

## ATTACHMENT 71114.01

INSPECTABLE AREA: Exercise Evaluation

CORNERSTONE: Emergency Preparedness

INSPECTION BASES: The Drill/Exercise Performance (DEP) performance indicator (PI) measures licensee performance in specific risk-significant activities. The Emergency Response Organization Drill Participation PI provides an indication of licensee efforts to develop and maintain key skills through the conduct and evaluation of drills exercises and certain training evolutions. The licensee is expected to identify weaknesses and correct them.

These two PIs, complemented by effective conduct of drills and exercises, effective assessment of performance and the effective correction of weaknesses, allows a licensee response band to be established that includes: training quality and conduct, emergency plan implementing procedure quality, facility and equipment readiness, personnel performance in drills and exercises, organizational and management changes and communications equipment readiness.

This inspection evaluates the adequacy of the licensee conduct of exercises and critique of performance,

This inspection verifies aspects of the Emergency Preparedness Cornerstone for which there are no indicators to measure performance.

LEVEL OF EFFORT: Review of previously identified weaknesses to note those issues worthy of inspection during the evaluated exercise.

Inspection of the Biennial Exercise to evaluate conduct of the exercise and the adequacy of licensee critique of performance in identification of weaknesses.

71114.01-01 INSPECTION OBJECTIVE

01.01 To evaluate licensee conduct and critique of the Biennial Exercise.

## 71114.01-02 INSPECTION REQUIREMENTS

02.01 Plan inspection of the biennial exercise. A biennial exercise is required for each licensee site, including each licensee at a co-located site.

02.02 Review a sample of corrective actions identified as a result of drill and exercise critique and develop a list of performance areas to be observed during the exercise.

02.03 Develop independent observations of licensee performance in classification, notification, PAR development, assessment activities and other areas during the exercise. In the case of co-located licensees, verify licensee interface with offsite agencies, IAW licensee commitments documented in SECY-00-238.

02.04 Observe the licensee's presentation of exercise findings to site management and determine if the licensee critique identified the weaknesses and deficiencies observed by the inspection team.

02.05 Identify any trends in poor performance that may represent failures to correct weaknesses.

02.06 Identify any performance areas that may indicate a failure to meet a planning standard or other regulatory requirement.

02.07 Determine whether the exercise was a satisfactory test of the Emergency Plan.

02.08 Represent NRC at the FEMA public meeting.

## 71114.01-03 INSPECTION GUIDANCE

The focus of this inspection is to evaluate the licensee critique of Emergency Response Organization performance. Emphasis should be placed on licensee assessment of classification, notification and PAR development activities, but inspectors should evaluate as many other aspects of performance and the associated critique as resources allow.

03.01 Obtain a copy of the scenario and review for a summary understanding. The scenario may be obtained about 30 days before the exercise and may be reviewed in the regional office as inspection preparation. Identify the opportunities for classification, notification, PAR development and assessment activities. Ensure the understanding is consistent with licensee understanding or note differences.

If during this review, the inspector determines that the scenario may not be a sufficient test of the Plan, per 10 CFR 50 Appendix E Section IV.F.2.f., it may be appropriate to notify management and the licensee of the concern. Additionally, it may be appropriate to perform a cursory review of previously used scenarios to determine that the scenario used for the evaluated exercise is sufficiently different from those previously used.

Develop a plan to deploy inspection resources in a manner to observe all classification, notification and PAR development activities. Assessment activities involving source term development and dose projection should also be observed to the extent practical.

Consider the prioritization guidance provided in section 71114-03 and develop a plan to deploy inspection resources to observe other activities as practical. Selection of other areas for inspection should be based on resource availability, past history, efforts to correct weaknesses and/or logistical limitations.

Review the Emergency Plan and EIPs that provide implementation instructions for classification, notification, PAR development and assessment activities. Develop an understanding of the criteria for timely and accurate completion of these activities based on EIPs, the scenario and NEI 99-02.

It may be appropriate to schedule a briefing with licensee personnel before the exercise to discuss exercise conduct. This is an opportunity to ask questions regarding the scenario, licensee expectations for judging timely and accurate DEP PI opportunities, logistics, mentor arrangements, shift changes, etc.

