



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

February 16, 2024

Mr. Peter Dietrich
Senior Vice President and
Chief Nuclear Officer
DTE Electric Company
Fermi 2 – 260 TAC
6400 North Dixie Highway
Newport, MI 48166

SUBJECT: FERMI 2 - EXEMPTION FROM SELECT REQUIREMENTS OF 10 CFR PART 73 SECURITY NOTIFICATIONS, REPORTS, AND RECORDKEEPING AND SUSPICIOUS ACTIVITY REPORTING (EPID L-2023-LLE-0073)

Dear Mr. Dietrich:

The U.S. Nuclear Regulatory Commission (NRC, the Commission) has approved the requested exemption from specific requirements of Title 10 of the *Code of Federal Regulations* (10 CFR), part 73, "Physical Protection of Plant and Materials," subpart T, "Security Notifications, Reports, and Recordkeeping," for Fermi 2. This action is in response to the application submitted by DTE Electric Company (DTE, the licensee), dated November 30, 2023 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML23334A078). DTE stated in a follow-up email, dated December 4, 2023 (ML24044A149), that it did not include the Fermi Independent Spent Fuel Storage Installation (ISFSI) in its exemption application due to the ISFSI and the reactor sharing the same Protected Area and Physical Security Plan. The application requested an exemption from the requirements of 10 CFR 73.1200, "Notification of physical security events," paragraphs (a) through (t), 10 CFR 73.1205, "Written follow-up reports of physical security events," paragraphs (a) through (e), 10 CFR 73.1210, "Recordkeeping of physical security events," paragraphs (a) through (h), and 10 CFR 73.1215, "Suspicious activity reports," paragraphs (a) through (f). This request also included an exemption from the current definitions for the terms "Contraband" and "Time of Discovery" in 10 CFR 73.2, "Definitions."

On March 14, 2023, the NRC issued its notice in the *Federal Register* for the "Enhanced Weapons, Firearms Background Checks, and Security Event Notifications" (EWR) final rule (88 FR 15864). This final rule became effective April 13, 2023, with a compliance date of January 8, 2024.

The requirements for physical security event notifications, and the categories of physical security events and the timeframes by which the licensee must notify the NRC of these events, are set forth in 10 CFR 73.1200(a) through 10 CFR 73.1200(t).

The requirements for how licensees submit written follow-up reports following a licensee's telephonic notification of a physical security event under 10 CFR 73.1200 are set forth in 10 CFR 73.1205(a) through 10 CFR 73.1205(e).

The requirements for recordkeeping of less significant physical security events and conditions adverse to security are set forth in 10 CFR 73.1210(a) through 10 CFR 73.1210(h). The requirements for how licensees report suspicious activity to the NRC and other Federal agencies within a specified time are set forth in 10 CFR 73.1215(a) through 10 CFR 73.1215(f).

As part of the EWR final rule, the NRC added the definitions for “Contraband” and “Time of Discovery” to 10 CFR 73.2, “Definitions,” to help clarify the physical event notification requirements.

Summary of DTE’s Basis for the Requested Exemption

DTE is requesting an exemption for Fermi 2 from the requirements in subpart T of the EWR final rule as described above, that would defer DTE’s compliance with those provisions until December 31, 2024, or 180 days after publication of final regulatory guides (RGs), whichever is later. DTE is also requesting an exemption for Fermi 2 from using the new definitions for the terms “Contraband” and “Time of Discovery” in 10 CFR 73.2, “Definitions,” until the later of December 31, 2024, or 180 days after the NRC’s publication of the final RGs.

DTE is requesting an exemption from these requirements for Fermi 2 because of what it asserts are ambiguities and inconsistencies in both the final rule language and the supporting RGs. In support of the exemption request, DTE identified the following issues, among others, as ones that challenge its implementation for Fermi 2 of the new subpart T reporting requirements and certain new definitions in 10 CFR 73.2:

