

FY 2022 Proposed Fee Rule Public Meeting

March 17, 2022

10:30 a.m. – 12:00 p.m.

Ground Rules

Anthony Rossi

FY 2022 Proposed Fee Rule

Cherish Johnson
Chief Financial Officer

PUBLIC MEETING AGENDA

Notice of Meeting on the FY 2022 Proposed Fee Rule

March 17, 2022, 10:30 A.M. to 12:00 P.M.

[Virtual Teams Meeting link:](#)

Call in number: 301-576-2978; Conference ID: 815235679#

Time	Topic	Speaker
10:30 AM	Establish Ground Rules for Meeting	Anthony Rossi
10:35 AM	Opening Remarks	Cherish Johnson
10:45 AM	Key Features of the NRC's FY 2022 Budget - Budgetary Considerations - License Fee Policy Overview - Reactor Safety Program (Operating and New Reactors)	Jason Shay Christie Galster Brian Smith
11:30 AM	Q&A	Jo Jacobs
11:50 AM	Public Comments Submission	Jo Jacobs
11:55 AM	CFO Closing Remarks	Cherish Johnson
12:00 PM	Meeting Adjourned	

Fee Rule Comments

- **In scope comments:**
 - Focused on methodology for calculating fees
 - Changes to fee regulations
 - Fee schedules
- **Out of scope comments:**
 - General comments on agency efficiencies
 - Changes to regulatory process
 - Public participation in budget formulation
- **Use the appropriate venue to receive timely response**

FY 2022 Budgetary Considerations

Jason Shay, Director
Office of Chief Financial Officer
Division of Budget

FY 2022 Enacted Budget

Major Program	FY 2021 Enacted Budget		FY 2022 Enacted Budget**		Delta FY 2022 – FY 2021	
	\$M*	FTE	\$M*	FTE	\$M*	FTE
Nuclear Reactor Safety	452.8	1,755	477.4	1,783	24.6	28
Nuclear Materials and Waste Safety	125.6	462	130.2	453	4.6	(9)
Corporate Support	271.4	588	266.3	580	(5.1)	(8)
Subtotal	849.9	2,805	873.9	2,816	24.1	11
Office of the Inspector General	13.5	63	13.8	63	0.3	0
Subtotal	863.4	2,868	887.7	2,879	24.4	11
University Nuclear Leadership Program	16.0		16.0		0.0	
Authorized Carryover	(35.0)	-	(16.0)	-	19.0	-
Total	\$844.4	2,868	\$887.7	2,879	\$43.3	11

*\$M includes full-time equivalent (FTE) costs as well as contract support and travel. Numbers may not add due to rounding.

