level of engineering activity during the deferral period to develop such plans. Since this might not be the case, the commenter asks that the requirement be changed to permit a commitment to submit this information at a specific later date.

Commission Response. This change has been made. However, it should be noted that this information should be submitted at the time of reactivation notification, or as soon thereafter as possible, since the lack of this information could impact the review schedule.

- (2) The commenter recommended that the requirement in Section III.A.6 to notify the NRC at least 120 days before construction resumes be changed to "at least 120 days before construction is expected to resume or as soon as possible after a reactivation decision has been reached." This would permit some construction activities to get under way earlier.

Commission Response. The 120-day advance notification is the minimum period required to evaluate the licensee's submittal to determine the acceptability of reactivation. Any request by the licensee to resume selected non-safety-related activities sooner than 120 days will be considered at the time of the request.

- (3) This comment refers to Section III.A.6.i, which requires an amendment to the Final Safety Analysis Report (FSAR), as applicable and necessary,

discussing the bases for all substantive site and design changes made since the last amendment. The commenter states that, in its specific case, such an amendment would not be available at the time of initial notification. The commenter believes that since no substantive site and design changes will be made during deferral, an FSAR amendment would not be needed at that time.

Commission Response. The amendment is required only if there are substantive changes. If there are none, no amendment is necessary. Therefore, the commenter's concern is satisfied by the text in the proposed policy statement.

C. The State of Washington Energy Facility Site Evaluation Council

Summary of Comments. The following three comments were made:

- (1) The commenter suggested that the policy clearly state, early on, that it applies only to facilities deferred or terminated during construction.

Commission Response. The intent of the policy statement is made clear throughout the document. Deferral and termination refer to construction, not operation. No further clarification is needed.

- (2) The commenter expressed concern that the definition of a terminated plant might cause confusion because it requires a valid construction permit, whereas the only authorized activity is site restoration.

Commission Response. The reference to a valid construction permit in the definition for a terminated plant is not a requirement; it merely identifies the status of a plant that fits the definition. A plant is considered to be in terminated status only from the time the licensee has announced that construction has been permanently stopped until the construction permit is formally withdrawn by the NRC. The licensee of a deferred plant, on the other hand, retains the construction permit because construction has only been deferred, not terminated.

- (3) The commenter suggested that the Commission might wish to address circumstances of abandonment and cessation of operation, which the commenter had recently adopted in its rules.

Commission Response. These areas go beyond the intended scope and purpose of the subject policy statement. These matters are being addressed in the Commission's decommissioning rulemaking.

D. Marvin Lewis

Summary of Comment. The commenter suggested that deferral or cancellation often provides a cover for inadequate quality or other very dangerous conditions and that the NRC must handle resumption of construction "sternly" and with "extreme prejudice," requiring that all the latest safety requirements be met.

Commission Response. The proposed policy statement stresses clearly and repeatedly that deferral, termination, and reactivation will be subject to all applicable current regulations, standards, policies, and guidance. No further clarification is needed.

E. Atomic Industrial Forum

Summary of Comment. The commenter supported the proposed policy statement and did not suggest changes to its text.

Commission Response. None required.

III. POLICY STATEMENT

This policy guidance outlines (1) the NRC's regulatory provisions for deferring and preserving a deferred nuclear power plant until such time as it may be reactivated and (2) the applicability of new regulatory staff positions to a deferred plant when it is reactivated. Moreover, because of the possibility that the plant and/or its equipment may be sold to another utility, some general guidance with regard to terminated plants is presented.

The following definitions apply to this policy guidance:

"Deferred plant" means a nuclear power plant at which the licensee has ceased construction or reduced activity to a maintenance level, maintains the construction permit (CP) in effect, and has not announced termination of the plant.

"Terminated plant" means a nuclear power plant at which the licensee has announced that construction has been permanently stopped, but which still has a valid CP.

