



COMMISSIONER

REQUEST REPLY BY 5/4/01

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

COMNJD-01-0001

April 20, 2001

Approved subject to
attached comments

Richard A. Meserve

4/30/01

MEMORANDUM TO: Chairman Meserve
Commissioner Dicus
Commissioner McGaffigan
Commissioner Merrifield

FROM: Nils J. Diaz

SUBJECT: COMNJD-01-0001 - POWER UPRATE APPLICATIONS

The United States of America is now in need of additional electricity supply. Additional electricity that does not impose demands on the strained gas systems or on the general energy infrastructure is particularly needed (this was brought out to me during every one of my recent Congressional visits).

I have just learned that 30 BWR reactor facilities are probably interested in applying for license amendments from the NRC to allow extended power uprate improvements (up to 20% additional power). The license amendments are supported by GE Topical Reports, some of which the NRC has already approved. Five of these amendment requests are, in fact, currently being reviewed by the NRC staff and five more applications are expected this year. Power uprates such as these for 30 BWRs could represent up to 6% of added electricity generation from nuclear power.

I am certain that the current applications are being, and will continue to be, reviewed with the highest standards of safety and that the staff is conducting these reviews in an expedient manner, consistent with available resources. I consider the relative importance of conducting effective and efficient NRC reviews of the many current and anticipated power uprate applications to be roughly comparable to the importance of license renewal reviews. Therefore, I recommend that activities related to power uprates and extended power uprates be assigned priority commensurate with the priority given to license renewal. Concurrently, the appropriate resources should be allocated to streamline the NRC power uprate review process to ensure that it is conducted in the most effective and efficient manner.

SECY: please track.

cc: EDO
CFO
SECY

Chairman Meserve's Comments on COMNJD-01-0001

I agree with Commissioner Diaz's observation that applications for power uprates are important. The Nation is in need of additional energy supply and thus, consistent with the maintenance of safety, the NRC should assure that applications for power uprates are handled expeditiously.

As Commissioner Diaz has also noted, there is preliminary information suggesting significant licensee interest in seeking power uprates. However, many variables may contribute to a licensee's decision to seek such an amendment, and the total number, scope and timing of applications for uprates is not known with certainty. I believe that the staff should develop a better understanding of these matters in order to facilitate planning. I am aware that a Regulatory Issue Summary related to licensee power uprates is being developed and perhaps this generic communication could be used as a vehicle to ascertain the scope and schedule of power uprate applications. Once the breadth and timing of the expected power uprate activity is understood, the staff should then assure that adequate resources are available to accommodate the demand. Until then, the staff should seek to prioritize power uprate reviews in a way that does not unnecessarily delay licensees' plans for implementing such uprates.

I believe it also may be prudent for the staff, in consultation with stakeholders, to identify potential areas for improvement in current processes so as to assure that the current processes do not impose needless impediments. Given the current energy climate, it is particularly important that the NRC power uprate review process is conducted in an effective and efficient manner.

Finally, the staff should continue to track the status of power uprate activities in the Chairman's Tasking Memorandum. I recommend that SECY identify the staff's power uprate activities as "High Priority," so that the Commission is promptly informed of any delays.



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MEMORANDUM TO: Chairman Meserve
Commissioner Dicus
Commissioner McGaffigan
Commissioner Merrifield

FROM: Nils J. Diaz *NJD*

SUBJECT: COMNJD-01-0001 - POWER UPRATE APPLICATIONS

Approved subject to the
attached comments.

Edward McGaffigan, Jr.
Edward McGaffigan, Jr. (Date)

5/11/01

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Commissioner McGaffigan's Comments on COMNJD-01-0001

I concur in the Chairman's comments. I agree with Commissioner Diaz on the importance of an effective process for the review of applications for power uprates. Review of some of these applications, particularly for first-of-a-kind large uprates (and the review of related owners' group topical reports) will require significant staff resources to ensure that safety is maintained. ACRS will also want to look at these applications. On the other hand, the process for review of small power uprates, associated for example with improved flow measurement devices, or of other uprates similar to those already approved should require modest resources and should be able to be completed.

A handwritten signature in black ink, appearing to read "Ed McGaffigan". The signature is written in a cursive, flowing style with a large initial "E" and a prominent "G" at the end.



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REQUEST REPLY BY 5/4/01

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Approved, subject to the
attached comments.

