

NRC 2000 Panel Summary

Followup / IOUs / Credits for Existing Plans / Scheduled Meetings

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Region I Breakout / M4 Hubert J. Miller	<p>An attendee raised a concern regarding a northeast plant which had both EDGs out-of Service at same time; 1 for PM & 1 inoperable. He felt that the NRC did not appropriately address the issue.</p> <p>The event was at the Seabrook Unit 1. The risk associated with this event was low because operating procedures would instruct the operators to recover the EDG following a LOOP. The probability of a LOCA/LOOP occurring simultaneously is very low and would not contribute appreciably to the risk associated with this condition. The NRC issued a NCV for this condition as documented in IR 99-02 , which was provided to the attendee at the RIC. The requestor appreciated the detailed risk assessment conducted for this condition and the level of concern the Agency had given to this issue.</p> <p>This action is complete.</p>
Region II Breakout / M5 Luis A. Reyes	<p>A concern was raised regarding the difference in the level of risk associated with emergency action levels (EALs) and the decision for the dispatch of a special Inspection Team and/or an AIT/ANS risk informed approach to event response - described in MD 8.3 which also includes deterministic criteria.</p> <p>Response: The decision regarding the level of NRC response to plant events has been and will continue to be based on all information available at the time, including the EAL. In the past, the potential risk significance of the event was also considered with available risk insight information. However, no decision guidelines were provided. The changes are being made to provide better guidance for decision making. MD 8.3 has not been finalized. Comments on the draft document are being considered. Because the EALs reflect gradations in loss of plant defense-in-depth, it is expected that there will be general consistency between EAL determinations and the potential risk significance of events. Although it should be noted that there is often a large uncertainty and therefore a large possible "band" of estimated risk values. This uncertainty is an important input into the response decision. However, should there be an apparent significant difference between the licensee's EAL determination and the estimated potential risk significance, the agency is not restricting its range of response options, even if the risk significance appears to be low. Event response decisions will continue to be made utilizing all available information, including risk insights.</p> <p>This action is complete.</p>
Regulatory Trends / T1 Samuel J. Collins	<p>Question: Have you considered the use of historical data to evaluate the significance determination process? Examples include: Accident Sequence Precursor Data, Enforcement Actions & Significant Events. Use of CY 1995-98 would provide useful data and a test to the revised process.</p> <p>This could be used in Inspector/staff training to show the need for change and bench mark of the revised process.</p> <p>I believe you would confirm the following 1) Past enforcement was not risk informed, 2) Reactor Cornerstone Measures at Power (SDP and ASP) are consistent, 3) Reactor shutdown events (ASP) are significant contributor (#'s & # events) and SDP may not adequately capture shutdown events, and 4) common mode failures (FME in sumps) (design errors) for accident mitigation are significant precursors with high numbers.</p> <p>Letter response dated July 3, 2000, accession number ML003722274.</p> <p>This action is complete.</p>

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Revised Oversight / T2 & T6 Session A: A. J. Johnson Session B: Bruce Boger	In response to a request to assess potential role of self-assessments relating to Design Engineering Inspections, this action has been added to the NRR Commitment Tracking Report. NRR will perform this assessment in March, 2001. This action is complete.
Technical Specifications & Licensing Improvements / T4 Suzanne Black	An issue was raised that NRC and industry need to increase communications on LATF activities (CLIP/STS) i.e., NEI news letter, NEI and NRC web site information sources. Staff and LATF will continue to work to improve communications. This item is complete. Based on a request, other items in CLIP (e.g., relief requests) have been added to the LATF action items. This item is complete.
NRC Website Redesign / T10 Michael MacWilliams	Interested parties in attendance during the session were solicited to join the OCIO web redesign focus group item is complete. A list of people interested in helping the OCIO re-design the NRC website was collected from the attendees and provided to OCIO at the end of the session. This action was completed at the RIC 2000.
Risk Informing Regulations (Session A) / T14 Richard Barrett	Industry participants stated their intention to document and submit the PRA certification process for staff review. In a letter dated April 24, 2000 Accession No. ML003726855, from Ralph Beedle of NEI to Sam Collins of NRC, NEI submitted NEI-00-02, PRA Peer Review Process Guidance, for staff review for use in implementing Option 2 of SECY-99-256. See Sam Collins reply dated June 9, 2000, Accession Number ML003721188. This action is complete.
Industry Initiatives / T15 Jack Strosnider	The following question was posed to the session attendees: Is developing guidelines for industry initiatives a good idea? Based on the response of the attendees, the proposed guidelines for including industry initiatives in the regulatory process and a request for approval to issue the guidelines for public comment were sent to the Commission May 30, 2000. This action is complete.
License Renewal / W2 David Matthews	An additional meeting to discuss the resolution of GSI - 190 was suggested. The Staff met with NEI, EPRI and other interested industry representatives on May 25, 2000 to discuss the environmental effects on fatigue and the resolution of GSI-190. NRC and industry committed to promote more effective dialog on this topic in the future, and develop improved guidance for the treatment of fatigue in future license renewal applications. This action is complete.