A. Deferred Plant

The following areas should be addressed by the licensee and the NRC when a plant is deferred:

1. Notification of Plant Deferral

The licensee should inform the Director of Nuclear Reactor Regulation (NRR) when a plant is to be deferred within 30 days of the decision to defer. Information to be made available should include the reason for deferral, the expected plant reactivation date (if known), whether a CP extension request will be submitted, and the plans for fulfilling the requirements of the CP, including the maintenance, preservation, and documentation requirements as outlined in Section III.A.3 of this policy statement.

2. Extension of Construction Permit

The licensee must ensure that its CP does not expire. Title 10 of the Code of Federal Regulations, Section 2.109 (10 CFR 2.109), "Effect of Timely Renewal Application," provides that, if a request for renewal of a license is made 30 days before the expiration date, the license will not be deemed to have expired until the application has been finally processed. Extension of the completion date for a CP will be considered in accordance with 10 CFR 50.55(b).

3. Maintenance, Preservation, and Documentation of Equipment

The NRC requirements for verification of construction status, retention and protection of records, and maintenance and preservation of equipment and materials are applied through: 10 CFR 50.54(a), "Conditions of Licenses," and 10 CFR 50.55(f), "Conditions of Construction Permits," which require that a quality assurance program be implemented; 10 CFR Part 50, Appendix B, which requires that all activities performed to establish, maintain, and verify the quality of plant construction be

addressed in the licensee's quality assurance program; 10 CFR Part 50, Appendices A and B, which require that certain quality records be retained for the life of the plant; 10 CFR 50.55(e), which requires reporting of deficiencies in design, construction, quality assurance, etc.; 10 CFR 50.71, which applies to the maintenance of records; and 10 CFR Part 21, which applies to reporting of defects and noncompliance. Those NRC regulatory guides that endorse the ANSI N45.2 series of standards, "Quality Assurance Requirements for Nuclear Power Plants," also are applicable and include Regulatory Guides 1.28, 1.37, 1.38, 1.58, 1.88, and 1.116. Of particular importance is the guidance on packaging, shipping, receiving, storing, and handling of equipment as well as on collecting, storing, and maintaining quality control documentation. The maintenance, preservation, and documentation requirements outlined above apply to plants under construction.

The licensee may choose to modify existing commitments during extended construction delays by developing a quality assurance plan that is commensurate with the expected activities and expected (or potential) length of delay. The licensee should discuss with the NRC the expected construction delay period and the quality assurance program to be implemented during the deferral. The program should include a description of the planned activities; organizational responsibilities and procedural controls that apply to the verification of construction status, maintenance, and preservation of equipment and materials; and retention and protection of quality assurance records. The program will be reviewed and approved by the NRC in accordance with 10 CFR 50.54(a)(3), 10 CFR Part 50, Appendix B, and inspection procedures, as appropriate.

Implementation of the program will be examined periodically to determine licensee compliance with commitments and overall program effectiveness.

4. Conduct of Review During Deferral

When a plant is deferred, the staff will normally bring all ongoing post-CP and operating license (OL) reviews and associated documentation to an appropriate termination point. Normally, new reviews will not be initiated. If the review has progressed sufficiently, a safety evaluation report (SER) will be issued, which assembles and discusses the status of the completed work and lists all outstanding open items. Subject to availability of resources, the staff might perform specific technical reviews or complete SER supplements.

5. Applicability of New Regulatory Requirements During Deferral

Deferred plants of custom or standard design will be considered in the same manner as plants still under construction with respect to applicability of new regulations, guidance, and policies. Proposed plant-specific backfits of new regulatory staff positions promulgated while a plant is deferred will be considered in accordance with the Commission backfit criteria. Other modifications to previously accepted staff positions will be implemented either through rulemaking or generic issue resolution, which themselves are subject to the backfit rule. Regulations that have integral update provisions built into them will be applied to deferred plants, as they are to other plants under construction, without the use of the backfit rule.

Provisions in other policy statements that are applicable to plants under construction also will have to be implemented. Any resulting backfit recommendations will have to be supported in accordance with

10 CFR 50.109. Appeals procedures applicable to plant-specific backfits would be applicable to deferred plants. Appeals filed by a licensee during plant deferral will be considered and processed by the NRC while a plant is in a deferred status.

