

May 19, 2005

MEMORANDUM FOR: Luis A. Reyes
Executive Director for Operations

FROM: Annette L. Vietti-Cook, Secretary /RA/

SUBJECT: STAFF REQUIREMENTS - BRIEFING ON GRID STABILITY AND OFFSITE POWER ISSUES, 9:30 A.M.,
TUESDAY, APRIL 26, 2005, COMMISSIONERS' CONFERENCE ROOM, ONE WHITE FLINT NORTH, ROCKVILLE,
MARYLAND (OPEN TO PUBLIC ATTENDANCE)

The Commission was briefed by a stakeholder panel, including representatives of the Federal Energy Regulatory Commission (FERC), the North American Electric Reliability Council (NERC), the National Association of Regulatory Utilities Commissioners, PJM Interconnection (one of the country's largest transmission system operators), and a FirstEnergy Corporation executive representing the Nuclear Energy Institute, and an NRC staff panel on grid stability and offsite power issues.

The staff should continue to (1) work with FERC, NERC, and the Department of Homeland Security on grid reliability issues; (2) communicate with stakeholders on the nuclear power plant safety aspects that can be affected by grid conditions, and encourage industry leadership to improve grid reliability; and (3) monitor and assess the reliability of the grid, and its impact on nuclear power plant safety.

At the meeting, the NRC staff discussed issuing a Temporary Instruction (TI) to NRC inspectors to gauge licensees' offsite power system readiness during the peak summer cooling season. The staff issued the TI on May 2, 2005. The TI established June 1, 2005, as the date by which the inspections are to be completed. The staff should provide the Commission offices with preliminary results of the TI inspections, including any significant corrective actions or compensatory measures taken by licensees in response to the inspections.

(EDO)

(SECY Suspense:

7/29/05)

The staff should issue the final generic letter on the impact of grid reliability on plant risk no later than December 15, 2005. In addition, the staff should review NRC's programs related to operator examination and training and ensure that these programs adequately capture the importance of the influence of grid conditions and offsite power issues on the design, assessment, and safe operation of the plant, including appropriate interactions with grid operators.

The staff should evaluate the TI inspection results, licensee responses to the generic letter, and the result of the review of NRC's programs related to operator examination and training to determine whether the baseline inspection program or the operator licensing program needs to be revised to incorporate additional guidance about grid reliability, or if another round of TI inspections will be needed for next summer. If the staff determines that another TI is needed next year, the staff should perform the inspections no later than May 2006, so that licensees will have time to take corrective actions or implement compensatory measures in advance of the 2006 peak summer cooling season. The staff should inform the Commission offices of any plans to revise the baseline inspection program, the operator licensing program, or the need to issue another TI on grid reliability for 2006, no later than April 28, 2006.

cc: Chairman Diaz
Commissioner McGaffigan
Commissioner Merrifield
Commissioner Jaczko
Commissioner Lyons
OGC
CFO
OCA
OIG
DOC
OPA
Office Directors, Regions, ACRS, ACNW, ASLBP (via E-Mail)
PDR