

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

Title: BRIEFING ON STATUS OF LICENSE RENEWAL

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1 UNITED STATES OF AMERICA
2 NUCLEAR REGULATORY COMMISSION

3 ***

4 BRIEFING ON STATUS OF LICENSE RENEWAL

5 ***

6 PUBLIC MEETING

7 ***

8 Nuclear Regulatory Commission
9 Commission Hearing Room
10 11555 Rockville Pike
11 Rockville, Maryland
12

13 Thursday, June 12, 1997
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15 The Commission met in open session, pursuant to
16 notice, at ^{1:35 p.m.}~~9:35 a.m.~~, the Honorable SHIRLEY A. JACKSON,
17 Chairman of the Commission, presiding.
18

19 COMMISSIONERS PRESENT:

20 SHIRLEY A. JACKSON, Chairman of the Commission
21 KENNETH C. ROGERS, Member of the Commission
22 GRETA J. DICUS, Member of the Commission
23 EDWARD McGAFFIGAN, JR., Member of the Commission
24 NILS J. DIAZ, Member of the Commission
25

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1 STAFF AND PRESENTERS SEATED AT COMMISSION TABLE:

2 KAREN D. CYR, General Counsel

3 JOHN C. HOYLE, Secretary

4 JOSEPH CALLAN, EDO

5 SAM COLLINS, Director, NRR

6 MARYLEE SLOSSON, Acting Director, Division of

7 Reactor Program Management, NRR

8 DAVID MATTHEWS, Chief, Generic Issues and

9 Environmental Projects Branch, NRR

10 STEPHEN HOFFMAN, SR., Project Manager, License

11 Renewal Directorate, NRR

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P R O C E E D I N G S

[1:33 p.m.]

CHAIRMAN JACKSON: Good afternoon. I don't usually name names, but good afternoon, Marylee, Steve, Joe, Sam, and Dave.

The purpose of today's meeting between the Commission and the NRC staff is to discuss the status of activities associated with the implementation of the license renewal rule for nuclear powerplants, which is 10 CFR Part 54.

Since the original license renewal rule was issued in December of 1991, the staff and the nuclear power industry have been working to implement the requirements of the rule effectively. After about two years of experience with activities related to implementing the rule, the staff and the nuclear power industry identified several key issues that needed to be resolved in order to provide a more stable and predictable regulatory process for license renewal.

In February 1994 the Commission directed the staff to proceed with rulemaking to amend 10 CFR Part 54, and in May 1995 a revised license renewal rule was published. The revised rule focused on the management of the effects of aging on certain systems, structures, and components during the period of extended operation. Since the revised rule was published in 1995 the staff and the nuclear power

1 industry have continued to work on acceptable strategies and
2 guidance to implement the requirements of the rule
3 effectively. In SECY 97-118, entitled "Activities
4 Associated with the Implementation of 10 CFR Part 54," the
5 staff has provided the Commission with an update on the
6 status of ongoing staff and industry initiatives associated
7 with the license renewal rule.

8 The Commission therefore looks forward to the
9 discussion with our staff on license renewal activities. In
10 particular, the Commission is interested in first
11 understanding what if any potential policy issues might
12 require Commission decision, and, second, understanding how
13 all the ongoing activities associated with, for example,
14 regulatory guide development, standard review plan
15 development, the license renewal demonstration program,
16 industry report template development, will all coalesce into
17 timely, clear, and coherent implementation guidance.

18 Now I understand that copies of your presentation
19 are available at the entrances to the meeting, and so unless
20 my fellow Commissioners have any opening comments, Mr.
21 Callan, please proceed.

22 MR. CALLAN: Well, Chairman, you covered all the
23 points I was going to make at the outset.

24 CHAIRMAN JACKSON: Good. We'll go on the next
25 person.

1 MR. CALLAN: In fact, you even identified
2 everybody at the table.

3 [Laughter.]

4 But I'll go through it again and provide their
5 full names and their titles.

6 Once again, Sam Collins; he's the Director of NRR.
7 Marylee Slosson, the Acting Director of the Division of
8 Reactor Program Management. Dave Matthews, the Project
9 Director of the Generic Issues and Environmental Projects
10 Branch. And then finally Steve Hoffman, the Senior Project
11 Manager in the License Renewal Project Directorate.

