

MEMORANDUM TO: Chairman Meserve
Commissioner Dicus
Commissioner Diaz
Commissioner McGaffigan
Commissioner Merrifield

December 18, 2000

FROM: William D. Travers */RA by Carl Paperiello Acting For/*
Executive Director for Operations

SUBJECT: RECONSIDERATION OF THE RULEMAKING ACTIVITY PLAN:
ALTERNATIVE SITE REVIEWS (RM#313)

My memorandum of August 30, 2000, responded to a June 12, 2000, staff requirements memorandum (SRM) on the staff's proposed rulemaking activity plan (SECY-00-0075). The SRM asked the staff to provide a schedule for the rulemaking on alternative site reviews (RM#313) and the basis for the schedule. In the August 30th memorandum I recommended that this rulemaking activity remain inactive because of its low priority relative to the NRC's strategic performance goals. The Commission then asked the staff to reconsider the priority of RM#313 (WITS 200000071) because the nuclear power industry is interested in new plant construction. This memorandum describes the staff's reconsideration, in the context of an integrated reflection on resources, priorities, and the significance of RM#313, of plans for future reviews of new applications.

Since my August 30th memorandum there has been increasing evidence of industry interest in constructing new nuclear power plants in the United States. The Nuclear Energy Institute (NEI) has formed a New Nuclear Plant Deployment task force, whose members represent five utilities, two reactor vendors, and two architect-engineering firms. The goals of the task force are to develop a business plan by 2005 for financing the construction of new nuclear power plants and to begin construction by 2010. I also understand that there is growing interest in supporting a new plant order in the 2005-2006 time frame.

NEI has also formed the Part 52 Licensing Issues working group to develop a proposal to validate the Part 52 licensing process (e.g., finance an early site permit application or sponsor a pre-application review of the combined license process to identify and resolve licensing issues). This group is also preparing to participate in our Part 52 update rulemaking (RM#505). On October 12, 2000, staff representatives met with the NEI working group to explain the combined license process and answer questions on "programmatic" ITAAC (inspections, tests, analyses, and acceptance criteria), consistent with the SRM on SECY-00-0092, "Combined License Review Process." NRC staff and the working group met again on December 14, 2000, to discuss the Part 52 update rulemaking.

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Recently, industry representatives notified the NRC staff of future design certification applications. The NRR staff is currently developing plans, schedules, and resource estimates for the pre-application Phase 2 review of a Westinghouse AP1000 standard plant design. Westinghouse has notified the staff that it plans to submit a design certification application for its AP1000 design in early 2002. Westinghouse has also said that it may submit an application for certification of the International Reactor Innovative and Secure (IRIS) design by 2005. In addition, there is international interest in developing a pebble-bed modular reactor (PBMR) design. As I said in my November 14, 2000, memorandum on advanced reactors, the Office of Nuclear Regulatory Research will have the lead for any early interactions on, or a pre-application review of, the PBMR.

We have considered various potential scenarios for future licensing reviews — a review of a Browns Ferry 1 restart, completion of the operating license review for an existing construction permit, and reviews of applications for early site permits, design certifications, and combined licenses under 10 CFR Part 52. We believe that the most likely scenario is an application to construct a certified standard plant design at an existing nuclear plant site, submitted no sooner than 2005. We expect to receive an update on this prediction from industry following their planned February 2001 task force meeting.

NRC's licensing process is prepared for the above reviews. However, 10 CFR Part 51 requires consideration of alternatives to proposed actions, but does not mention alternative sites. Guidance on the review of alternative sites from an environmental perspective is given in Regulatory Guide 4.2, "Preparation of Environmental Reports for Nuclear Power Plants" (July 1976), and in NUREG-1555, "Environmental Standard Review Plan" (March 2000). The guidance in both documents reflects the structure of the 1970's electric utility industry. RM#313 will account for industry deregulation and restructuring, consider the recent evolution of the siting process, and reduce uncertainty in the licensing process. Therefore, assuming that a utility submits an application to construct a certified design at the site of a nuclear plant and that the RM#313 rulemaking will take 2 to 3 years, the staff plans to start the alternative site rulemaking in mid FY 2002. The staff will monitor industry plans to apply for licenses and update the rulemaking activity plan accordingly. The staff will also propose a budget planning assumption for a design certification application in FY 2002.

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SECRETARY: Sharon C. Green
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