- DTE stated that the introduction of the term “conditions adverse to security” within 10 CFR 73.1210 is undefined, and ambiguous, and will have implications for DTE’s corrective action program (CAP) that currently defines specific events, situations, or occurrences, including security items, that result in a “condition adverse to quality.”
- DTE stated that the new definitions of the terms “Contraband” and “Time of Discovery” in 10 CFR 73.2 expand on the existing definitions provided in NRC endorsed, Nuclear Energy Institute (NEI) 03-12, “Template for the Security Plan, Training and Qualification Plan, Safeguards Contingency Plan, [and Independent Spent Fuel Storage Installation Security Program],” Revision 7 (ML11301A066), and RG 5.76, “Physical Protection Programs at Nuclear Power Reactors,” Revision 1 (non-publicly available). The application of these expanded definitions will require changes to the methods of compliance with the requirements for identifying “contraband” and “time of discovery.”
- DTE stated that the inconsistencies in RG 5.62, “Physical Security Event Notifications, Reports, and Records,” Revision 2, dated March 2023 (ML17131A285) associated with the implementation of 10 CFR 73.1200 for 15-minute and 4-hour notifications related to contraband, and 4-hour and 24-hour event notifications associated with the discovery that an authorized weapon is either lost or uncontrolled, creates the potential for confusion and human performance error.

DTE further states that due to these concerns it is not clear what it must do to implement certain rule requirements and bring Fermi 2 into full compliance with the rule. DTE further states that requiring it to come into compliance without full clarity on key parts of the rule would require it to make changes to its physical security plans and processes for Fermi 2 twice – once to come into compliance with its own interpretation of the final rule (without the benefit of the revised

guidance currently being developed by NRC), and again when the revised NRC guidance addressing the identified ambiguities and inconsistencies is issued.

Two examples of where DTE asserts this duplicative work will be required are:

- Revisions of associated procedures/processes, job aids, training materials and lesson plans that are used to describe and elaborate on reporting requirements.
- The re-training of impacted station personnel with updated information contained within the revised guidance documents.

DTE believes that the burden associated with this duplication of work is unnecessary while the NRC clarifies these ambiguities and inconsistencies and, therefore, affects efficient and effective implementation of the rule.

DTE stated that if the exemption is granted, it will continue to comply with the security event reporting requirements for Fermi 2 as they existed prior to March 2023, consistent with its current NRC-approved security plan and its site security procedures. DTE will continue to implement its current CAP process that identifies conditions adverse to quality as they relate to the security program and items that are conditions adverse to regulatory compliance. Additionally, it will continue to use the definitions for the terms “Contraband” and “Discovery (time of)” embodied in the Fermi 2 site security plan, consistent with how these terms are currently defined in RG 5.76, Revision 1. Consistent with the current Fermi 2 site security plan, DTE will also implement the requirements for reporting the suspension of security measures that were in the (now reserved) 10 CFR 73.71 prior to March 2023. DTE will continue to implement the requirements in its Fermi 2 site security plan as currently reviewed and approved by the NRC. Finally, DTE has stated as part of its basis for justifying the exemption that it agrees to continue making voluntary reports of suspicious activities pending clarification of the EWR final rule.

NRC Staff Evaluation of the Exemption Request

Pursuant to 10 CFR 73.5, “Specific exemptions,” the Commission may, upon application by any interested person or upon its own initiative, grant exemptions from the requirements of 10 CFR, part 73, when the exemptions are authorized by law, will not endanger life or property or the common defense and security, and are otherwise in the public interest.

DTE has advanced several bases in support of the exemption request for Fermi 2. For example, DTE, in their request, has identified certain examples in 10 CFR 73.1200, 73.1210, and 10 CFR 73.2 to support the technical basis for an exemption from the provisions of these requirements. DTE has not identified any specific ambiguities and inconsistencies with respect to 10 CFR 73.1205 or 10 CFR 73.1215. The various reporting and event notification requirements in subpart T and the two definitions in 10 CFR 73.2 for which DTE seeks an exemption constitute an integrated framework for reporting and documenting security events, an approach which is both risk-informed and graded. Although DTE has identified only a small number of ambiguities or inconsistencies in 10 CFR 73.1200, 10 CFR 73.1210, and 10 CFR 73.2, it asserts that without clarification on how these ambiguities and inconsistencies will be resolved by the NRC, Fermi 2 will have to update its security program, including procedures, processes, and training, to incorporate its understanding of what is required to come into compliance with the rule. DTE further asserts that once the NRC has implemented revisions to the rule and guidance to address these ambiguities and inconsistencies, Fermi 2 will again have