12 Marylee Slosson will begin the presentation for
13 the staff.

14 MS. SLOSSON: Thank you.

15 Good afternoon. I'm going to go ahead and start
16 with the second slide, because the Chairman very aptly went
17 through the kind of the history and brief summary of the
18 license renewal a little, but I was going to go through, so
19 if we could go ahead and have the second slide, with the
20 license renewal program as with any program, the program is
21 developed on key principles.

22 In the case of license renewal, the two principles
23 on which the staff has proceeded are based on some
24 significant Commission determinations during the rulemaking
25 process as outlined on this slide. The first principle of

1 license renewal is that with the possible exception of the
2 detrimental effects of aging on the functionality of certain
3 plant systems, structures, and components in the period of
4 extended operation, and possibly a few other issues related
5 to safety only during the extended period of operation, the
6 regulatory process is adequate to ensure that the licensing
7 basis of all currently operating plants provides and
8 maintains an acceptable level of safety so that operation
9 will not be inimical to public health and safety or common
10 defense and security.

11 The second principle of license renewal is that
12 the licensing basis must be maintained in the same manner
13 and to the same extent during the period of extended
14 operation as it was during the original licensing term.
15 Issues that may arise relevant to current plant operation
16 must be addressed as part of the current plant license and
17 cannot be deferred to a renewal review. For example, the
18 issues that have resulted from Millstone and Maine Yankee
19 lessons-learned reviews related to 10 CFR 5059, licensing,
20 and design bases are being addressed as part of the
21 operating reactors program. Any process improvements that
22 are realized as a result of the lessons-learned initiatives
23 will carry forward into the renewal term. Therefore, this
24 approach fully supports the principles upon which license
25 renewal is based.

1 If I can have the third slide, please.

2 We'd now like to begin the status portion of
3 today's briefing, during which we'll discuss ongoing
4 industry and staff activities and plant-specific and owners
5 groups areas. We'll also discuss development of
6 implementation guidance, environmental activities, and our
7 planned future activities. If there are not any questions
8 at this time I'd like to turn the presentation over to Mr.
9 Stephen Hoffman.

10 CHAIRMAN JACKSON: Before you go --

11 [Laughter.]

12 So given what you were just saying about the
13 licensing basis issues coming out of the various initiatives
14 that are already under way, would you say that given what we
15 already are doing that there's nothing in our recent
16 regulatory experiences since the Commission laid out these
17 principles that have caused us to reexamine the adequacy of
18 those principles?

19 MS. SLOSSON: That's right, I don't believe within
20 any of the Millstone lessons-learned issues we've identified
21 anything.

22 CHAIRMAN JACKSON: Okay. And then the second
23 question is whether you can give us some sense in the
24 aggregate of whether industry interest in pursuing license
25 renewal has decreased, remained the same, or increased as a

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1 consequence of the economic deregulation and restructuring
2 in the industry, and a related question is I notice that the
3 CE owners group appears to be the only owners group not
4 sponsoring a license renewal effort, and do you know if they
5 plan to do so, and are they supportive of the BG&E license
6 renewal effort?

7 There are only five questions.

8 MS. SLOSSON: Only five questions to answer.

9 I guess with respect to economic deregulation I
10 think it's --

11 CHAIRMAN JACKSON: Let's leave it -- let's just
12 put it in a more neutral tone.

13 Have you noticed any change over the last year,
14 couple of years in terms of any waning or increase of
15 interest in the license renewal area in an active way?

16 MS. SLOSSON: Do you want to --

17 MR. HOFFMAN: I'd say generally it's stayed the
18 same or maybe we've actually gotten a little more certain
19 interest from licensees in the process.

20 CHAIRMAN JACKSON: What about the question related
21 to the CE owners group activities?

22 MR. HOFFMAN: They have not approached us as to
23 any intent to submit anything with the staff. I think they
24 are letting BG&E take the lead.

25 CHAIRMAN JACKSON: Are they providing support for

1 that effort?

2 MR. HOFFMAN: That I can't answer.

3 CHAIRMAN JACKSON: Okay. Thanks.

4 MS. SLOSSON: All right, Steve, if you can go
5 through the status.

6 MR. HOFFMAN: All right. Industry approach to
7 date for license renewal has been to actually submit
8 technical reports and methodologies for staff review and
9 approval in advance of actually submitting a formal
10 application. The intent is that, and it's allowed by the
11 rules, that once they obtain this approval, they could
12 incorporate by reference these reports that have been
13 accepted by the staff. This gives them better information
14 on which to decide whether to continue operation after the
15 current license term and give them some idea as to the cost
16 of the aging management programs.