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<p>Work Environment Issues / W3 Frank Miraglia</p>	<p>A question was raised concerning the process for agency actions regarding discrimination cases. This concern includes the lack of opportunity for licensee to review the OI report and there is a perception that the decision was made at the time of the issuance of the OI report issuance with no opportunity for the licensee to defend.</p> <p>Response: NRC policy is to withhold disclosure of OI reports and exhibits prior to reaching a final enforcement decision. Reasons for not disclosing the report and exhibits include:</p> <ul style="list-style-type: none"> • the pre-decisional enforcement conference is usually the last step of the fact gathering process. Release of OI reports would allow licensees and subjects of investigations to tailor their presentation at the conference to what the NRC knows, rather than on what may actually have occurred. • disclosure of OI reports and exhibits could permit licensee management to identify employees who cooperated with OI, which could adversely affect the work environment at the licensee's facility. • the OI report and associated Agent Analysis do not necessarily reflect the Agency's position on the facts or conclusions at the time of the pre-decisional enforcement conference. <p>This action is complete.</p>
<p>Work Environment Issues / W3 - (Continued) Frank Miraglia</p>	<p>After completion of an investigation, the NRC will, upon written request, provide individuals who are the subject of potential enforcement action themselves, a copy of their own investigatory interviews to assist them in preparation for their individual pre-decisional enforcement conference. In addition, OI reports are generally released upon request when they directly relate to an adjudicatory proceeding before a U.S. Department of Labor Administrative Law Judge. The distinction in these cases is that issues are litigated in the public domain, and the report is given to all parties.</p> <p>After an enforcement action is issued, appropriately redacted OI reports and exhibits are available through the Freedom of Information Act (FOIA).</p> <p>As previously mentioned and more fully described in "General Statement of Policy and Procedures for NRC Enforcement Actions," NUREG-1600, (Enforcement Policy), the pre-decisional enforcement conference is usually the last step of the fact finding process. The purpose of the conference is to obtain information that will assist the NRC in determining the appropriate enforcement action, if any. Therefore, an Agency decision has not been reached when an OI report is issued and the conference serves as an opportunity for a licensee and the NRC to come to a common understanding of the facts. If the NRC issues an order or a civil penalty after the enforcement conference, the licensee or the individual that is the subject of the enforcement action, would have an opportunity for a formal defense by requesting a hearing before an administrative law judge.</p> <p>This item is complete.</p>
<p>Risk Informing Regulations (Session B) / W4 Richard Barrett</p>	<p>Participants agreed that there is a need for more frequent communication between NRC and industry executive level committees to discuss and resolve policy level questions.</p> <p>In a March 31, 2000 Commission meeting on the Risk-informed Regulatory Implementation Plan (RIRIP), the Chairman of the NRC PRA Steering Committee stated the intention to meet more frequently with their industry counterpart group. Another meeting was held on June 12, 2000.</p> <p>This item is complete.</p>