to revise its security program to incorporate those clarifications to ensure continued compliance with the rule. This would entail an unduly resource-intensive bifurcation of DTE's otherwise integrated process for coming into compliance with the rule. In particular, the updated 73.2 definitions of "Time of Discovery" and "Contraband" are a foundational and cross-cutting concept in DTE's program for implementing the updated notifications, reports, and recordkeeping requirements of revised 10 CFR 73.1200, 73.1205, 73.1210, and 73.1215. Accordingly, the exemption would enable DTE to efficiently consolidate into a single, systematic, process what would otherwise involve partial duplication of efforts to come into compliance with the rule. While not relying on all of DTE's claims in support of the exemption request and considering that the issuance of the targeted clarifications to the identified regulatory guidance is well underway, the NRC staff agrees with DTE that the requested exemption would avoid unnecessary resource burden and facilitate the effective and efficient implementation of the rule. Although DTE did not include the Fermi ISFSI in its exemption request, the NRC staff finds that, due to the ISFSI sharing the same Protected Area and Physical Security Plan as the reactor site, the ISFSI will be covered by this exemption.

The NRC staff agrees that the requested duration for the exemption is appropriate for the licensee to review the revised NRC staff guidance, revise procedures, and to provide training to site personnel that implement the new graded approach for reporting and documenting security events and activities to the NRC and other federal agencies.

During that time, DTE will instead continue to implement its existing NRC-approved security plan for Fermi 2, which implements the NRC's security event reporting requirements that existed prior to the publication of the EWR final rule, and DTE will also continue making voluntary suspicious activity reports. Because of these actions by the licensee, the NRC staff agrees that DTE's measures implemented until the later of December 31, 2024, or 180 days after the NRC's publication of the final RGs, will provide high assurance of adequate protection. The NRC staff notes that the proposed Revision 3 to RG 5.62 was published for public comment as DG-5080, "Physical Security Event Notifications, Reports and Records," on October 27, 2023 (88 FR 73767), and proposed Revision 1 to RG 5.87, "Suspicious Activity Reports Under 10 CFR Part 73," was published for public comment as DG-5082, "Suspicious Activity Reports," on October 27, 2023 (88 FR 73769). For these reasons, and as documented in the findings below, the NRC staff has determined that granting the exemption is appropriate. The NRC staff has reviewed the exemption request and finds that granting the proposed exemption will not result in a violation of the Atomic Energy Act of 1954, as amended, or other laws. Therefore, in accordance with 10 CFR 73.5, the NRC staff finds that the exemption is authorized by law.

The NRC staff has also determined that DTE will maintain a security posture that continues to ensure safety and security at Fermi 2 through the implementation of its current NRC-approved physical protection program using the reporting and recordkeeping requirements that existed prior to the publication of the EWR final rule and its continued voluntary reporting of suspicious activity. Therefore, in accordance with 10 CFR 73.5, the NRC staff finds that granting the proposed exemption will not endanger life or property or the common defense and security.

Finally, based on the identified inconsistencies and ambiguities discussed above in the rule text and regulatory guidance, the NRC staff has determined that temporarily delaying compliance with the specified subset of 10 CFR, part 73, requirements will reduce unnecessary burden on site personnel and resources, while still facilitating the effective implementation of the EWR final rule. Therefore, the NRC staff finds that granting the proposed exemption is in the public interest.

Environmental Considerations

The NRC's approval of the exemption to security requirements belongs to a category of actions that the Commission, by rule or regulation, has declared to be a categorical exclusion, after first finding that the category of actions does not individually or cumulatively have a significant effect on the human environment. Specifically, the exemption is categorically excluded from further analysis under 10 CFR 51.22(c)(25).