17 As was indicated in the previous slide, we've got
18 two licensees that are three owners groups that have been
19 preparing reports and submitting them to the staff. Other
20 licensees we are aware of have also been active supporting
21 the owners groups activities as well as the NEI generic
22 effort like on the Reg Guide, but we've gotten no formal
23 indication from them as to, you know, planned submittals at
24 this time.

25 The slide on BG&E, please.

1 Baltimore Gas & Electric has been active since
2 practically 1990 in license renewal. They incorporated
3 license renewal as part of their life-cycle management for
4 program for Calvert Cliffs. Although no decision has been
5 made yet to submit an application by BG&E, they currently
6 expect to complete preparation of their application by fall
7 of 1997. So it will be ready. They actually made their
8 first submittal back in 1993 with their methodology for
9 performing the integrated plan assessment. We were
10 reviewing that when the staff decided to go back and amend
11 the rule. After the rule was issued they revised that
12 methodology, resubmitted it, and we have reviewed it and
13 found it acceptable in a final staff safety evaluation
14 report. BG&E's approach has been to prepare the reports for
15 the systems structures and in some cases major components
16 such as the vessel internals that they handle in separate
17 reports.

18 As part of a demonstration program for the Reg
19 Guide, which I'll talk about a little bit more later on, the
20 staff was on site, and we looked at some of the reports that
21 they were preparing, and we found that in a number of areas
22 they contained sufficient information for the staff to begin
23 its technical review and submit it, but there was some
24 concern in a couple areas as to whether or not there was
25 enough detail there.

1 In response BG&E agreed to prepare a formal and
2 content template, and between May of '96 and January of this
3 year the staff and BG&E worked to review that report and to
4 resolve implementation issues based on some examples they
5 used to implement that. We concluded that if that template
6 is properly implemented, the reports that are prepared on
7 that and submitted to the staff should have sufficient
8 information for us to begin our renewal review.

9 In parallel with that template review they asked
10 and we agreed, they actually submitted five technical
11 reports and asked for us to review them in the area that we
12 did not have any concerns identified as part of the
13 demonstration program. That review is going on. We have
14 issued a request for information and they're responding.

15 End of May we just received four new reports.
16 These were prepared using the template and we've just begun
17 our review on that.

18 Their plan is to submit a total of 28 technical
19 reports by fall of this year, which will constitute pretty
20 much the technical portion of a renewal application.

21 CHAIRMAN JACKSON: Let me ask you this question,
22 can you give us some sense of what level of staff resources
23 and over what time frame will be necessary to complete the
24 review of the BG&E technical reports? Have you been able to
25 consider that? I don't know who wants to answer that.

1 MS. SLOSSON: I will answer that.

2 We anticipate that the review of the reports will
3 be completed by the end of 1999 if we get them on the
4 schedule as indicated. And our level of effort for license
5 renewal for '98 is approximately 20 FTE and \$900,000 and, in
6 '99, approximately 25 FTE and a million dollars for review
7 of those reports.

8 CHAIRMAN JACKSON: Let me ask you the next
9 question. And this has to do, really, with kind of
10 stability of the regulatory framework. So that is the
11 context in which I am asking this question. And it may be a
12 bit early to address it and, if it is, you know, tell me and
13 then I'll ask you, you know, in another meeting or in
14 another way, can you discuss the relationship
15 between -- which you have said the staff has basically
16 approved between the BG&E report template, NEI guidance
17 91-10, which has been, I guess, reg guide endorsed, and the
18 draft license renewal standard review plan?

19 You know, there is a NUREG 1568, owners groups
20 topical reports and the plant-specific application. Now,
21 that's a lot.

22 But I guess, you know, and I'm not asking you
23 necessarily to go through each one chapter and verse but I
24 want to understand the sense in which these things are all
25 consistent or not consistent so that we are not in a

1 position where things get approved and then a standard
2 review plan or some other guidance comes along that is a
3 little different, et cetera, et cetera, because our staff
4 needs to know what they are going to review against and the
5 industry needs to know going forward beyond BG&E's template
6 is that going to be the game? You know, what it is they are
7 going to be reviewed against?

8 MR. HOFFMAN: Okay, if I leave anything out let me
9 know.

10 Regarding BG&E's template, BG&E actually was
11 further along when we started the reg guide in review of NEI
12 95-10, so their template, their methodology is more plant
13 specific, it is equivalent to the staff is making sure that
14 what is in their approach is consistent with what we are
15 doing with 95-10.