Oversight of co-located licensees introduces unique inspection requirements. SECY-00-238 examined the problem of ambiguous regulations for full and partial participation biennial exercises at co-located licensee sites. The SECY addressed the issue, in part, by documenting the commitment of co-located licensees to continue certain activities in the period between full participation exercises. These activities are licensee specific but generally involve drills, training and interface meetings. The inspection plan should provide for the verification that these activities are conducted, properly observed and where appropriate, critiqued by licensee personnel. It should be noted that NRC inspectors do not evaluate offsite agency performance, but will rather focus on the interface of licensee personnel with offsite agencies. Additionally, the inspection should verify, through sampling techniques, that the licensee is meeting commitments contained in the SECY.

03.02 Review the previous two biennial exercise inspection reports and licensee critiques. Review critiques and where available, QA reports, from a sample of drills since the previous biennial exercise. Review previously identified corrective actions. Consider trends, repeat items and items that could represent a failure to meet a planning standard. Select a sample of ERO performance and equipment related weaknesses identified and a sample of weaknesses that were previously resolved, for inspection during the biennial exercise. Inspection resources should be allocated to the risk-significant areas first, but if there are important weaknesses in other areas, an attempt should be made to allocate resources in a manner that will allow inspection of those areas also. Use the prioritization guidance provided in section 71114-03 to identify other areas for inspection.

The sample of corrective actions identified for observation during the exercise may include equipment and facility items or other areas thought to be appropriate. Additionally, facilities and equipment should be checked for readiness while observing use during the exercise.

03.03 During the exercise, develop independent observations of licensee performance in classification, notification, PAR development and assessment activities and the other areas selected. Identify any apparent weaknesses and deficiencies. Gather copies of completed forms and checklists that support or document classification, notification and PAR development activities and other areas selected for inspection. Inspector identified weaknesses and deficiencies must be held confidential until after the formal licensee critique.

Prompting of exercise participants is not a finding under the assessment process because it represents no risk significance in itself. However, prompting could negate the validity of a DEP PI opportunity and should be documented when observed. It is also possible that prompting through out an exercise could be so extensive as to bring into question whether the exercise was a satisfactory test of the Plan per 10 CFR 50 Appendix E Section IV.F.2.f. This determination would be made based on the extent of the prompting and involve Regional management. Finally, failure of the critique to identify prompting may be a finding depending on the nature of the plan commitments for conduct of drills and exercises and the extent of the prompting.

Evaluation of biennial exercises at sites with co-located licensees introduces additional inspection requirements. Co-located licensees (in existence at the time this procedure is written) have committed to continue certain activities in the period between full participation exercises. These commitments are licensee specific and are contained in SECY-00-238. These commitments should be verified on a sampling basis and if possible, observed during the exercise. This aspect of the inspection should focus on whether the activities are conducted IAW commitments and where appropriate, that the activities are properly observed and critiqued by the licensee in so far as the performance of licensee personnel are concerned. NRC inspectors are not to evaluate offsite agency performance under this procedure.

03.04 Following the exercise, observe licensee evaluator meetings and critiques where exercise weaknesses and deficiencies are identified. Observe the licensee's presentation of exercise findings to site management.

It may be appropriate to request that the licensee segregate the critique findings in the interest of expediency. If the inspector has no concerns in certain areas, (e.g., facilities and equipment, field monitoring teams, etc.), the licensee could be requested to not expound on those items in the NRC-observed critique, but to capture them at some other point in the critique process. There is a concern that inspection focus on the critique may encourage the licensee to formally address every minor problem identified. Critique emphasis should be on the most risk-significant areas of EP and other areas identified by the inspectors for attention.

Determine if the licensee critique identified the weaknesses and deficiencies observed by the inspection team. If the inspectors identified weaknesses and deficiencies that the licensee did not, it may represent a failure of the licensee critique, (i.e., an exercise critique problem). It may be appropriate to discuss such problems with responsible management rather than with the full audience of the formal critique. Licensee critique failures should be documented and assessed for significance. Failures of the licensee evaluation should be addressed during the NRC exit meeting. Verify that licensee-identified exercise weaknesses and deficiencies are entered into the licensee corrective action system in a manner that will allow NRC review of the resolution in the future, (i.e., for review during the two subsequent biennial exercises).