**The numbers may change based on the NRC's FY 2022 Execution Plan.

Net Budget Authority

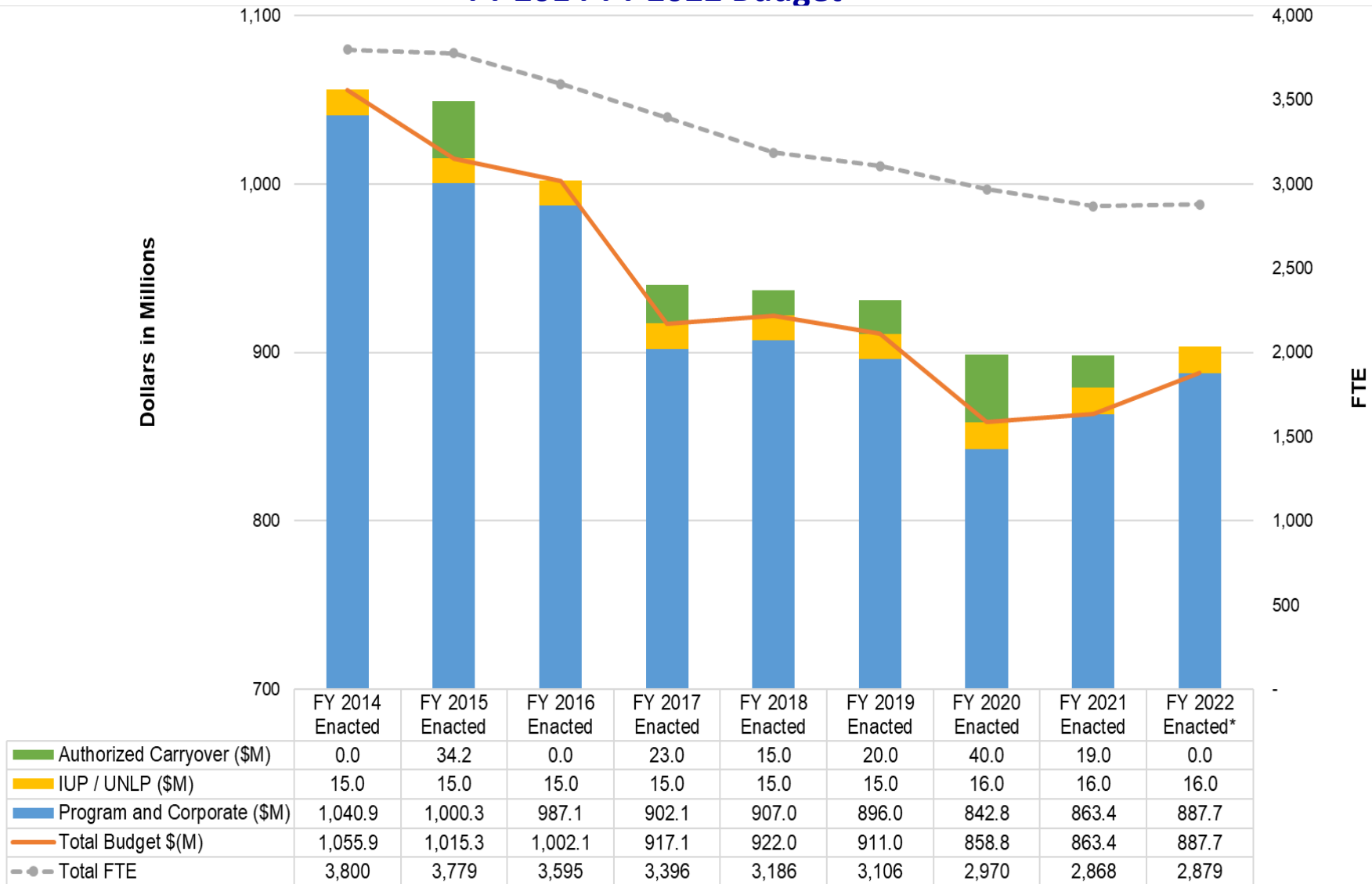
	FY 2021 Enacted	FY 2022 Enacted	Delta FY 2022 – FY 2021
	\$M*	\$M*	\$M*
Budget Authority	844.4	887.7	43.3
Offsetting Fees	721.4	756.7	35.3
Net Budget Authority	\$123.0	\$131.0	\$8.0

*\$M includes FTE costs as well as contract support and travel. Numbers may not add due to rounding.

 \$8 million

Budget Trend

FY 2014-FY 2022 Budget



*The numbers may change based on the NRC's FY 2022 Execution Plan.

FY 2022 Fee Overview

Christine Galster, Senior Accountant
Office of the Chief Financial Officer
Division of Budget
License Fee Policy Team

Statutory and Regulatory Framework

- **Independent Offices Appropriation Act (IOAA) of 1952**
- **Nuclear Energy Innovation & Modernization Act (NEIMA) of 2018:**
 - Regulations promulgated under 10 CFR Part 171.
 - Limits power reactor annual fees at the FY 2015 annual fee amount as adjusted each year thereafter for inflation.
 - Recover, to the maximum extent practicable, 100% of budget authority:
 - LESS activities NEIMA designated as **excluded** from recovery.
 - LESS any fee-relief activities identified by the Commission.
- **Annual Appropriation**

Budget and Fee Recovery Amounts for FY 2022 Proposed Rule

[Dollars in Millions]

Total Budget Authority

\$ 887.7

Less Budget Authority for Excluded

Activities: *GHLS, WIR, DNFSB, ARI*
and FEE RELIEF

- 131.0
\$ 756.7

Balance

Fee Recovery Rate for FY 2022

x 100.0%

Total Amount to be Recovered For FY 2022

\$ 756.7

Adjustments (Part 171 Collections)

- 4.5

Adjusted Recovery Amount

\$ 752.2

Less Estimated Part 170 Billings

- 188.9

Part 171 Fee Collections Required

\$ 563.3

Fee-Relief Activities:

\$ 91.5M

Statutory Activities:

39.5M

Total Budget Authority Excluded Activities (credit) to reduce fee recovery amount

\$ 131.0M

Hourly Rate Methodology

Mission Direct Program Salaries and Benefits	\$348.9M
Mission Indirect Program Support	115.6M
Agency Support: Corporate Support and IG	<u>278.9M</u>

Subtotal:	\$743.4M
Less: Offsetting Receipts	<u>- 0.0</u>
Total Budgeted Resources Included in Professional Hourly Rate	\$743.4M

Mission Direct FTEs:	1,694 FTEs	
Mission Direct FTEs Productive Hours:	1,510 Hours	
Professional Hourly Rate		\$291

