

Central Office



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

May 12, 1998

MEMORANDUM TO: Chairman Jackson

FROM: L. Joseph Callan
Executive Director for Operations

SUBJECT: STABILITY OF LICENSE RENEWAL REVIEWS

This memorandum describes the status of the license renewal guidance documents and the actions that are being taken to ensure the stability of the staff's reviews of the initial plant applications. The Executive Council has held several meetings with the staff to discuss the license renewal process, issues, review schedules, and resources. Although some implementation issues still need to be resolved, we conclude that sufficient guidance and procedural controls have been established to proceed with the review of the initial plant applications to renew power reactor operating licenses pursuant to 10 CFR Parts 54 and 51.

The staff and industry efforts during the last decade have resulted in the development of several guidance documents. In about 1990, the Nuclear Management and Resources Council (NUMARC; now the Nuclear Energy Institute [NEI]) submitted 10 industry reports (IRs) addressing aging management associated with specific major structures and components of nuclear power plants. This was a significant undertaking involving vendors of all reactor types. The technical information and agreements from the staff's review of the IRs are documented in NUREG-1557, "Summary of Technical Information and Agreements from Nuclear Management and Resources Council Industry Reports Addressing License Renewal," October 1996. In addition, the Commission recently amended the requirements in 10 CFR 50.55a to require inservice inspection of containment structures. The staff has reconciled those requirements with information in the containment IRs and documented its evaluation in NUREG-1611, "Aging Management of Nuclear Power Plant Containments for License Renewal," September 1997. The Electric Power Research Institute (EPRI) is identifying residual issues and developing industry positions.

After the license renewal rule was amended in 1995, NEI submitted NEI 95-10, Revision 0, "Industry Guideline for Implementing the Requirements of 10 CFR Part 54 - The License Renewal Rule," to NRC for review. NEI also sponsored an industry license renewal demonstration program at six volunteering plants. The staff visited the licensees' facilities to obtain information to verify the adequacy of the guidance contained in NEI 95-10 for meeting the requirements of the license renewal rule and to identify the need for revisions in the guideline. The staff published a lessons-learned report as NUREG-1568, "License Renewal Demonstration Program: NRC Observations and Lessons Learned," December 1996. In addition, an NRC senior management steering committee was established to resolve implementation issues with industry senior management.

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The industry also submitted owners group generic technical reports and plant-specific technical reports addressing license renewal requirements. By letters dated March 21, 1996, and August 18, 1997, the staff issued safety evaluation reports for the Babcock & Wilcox Owners Group (B&WOG) topical reports addressing aging management of the reactor coolant system piping and pressurizer, respectively, for license renewal. By letter dated April 4, 1996, the staff issued a safety evaluation report for the Baltimore Gas and Electric Company (BGE) integrated plant assessment methodology for license renewal.

On August 26, 1996, the staff published a draft regulatory guide for license renewal (DG-1047) proposing to endorse NEI 95-10, Revision 0, as an acceptable method for implementing the license renewal rule. As discussed in SECY-97-118, dated June 5, 1997, the public comments on DG-1047 indicated that differences continue to exist between the staff and the industry on how Part 54 should be implemented.

In December 1995, a working draft of the standard review plan for license renewal (SRP-LR) was placed in the NRC Public Document Room. This draft SRP-LR reflects the collective efforts and experience of the staff and the industry in addressing license renewal up to that time, particularly the experience from the IRs. As discussed in SECY-97-216, dated September 25, 1997, the draft SRP-LR was subsequently updated to include additional experience from the staff's review of NEI 95-10, the demonstration plants, comments on the draft regulatory guide, and technical report reviews. The draft SRP-LR provides specific review procedures for certain major plant structures and components and provides generic review procedures for the remainder of the plant equipment. The staff has separately provided NEI with positions on several implementation issues, which are also addressed in the draft SRP-LR. The staff has proposed to develop positions for all of the implementation issues and to develop process efficiencies that could be incorporated into the SRP-LR before issuing it formally for public comment and approval.

The staff's review of licensee environmental reports submitted pursuant to 10 CFR Part 51 will be guided by the updated Environmental Standard Review Plan (NUREG-1555 -- also known as the ESRP). The original ESRP (NUREG-0555) was published in 1978; the updated ESRP will provide guidance to the staff to conduct environmental reviews of applications for new designs and sites under 10 CFR Parts 50 and 52, as well as for license renewal under 10 CFR Part 54. The public comment period for the draft ESRP closed on January 31, 1998. Comments are being addressed and appropriate modifications will be made to the document. A common theme echoed in the public comments was a need to clarify the aspects of the ESRP which were germane to license renewal. In response to such comments, the staff is presently developing a stand-alone supplement to the ESRP that will focus solely on the staff's review process for license renewal environmental issues. The staff plans to issue the ESRP and the license renewal supplement in final form during August 1998. Prior to that time, the staff will use the draft ESRP to guide its review of initial license renewal applications. In a related area, the staff is developing a supplement to Regulatory Guide 4.2, "Preparation of Environmental Reports for Nuclear Power Stations," which provides guidance to applicants for license renewal. The staff plans to issue the supplement to the regulatory guide for public comment by May 31, 1998, conduct a public workshop shortly thereafter, and issue the supplement to the regulatory guide by the end of the fiscal year.

The staff is also preparing an NRR Office Letter, "License Renewal Application Review Process," to provide procedural controls for the license renewal reviews and resolution of related technical and process issues. The office letter will describe roles and responsibilities, as well as the administration of the review of a license renewal application. It will also contain procedures for developing lessons from the renewal reviews to improve the guidance documents, including the procedures for the review and approval of proposed changes in the guidance documents. The process has been discussed with NEI so that the industry task force on license renewal can provide comparable procedural controls for changes to NEI 95-10.

The staff plans to use these guidance documents for the review of the initial license renewal applications. To ensure the stability of the reviews, the staff has incorporated specific management responsibilities in the NRR office letter and is forming a License Renewal Steering Committee (LRSC) to monitor the progress of the reviews and the effectiveness of the procedural controls. Moreover, the LRSC will monitor the implementation issues to determine whether any involve policy that warrants referral to the Commission and will assist the Executive Council in fulfilling the oversight, coordination, and strategic implementation for license renewal, as described in my memorandum of March 6, 1998.

By letter dated April 8, 1997, BGE submitted the first license renewal application for Calvert Cliffs Units 1 and 2. The Duke Energy Company recently informed the Commission that it intends to submit a license renewal application in July 1998 for Oconee Units 1, 2, and 3. In addition, EPRI has submitted a report on 17 technical issues for license renewal, and NEI has described a compilation of implementation issues for license renewal, which will be submitted to the staff in the near future. The staff has scheduled a meeting with the NEI Renewal Task Force to discuss the significance of the issues to the review process and the appropriate priority for their resolution. Moreover, meetings will be held with BGE and Duke to discuss the conduct of the staff's review of the initial applications and the procedural controls and management oversight that will be applied to ensure that the review of their renewal applications proceeds unimpeded by the parallel resolution of the implementation issues. The LRSC will also meet with BGE, Duke, and NEI to establish a schedule of periodic management meetings to monitor the progress of the renewal reviews and the resolution of the implementation issues.

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