Under 10 CFR 51.22(c)(25), the granting of an exemption from the requirements of any regulation of chapter 10 is a categorical exclusion provided that (i) there is no significant hazards consideration; (ii) there is no significant change in the types or significant increase in the amounts of any effluents that may be released offsite; (iii) there is no significant increase in individual or cumulative public or occupational radiation exposure; (iv) there is no significant construction impact; (v) there is no significant increase in the potential for or consequences from radiological accidents; and (vi) the requirements from which an exemption is sought involve: recordkeeping requirements; reporting requirements; inspection or surveillance requirements; equipment servicing or maintenance scheduling requirements; education, training, experience, qualification, requalification or other employment suitability requirements; safeguard plans, and materials control and accounting inventory scheduling requirements; scheduling requirements; surety, insurance or indemnity requirements; or other requirements of an administrative, managerial, or organizational nature.

The NRC staff has determined that the granting of the exemption request involves no significant hazards consideration because deferred compliance for the specific requirements described in the licensee's submittal, as supplemented, does not (1) involve a significant increase in the probability or consequences of an accident previously evaluated; or (2) create the possibility of a new or different kind of accident from any accident previously evaluated; or (3) involve a significant reduction in a margin of safety. The exempted security regulations are unrelated to any operational restriction. Accordingly, there is no significant change in the types or significant increase in the amounts of any effluents that may be released offsite, and no significant increase in individual or cumulative public or occupational radiation exposure. The exempted regulations are not associated with construction, so there is no significant construction impact. The exempted regulations do not concern the source term (i.e., potential amount of radiation in an accident) nor mitigation. Thus, there is no significant increase in the potential for, or consequences of, a radiological accident. The requirements of 10 CFR 73.1200, 10 CFR 73.1205, 10 CFR 73.1210, and 10 CFR 73.1215, as described in the licensee's submittal as supplemented, involve recordkeeping requirements, reporting requirements, safeguard plans, and other requirements of an administrative, managerial, or organizational nature.

Therefore, pursuant to 10 CFR 51.22(b) and (c)(25), no environmental impact statement or environmental assessment need be prepared in connection with the approval of this exemption request.

Conclusions

Accordingly, the NRC has determined that pursuant to 10 CFR 73.5, the exemption is authorized by law, will not endanger life or property or the common defense and security, and is otherwise in the public interest. Therefore, the NRC hereby grants the licensee's request for an exemption from the requirements of 10 CFR 73.1200(a) through (t), 10 CFR 73.1205(a) through

(e), 10 CFR 73.1210(a) through (h), 10 CFR 73.1215(a) through (f), and the revised definitions for the terms “Contraband” and “Time of Discovery” in 10 CFR 73.2.

This exemption is effective from February 16, 2024, through December 31, 2024, or 180 days after publication of the final RGs (specifically, RG 5.62, Revision 3, and RG 5.87, Revision 1), whichever is later.

Sincerely,

Jamie M. Heisserer, Deputy Director
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket Nos. 50-341

cc: Listserv

SUBJECT: FERM1 2 - EXEMPTION FROM SELECT REQUIREMENTS OF 10 CFR PART 73 SECURITY NOTIFICATIONS, REPORTS, AND RECORDKEEPING AND SUSPICIOUS ACTIVITY REPORTING (EPID L-2023-LLE-0073) DATED FEBRUARY 16, 2024

DISTRIBUTION:

PUBLIC	RidsNmssREFS Resource
PM File Copy	EMiller, NRR
RidsACRS_MailCTR Resource	SKoenick, NMSS
RidsNrrDorlLpl3 Resource	GBowman, NSIR
RidsNrrLASRohrer Resource	VWilliams, NSIR
RidsNrrLASLent Resource	JWillis, NSIR
RidsNrrPMFermi2 Resource	TKeene, OEDO
RidsRgn3MailCenter Resource	HRodriguez, OEDO
RidsNmssDfm Resource	

Accession No.: ML24019A184

*** Concurrence with model Categorical Exclusion**

OFFICE	NRR/DORL/LPL3/PM	NRR/DORL/LPL3/LA	NSIR/DPCP/MSB/BC
NAME	SArora	SRohrer	JCuadrado
DATE	01/19/2024	01/22/2024	01/18/2024
OFFICE	NMSS/REFS/LLWPB/BC*	OGC – NLO	NRR/DORL/LPL3/BC
NAME	SKoenick	AValentine	JWhited
DATE	11/29/2023	02/07/2024	02/15/2024
OFFICE	NRR/DORL/DD		
NAME	JHeisserer		
DATE	02/15/2024		

OFFICIAL RECORD COPY