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Financial Issues / W5B Cynthia Carpenter	<p>The NRC was asked how its staff would conduct a financial qualifications (FQ) review for a non-electric-utility applicant with no power purchase agreement (PPA) support for its future revenue stream, or a “no-PPA deal” as the questioner phrased it.</p> <p>Response: This question must be answered in the broader context of how the staff conducts FQ reviews for any non-electric-utility applicant. In such reviews the staff examines multiple factors, one of which is power purchase agreements. To the extent that an applicant does not have a PPA to support its future revenue stream, the staff will place more emphasis on these other factors.</p> <p>This item is complete.</p>

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<p>Financial Issues / W5B - (Continued) Cynthia Carpenter</p>	<p>An NRC document, "Standard Review Plan on Power Reactor Licensee Financial Qualifications and Decommissioning Funding Assurance" (NUREG-1577, Rev. 1), describes the process that the NRC uses to review the financial qualifications and methods of providing decommissioning funding assurance required of power reactor licensees. This SRP is being used as the basis for license transfer reviews as the electric utility industry moves toward greater competition in a deregulated environment. The SRP provides insight in answering the subject question.</p> <p>This SRP states that applicants for power reactor operating licenses that are not electric utilities are required under 10 CFR 50.33(f) to submit information demonstrating that they possess or have reasonable assurance of obtaining the funds necessary to cover estimated operating costs for the period of the license. The SRP states that the NRC reviewer is to confirm that a non-electric-utility applicant has submitted estimates for total annual operating costs for each of the first 5 years of operation of their plant and has indicated the source(s) of funds to cover these operating costs. To aid in determining sufficiency of revenues, information on the sources of such funds should include projections of the market price of electric power in the market area of the plant, corporate revenues from other sources that may be used at the plant, government-required charges for nuclear plant operations (e.g., non-bypassable wires charges), any long-term contracts that the applicant has for the plant (e.g., a PPA), contracts or other arrangements with relevant transmission or grid reliability authorities that designate the plant as a "must-run" facility, and any other information relevant to the source of revenues.</p> <p>If applicable, the reviewer will use information from widely accepted financial rating organizations. If an applicant has an "investment-grade" rating or equivalent from at least two of these sources or has demonstrated that it is likely to have sufficient revenues (as discussed above) to meet projected costs over the 5-year projection period, the reviewer will find the applicant to be financially qualified. If an applicant cannot meet either of these criteria, the reviewer will consider other relevant financial information, such as cash or cash equivalents that would be sufficient to pay fixed operating costs during an outage of at least 6 months.</p> <p>To date, most requests to the NRC by non-electric-utility applicants regarding approval of their purchase of a power reactor have had a PPA applicable to much or all of their forecast output for some or all of the first 5 years of operation. A PPA provides stability for future revenue streams, with stability increasing relative to the percentage of plant output and the length of the period contracted for in the PPA. When there is no PPA support, the staff will focus more on certain factors in evaluating the applicant's ability to achieve its forecast level of revenues. For an applicant that has not already done so in its application, the staff will ask it to provide a forecast for each of the first 5 years of the market price per kilowatt-hour (kWh), net generation (in gWh), and the number of operating hours and outage hours. Market price forecasts should include an explanation and supporting data showing how the forecasts were determined, such as recent electric power price trends in the area, data that are available from studies done by an independent entity, and other types of supporting information. For those plants which will have some partial PPA revenues, applicants will need to supply the percentage of plant output and the term covered by the PPA, as well as the PPA price per kWh for each year of the PPA.</p> <p>Even though a non-electric-utility applicant typically will have already provided revenue forecasts for each of the first 5 years based on information such as that cited in the preceding paragraph, the staff will use this information to estimate independently the revenues likely for the applicant for each of these 5 years, realizing that actual market prices may fluctuate compared to forecast prices. Projected revenues are simply the product of expected net generation times the forecast price per kWh. Forecast revenues then are compared to the applicant's projected operating costs to determine whether: (1) an operating profit would be likely to occur over the forecast period; and (2) the adjusted net income for the period (including payment of taxes, any financing transaction costs, and other adjustments) would provide a reasonable return relative to the contract cost of the plant to the applicant.</p>