6. Information to be Submitted by Licensee When Reactivating

The licensee should submit a letter to the Director of NRR at least 120 days before plant construction is expected to resume. The letter should include the following information, to the extent that the information has not been submitted to the staff during the deferral period:

- a. The proposed date for resuming construction, a schedule for completion of the construction, and a schedule for submittal of an operating license application, including a final safety analysis report (FSAR), if one has not already been submitted.
- b. The current status of the plant site and equipment.
- c. A description of how any conditions established by the NRC during the deferral have been fulfilled.
- d. A list of licensing issues that were outstanding at the time of the deferral and a description of the resolution or proposed resolution of these issues.
- e. A listing of any new regulatory requirements applicable to the plant that have become effective since plant construction was deferred,

together with a description of the licensee's proposed plans for compliance with these requirements or a commitment to submit such plans by a specified date.

- f. A description of the management and organization responsible for construction of the plant.
- g. A description of all substantive changes made to the plant design or site since the CP was issued (for those plants for which an OL application has not been submitted).
- h. Identification of any additional required information that is not available at the time of reactivation and a commitment to submit this information at a specific later date.
- i. As necessary, an amendment to the OL application (revised FSAR) and a discussion of the bases for all substantive site and design changes that have been made since the last FSAR revision was submitted (for those plants which were already under OL review at the time of deferral).

7. Staff Actions When Notified of Reactivation

The acceptability of structures, systems, and components important to safety (10 CFR Part 50, Appendix A, General Design Criterion 1) upon reactivation from deferred status will be determined by the NRC on the following bases:

- a. Reviews of the approved preservation and maintenance program, as implemented, in order to determine whether or not any structures,

systems, or components require special NRC attention during reactivation.

- b. Verification that design changes, modifications, and required corrective actions have been implemented and documented in accordance with established quality control requirements.
- c. The results of any licensee or NRC baseline inspections that indicate quality and performance requirements have not been significantly reduced below those originally specified in the FSAR. Structures, systems, and components that fail to meet the acceptability criteria or will not meet current NRC requirements will be dealt with on a case-by-case basis.

B. Terminated Plant

1. Plant Termination

A licensee should inform the Director of NRR when a plant is placed in a terminated status. In the event that withdrawal of a CP is sought, the permit holder should provide notice to the NRC staff sufficiently far in advance of the expiration of the CP to permit the staff to determine appropriate terms and conditions. If necessary, a brief extension of the CP may be ordered by the staff to accommodate these determinations. Until withdrawal of the CP is authorized, a permit holder must adhere to the Commission's regulations and the terms of the CP and should submit suitable plans for the termination of site activities, including redress, as provided for under 10 CFR 51.41, for staff approval. Moreover, if the plant has

been completed to a point that it can function as a utilization facility, the licensee must take all necessary actions to ensure that the facility is no longer a facility for which an NRC license is required.

2. Measures that Should be Considered for Reactivation or Transfer of Ownership of Terminated Plants


The licensee of a terminated nuclear plant, if planning to maintain the option of plant reactivation or transfer of ownership to others -- either totally or in part -- should consider the following actions:

- a. For the removal and transfer of ownership of plant components and systems important to safety, make necessary provisions to maintain, collect, and transfer to the new owner appropriate performance and material documentation attesting to the quality of the components and systems that will be required of the new owner if intended for use in NRC-licensed facilities.
- b. Develop and implement a preservation and maintenance program for structures, systems, and components important to safety, as well as documentation substantially in accordance with Section III.A.3 of this policy statement. If these provisions are implemented throughout the period of termination, a terminated plant may be reactivated under the same provisions as a deferred plant.

These licensees also must assure that any necessary extensions of the CP are requested in a timely manner.

Dated at Washington, D.C. this 7th day of October 1987.

For the Nuclear Regulatory Commission.


Samuel J. Chalk,
Secretary of the Commission.