Greta Joy Dicus
Greta Joy Dicus 5/9 /01

MEMORANDUM TO: Chairman Meserve
Commissioner Dicus
Commissioner McGaffigan
Commissioner Merrifield

FROM: Nils J. Diaz *NJD*

SUBJECT: COMNJD-01-0001 - POWER UPRATE APPLICATIONS

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Commissioner Dicus Comments on COMNJD-01-0001

I agree in principle that the power uprates should have a high priority and that the appropriate resources should be allocated to streamline the review process. The power uprates allow the licensees the opportunity to increase the electrical power output without imposing demands on the gas systems or the general energy infrastructure. The power uprates provide an economical way for the industry to increase the electrical output in these times when more power is needed. It may well turn out that the power uprates review priority will equate to the license renewal review. However, it is premature to assume a specific priority till the staff has gained more experience with the power uprates especially the extended uprates. The staff currently has the PBPM process that assigns priority to the power uprates. The staff can seek Commission guidance if the current process does not produce the desired performance goals in the power uprate reviews.

gjd
5-9-01



REQUEST REPLY BY 5/24/01

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

COMNJD-01-0001

April 20, 2001

Approved subject to attached
comments.

COMMISSIONER

MEMORANDUM TO: Chairman Meserve
Commissioner Dicus
Commissioner McGaffigan
Commissioner Merrifield

[Signature]
Jeffrey S. Merrifield, 5/2/01

FROM: Nils J. Diaz *[Signature]*

SUBJECT: COMNJD-01-0001 - POWER UPRATE APPLICATIONS

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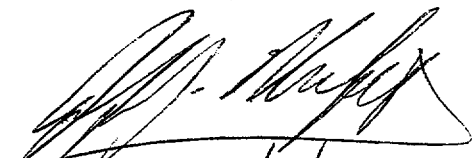
Commissioner Merrifield's Comments on COMNJD-01-0001

I appreciate Commissioner Diaz's efforts to initiate additional Commission deliberation on the NRC's power uprate review process. I share his view that applications for power uprates are important and should be reviewed by the staff in an effective, efficient, and timely manner. I also appreciate the staff's considerable efforts to date in this area, as well as their efforts to keep the Commission informed of the significant activities being carried out on both generic and plant-specific power uprate applications. Based on my interaction with the staff, I am confident that they recognize their responsibilities associated with the review of these applications and are committed to ensuring that these applications are reviewed expeditiously and in a manner that is consistent with our safety mission.

While the agency has considerable experience in reviewing power uprate applications, it is clear that industry interest in power uprates has dramatically increased over the last year due in part to a variety of economic factors, a growing demand for electric generation in the U.S., and recent revisions made to 10 CFR Part 50, Appendix K. This trend is likely to continue, if not accelerate, in the coming years. There is also growing interest among licensees in pursuing power uprates that are considerably larger than historically evaluated by the NRC. For example, many BWR licensees are now contemplating "extended" power uprates (i.e., uprates of up to 20%). In light of this dynamic environment, I believe that now is a good time to reflect on the agency's power uprate review process in order to assess whether process improvements can be achieved and to better project what level of resources may be necessary in the near future to effectively carry out our regulatory responsibilities. Specifically, I believe the staff should:

1. Take steps to gain a greater understanding of licensee intentions relative to pursuing power uprates. In order for the staff to properly plan and allocate agency resources, they must have accurate and more definitive information regarding the number of licensees that intend to apply for power uprates, the size of the proposed uprates, and the schedules associated with the uprate applications. I am pleased that the staff is developing a Regulatory Issue Summary to solicit this information from our licensees. Upon receipt of this information, the staff should assess future resource needs related to power uprate reviews and provide the Commission with the results of this assessment.
2. Thoroughly assess the efficiency and effectiveness of the agency's power uprate review process. Clearly, the staff's highest priority associated with the review of power uprate applications must be safety. However, we have a responsibility to ensure that our processes facilitate optimal utilization of our limited resources and are consistent with the agency's Performance Goals. Thus, the staff should critically assess their power uprate review process with a focus on identifying process improvements that enhance the efficiency and effectiveness of these reviews and eliminate inappropriate impediments.

The staff should continue to keep the Commission informed of significant matters related to power uprates and should promptly notify the Commission in the event that additional resources become necessary to effect timely uprate reviews.



5/2/01