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Financial Issues / W5B - (Continued) Cynthia Carpenter	<p>Next, the staff will estimate how sensitive the applicant's revenue forecasts would be to lower market prices for the plant during the forecast period for the purpose of establishing a projected market price "floor" below which the applicant would begin to have difficulty covering the plant's operating expenses with its revenues. This is done by determining the average market price per kWh that would produce zero net income (or a breakeven level) over the forecast period, and this price is compared to the market prices in the applicant's forecast. If the applicant were to experience this lower (or floor) level of prices for an extended period, it might decide either to continue operating the plant without profits or, at a certain point, to cease plant operations permanently. The larger the difference between the floor price and the forecast price, the more likely the applicant will be able to withstand lower market prices for a sustained period and still keep operating. In evaluating market prices that could potentially be lower than the forecast, the staff also will review how likely it is that the applicant could meet Price-Anderson obligations (such as retrospective premiums) with lower than expected revenues.</p> <p>The staff will assess how reasonable or probable the forecast prices are likely to be for the 5-year period. Relevant information on recent trends in the price of electricity will be examined relative to the applicant's forecast prices. Also, data on forecast capacity margins in the region in which the plant operates will be reviewed since a forecast of low future margins would indicate market prices would be more likely to increase in that region, other factors being equal.</p> <p>In summary, many FQ factors must be evaluated for non-electric-utility applicants, and the degree to which an applicant does not have PPA support requires the staff to place more emphasis on various non-PPA factors as described herein and in NUREG-1577, Rev. 1.</p> <p>This item is complete.</p>

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<p>Safeguards Issues / W5C Glenn Tracy</p>	<p>A question was raised as to whether the design basis vehicle bomb had been revisited.</p> <p>Response: The vehicle bomb threat is routinely reassessed by the NRC similarly to all Design Basis Threat characteristics. There is no special effort underway to address the vehicle bomb threat at this time.</p> <p>See the Rulemaking Plan in SECY-99-241 dated 10/5/99. Also see: SECY-00-0063 Staff Re-Evaluation of Power Reactor Physical Protection Regulations and Position on a Definition of Radiological Sabotage (ADAMS Accession # ML003701932) VR-SECY-00-0063 (Voting Record) (ADAMS Accession # ML003702075) SECY-00-0142-Attachment 1-NEI 99-07 Security Contingency Response Self-Assessment Guide (Draft 4) (ADAMS Accession # ML003716587) SECY-00-0142-Attachment 2-Forward Revised Draft 5 of NEI 199-07, "Safeguards Performance Assessment Program" (ADAMS Accession #ML003723699) SECY-0142-Status Report on the Safeguards Performance Assessment Pilot Program (ADAMS Accession # ML003724150) SECY-99-024 "Recommendations of the Safeguards Performance Assessment Task Force"</p> <p>A question was raised regarding addressing of IAEA's INFCIRC 225 into the new rule making.</p> <p>Response: Review of IAEA's INFCIRC 225, Revision 4 is taking place, and appropriate aspects will be considered for incorporation into the rulemaking effort.</p> <p>The rulemaking continues on schedule in accordance with the Rulemaking Plan in SECY-99-241 dated 10/5/99.</p> <p>A concern was raised about the storage (long-term) of spent fuel in pools and casks (dry storage).</p> <p>Response: The NRC is currently processing exemptions regarding the physical security of spent fuel placed in storage in spent fuel pools and is addressing this area in the integrated decommissioning rulemaking effort. Furthermore, an NRC contractor is conducting computer modeling of design basis explosive effects on dry storage casks to be used in Independent Spent Fuel Storage Installations (ISFSI).</p> <p>This action is complete.</p>

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ADAMS Implementation Issues / W5E Michael Kaltman	<p>A concern was raised about Montgomery County Library's and access to ADAMS. OCIO will contact Montgomery County Library's to determine why they will not download CITRIX.</p> <p>Work in Progress.</p> <p>OCIO will contact the lead for GL 88-18 to determine publication schedule.</p> <p>Work in Progress.</p> <p>OCIO agreed to search the database to determine if Enforcement Actions are being released to the public on a delayed schedule. OCIO has reviewed the database and has determined that Enforcement Actions releases are not being delayed.</p> <p>This item complete.</p>