It should be noted that it is in the inspection team's interest to have the licensee develop critique findings in an expeditious manner. This being the case, the team should allow for informal documentation of critique findings. Further, some judgement may be exercised regarding whether weaknesses and deficiencies that were not verbalized at the critique may have been captured during subsequent licensee processing of evaluator comments.

Rigid adherence to the content of the post exercise critique could encourage the licensee to delay development of the critique and expand it to include non-risk-significant details. However, if the weakness/deficiency was missed by the licensee evaluation team, it should be a finding, (i.e., at least a green finding IAW the EP SDP). Subsequent licensee agreement to enter the weakness/deficiency into the critique should not be substituted for the NRC finding.

03.05 Using the results of previous drills and exercises, determine if problems identified by the inspectors and the licensee, represent a trend or repeat of a failure to implement regulatory requirements or planning standards. Determine if the licensee identified the trend or repeat problem. Determine whether the licensee entered the problem into the corrective action system. For trends and repeat issues, determine whether there is a failure to correct a weakness. Apparent failures to correct weaknesses should be documented and assessed. Guidance is provided in Inspection Manual Chapter 0612, "Power Reactor Inspection Reports."

03.06 During an exercise (or actual event) a failure to implement a planning standard does not necessarily indicate a failure to meet the planning standard. However, serious failures may indicate a programmatic problem worthy of additional review. Additionally, performance problems may reflect a deterioration of the EP program element to the point that the applicable planning standard is no longer met. Review the history of identified weaknesses to obtain relevant information. Determine, (immediately if possible,) if the program no longer meets the applicable planning standard. If this cannot be accomplished immediately, confer with regional management for direction. The concern and the results of the additional review should be communicated to the licensee, documented and assessed for significance through the EP SDP.

03.07 The historical practice has been for the inspection team to make the determination that "the preliminary observation of the inspection team is that the exercise demonstrated that the licensee is capable of implementing the Emergency Plan." This statement may be used in the FEMA public meeting.

The baseline inspection program is predicated on the EP Cornerstone Performance Expectation. This inspection should determine that the conduct of the exercise supports the finding that the EP program meets the Performance Expectation. A statement such as "the preliminary finding is that conduct of the exercise was adequate and supports licensee compliance with the EP Cornerstone Performance Expectation: Demonstration that reasonable assurance exists that the licensee can effectively implement its emergency plan to adequately protect the public health and safety in the event of a radiological emergency" is the preferred statement to be used at the FEMA public meeting. Guidance is provided below for the case where exercise conduct did not demonstrate support of the Performance Expectation.

Potential findings against the licensee program, (e.g., against the exercise critique) as a result of the inspection, should not be announced at the public meeting. However, the existence of NRC concerns or potential findings should be generally discussed.

Section IV F. f. of Appendix E to 10 CFR 50, provides the requirements for a remedial exercise. Not invoking this regulation implies that the inspection team came to the conclusion that the Plan was satisfactorily tested. If the exercise was not a satisfactory test

of the Plan or problems have been identified which potentially could result in a remedial exercise, a conclusion statement is not appropriate at the public meeting. In this case, it will be necessary to obtain management review, and any subsequent action would not be decided by the inspection team alone. Such action should not be announced at the public meeting. A statement such as "The NRC inspection team was not able to conclude its review of the exercise. NRC will continue to review the available information before issuing an inspection report." may be made at the public meeting. The inspector may generally answer questions regarding the nature of the concerns but should avoid specifics in deference to management review. NRC inspection reports are public and the information will be released as soon as it is approved.

03.08 The lead inspector, or alternate, should represent NRC at the FEMA public meeting. A statement should be made as to the adequacy of exercise conduct from the NRC perspective. Guidance is provided above.

#### 71114.01-04 RESOURCE ESTIMATE

| Direct inspection effort for this attachment is estimated to be, on average, between 54  
| hours and 74 hours, regardless of the number of reactor units at a site. Approximately 20  
| percent of the hours represent residents' effort and 80 percent of the hours represent EP  
| specialists' effort.

When the inspection involves a co-located licensee biennial exercise, an additional 16 hours for an EP Specialist is estimated to be necessary, regardless of the number of reactor units at a site.

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