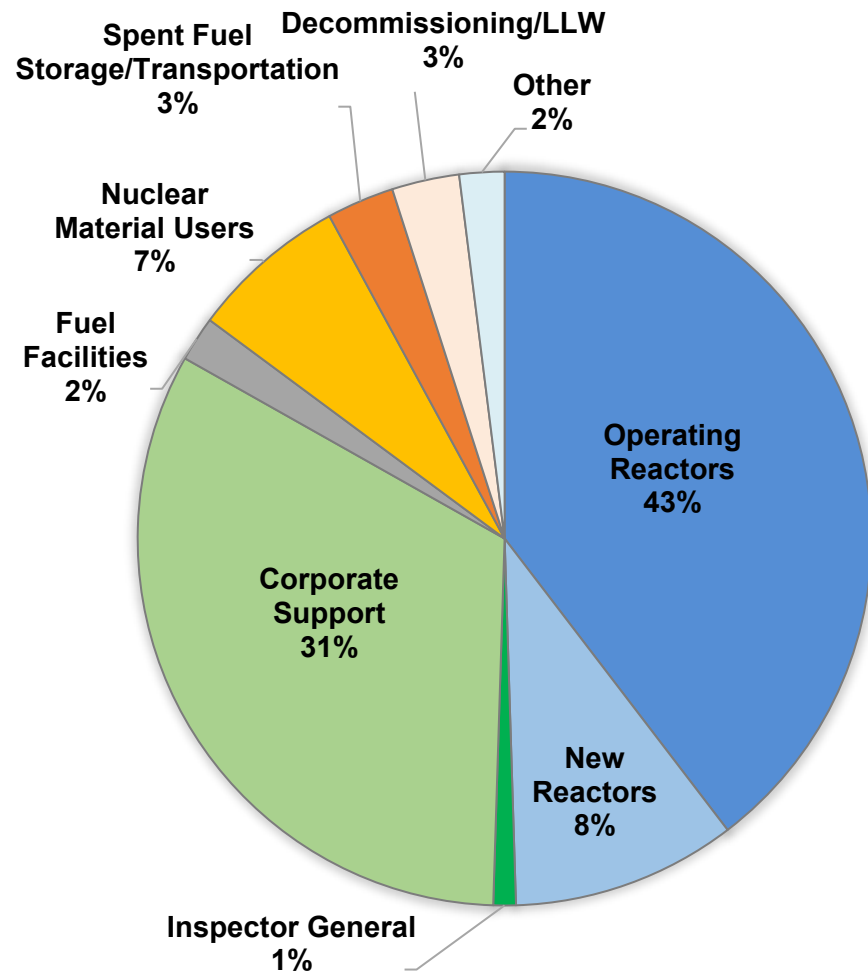
Full Cost FTE Rate = Subtotal divided by Mission Direct FTE \$ 438,858

* Methodology based on OMB circular A-25 "User Charges"

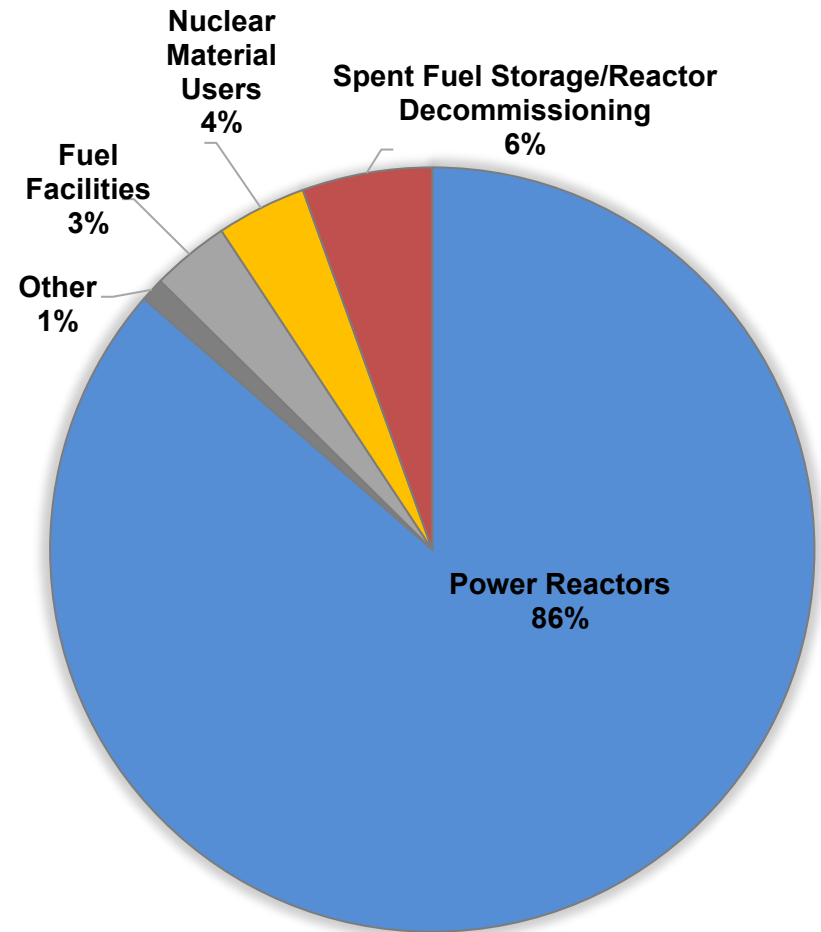
** Budget included in Hourly Rate calculation excludes Direct Program Contract Costs generally billed to licensees separately.

Business Lines vs. Fee Classes

Percentage of Appropriated Budgeted Resources for FY 2022



**BUSINESS LINE BUDGETS
TOTAL \$887.7M**



**FEE CLASS BUDGETS
TOTAL \$756.7M**

**Excluded
Budget
Total
\$131.0M**

10 CFR Part 171 Annual Fee Calculation: Operating Power Reactors Fee Class

[Dollars in Millions]

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022P
Budgeted Resources	\$670.3	\$669.9	\$670.2	\$623.9	\$611.8	\$645.1
Part 170 Estimated Billings	(256.3)	(239.6)	(217.7)	(186.7)	(161.6)	(160.0)
Adjustments	12.5	(1.4)	5.1	1.8	(8.6)	0.3
Part 171 Annual Fee Resources	426.5	428.9	457.6	439.0	441.7	485.5

Operating Reactors **99** **99** **98** **95** **93** **94***

Annual Fee per Reactor **\$4,308,000** **\$4,333,000** **\$4,669,000** **\$4,621,000** **\$4,749,000** **\$5,165,000**

*Proposed Vogtle Unit 3 addition to the assessment of annual fee fleet .

10 CFR Part 171 Annual Fee Calculation: Spent Fuel Storage / Reactor Decommissioning Fee Class

[Dollars in Millions]

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022P
Budgeted Resources	\$29.5	\$33.8	\$35.6	\$37.9	\$42.2	\$40.4
Part 170 Estimated Billings	(8.0)	(10.2)	(17.8)	(15.9)	(13.8)	(10.3)
Adjustments	1.4	0.6	0.8	0.9	0.5	1.1
Part 171 Annual Fee Resources	22.9	24.2	18.6	22.9	28.9	31.3*

Licensees	122	122	122	122	122	123
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Annual Fee per Licensee	\$188,000	\$198,000	\$152,000	\$188,000	\$237,000	\$254,000
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*Proposed Vogtle Unit 3 addition to the assessment of annual fee fleet .

Budget Overview: Operating and New Reactors Business Lines

Brian Smith, Director

Division of New and Renewed Licenses
Office of Nuclear Reactor Regulation

Operating and New Reactors Business Lines Activities

Licensing	Oversight
License Amendments (including risk-informed)	Inspections
License Renewals and Subsequent License Renewals	Security
Design Certifications and Standard Design Approvals	Allegations & Investigations
Combined Operating Licenses	Event Evaluation
Environmental Reviews	Construction Oversight
Topical Reports	Vendor Oversight
Digital I&C Modifications	Vogtle Units 3 and 4 ITAAC closeout
Vogtle Units 3 and 4 License Amendments	

How are the Budgets Developed?

- Workload Forecasting
 - Identification of significant workload drivers
 - Analysis of historical data and trending
 - Communications with stakeholders
- Estimate Level of Effort
 - Estimate level of effort for major projects
 - Yearly recurring activities

Budget Development and 10 CFR Part 170 Fee Estimates

- NRC Budget and 10 CFR Part 170 Fee Estimates are developed on different timelines
- Part 170 Fee Estimates will vary from the budgeted level of effort due to fact of life changes

Operating Reactors Business Line – Changing Workload

- 2022 Budget
 - (-) Plant closures
 - (-) Rulemaking activities
 - (+) Research activities
- 2022 Part 170 Fee Estimate
 - (-) COVID impacts on oversight programs

New Reactors Business Line – Changing Workload

- 2022 Budget
 - (+) Combined License reviews
 - (+) Design Certification reviews
 - (-) Vogtle Units 3 and 4
- 2022 Part 170 Fee Estimates
 - (-) Canceled application reviews and delayed submittals

QUESTIONS AND ANSWERS

Public Comments Submission

End of Comment Period: March 25, 2022



Federal Rulemaking Website:

- <https://www.regulations.gov>;
- Docket ID NRC-2020-0031
- Address questions to Dawn Forder; telephone: 301-415-3407; e-mail: Dawn.Forder@nrc.gov



E-mail Comments:

- Rulemaking.Comments@nrc.gov

Public Comments Submission (Cont.)

Mail Comments:

- Secretary, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, ATTN: Rulemakings and Adjudications Staff

Further Information:

- Anthony Rossi, License Fee Policy Team Lead, Office of the Chief Financial Officer; telephone: 301-415-7341, e-mail: Anthony.Rossi@nrc.gov

CFO Closing Remarks