16 As far as the various documents, they all really
17 are interrelated. You know, if we are looking at something
18 on an owners group report or for BG&E, it turns out it is
19 also typically coming up like in the review of NEI 95-10 or
20 it's an area that we are looking at for incorporating the
21 guidance in the SRP. So as we go through this, the rest of
22 the presentation, you are going to see there are a lot of
23 activities going on and we are trying to pull it all
24 together at the same time to come up with consistent
25 guidance that will be of use to both the staff and the

1 industry.

2 CHAIRMAN JACKSON: Right, and it is important that
3 they are all knit together, so that you are not all doing
4 this one and then the next guy, you know, you tell him to
5 bring you his rock and you're going to review it against
6 some separate criteria and that's what the concern is.

7 MS. SLOSSON: And the first two review cycles that
8 we are going through are very, very important because they
9 do provide us with specific issues that we are using to
10 develop that guidance that will be used generically.

11 CHAIRMAN JACKSON: So it is almost like a pilot?

12 MS. SLOSSON: It is very similar to a pilot.

13 CHAIRMAN JACKSON: All right.

14 MS. SLOSSON: And the resource numbers I gave you
15 were for the entire license renewal, it wasn't just for
16 BG&E.

17 CHAIRMAN JACKSON: I see. Okay.

18 MS. SLOSSON: That was a total effort. But I
19 wanted to clarify that.

20 [Laughter.]

21 MR. CALLAN: Including environmental.

22 CHAIRMAN JACKSON: Is that right?

23 MS. SLOSSON: Right.

24 CHAIRMAN JACKSON: Okay.

25 MR. HOFFMAN: Slide five, please.

1 Duke Power Company has also been very active in
2 license renewal since around early 1993, not only on
3 Oconee-specific activities but they have also been
4 supporting the NEI effort, the B&W Owners Group and
5 Westinghouse Owners Group activities.

6 Their approach is a little different than BG&E.
7 They are preparing one report with five major sections.
8 They are taking a discipline approach similar to the format
9 of the FSAR. They are going to be evaluating all of the
10 electrical instrumentation and control components in one
11 group, mechanical components, the structures and then they
12 will address the reactor building and reactor coolant
13 systems separately.

14 They have indicated that they intend to
15 incorporate by reference the topical reports that are under
16 review by the B&W Owners Group and one of the Westinghouse
17 Owners Group topicals.

18 Their goal is to complete the application and be
19 prepared for a submittal in late 1998 if the company makes
20 the decision to formally apply. They have indicated that
21 some of their considerations they are looking at besides
22 technical and environmental include the regulatory aspects,
23 the financial and the political concerns associated with
24 actually applying for renewal.

25 In July of '96, they submitted their first section

1 on the reactor building. The staff looked at it and found
2 that it didn't have, in some areas, sufficient information
3 for us to begin our review. In response, they committed to
4 preparing this generic format and content document using the
5 reactor building as a guide. Kind of like the BG&E template
6 effort to establish the -- what's necessary for a report to
7 begin review. They submitted that in late '96. We reviewed
8 it. Actually went on site in January of '97 to look at some
9 of the backup documentation and how it was being implemented
10 and we found that between the document itself and some
11 commitments they made in response to comments that it should
12 provide the guidance necessary to prepare reports sufficient
13 for our review.

14 They revised the reactor building report and
15 submitted it in March of this year and we are currently
16 reviewing that.

17 The remaining four sections are scheduled to come
18 in by fall of this year with essentially complete -- there
19 may be a couple holes. But those will be finished by the
20 end of the year. And, again, that should constitute pretty
21 much the technical portion of an application.

22 CHAIRMAN JACKSON: Let me ask you this question.
23 You mentioned that Duke may incorporate by reference both
24 B&W Owners Group and Westinghouse Owners Group topical
25 reports. Are there any concerns vis-a-vis proprietary

1 material?

2 MR. HOFFMAN: Not with these reports.

3 CHAIRMAN JACKSON: And the other question is,
4 would an a la carte, you know, approach be allowed where an
5 applicant can pick and choose sections of topical reports
6 and, if so, will this facilitate or complicate our reviews?

7 MR. HOFFMAN: Well, Duke has been very active in
8 the B&W Owners Group effort and so I wouldn't expect them to
9 be taking parts of the topicals. If they chose not to use
10 the entire topical, we would have to look at it more as a
11 plat-specific submittal as opposed to a preapproved approach
12 because we have discussed with the industry and it is in the
13 guideline that, if you are going to use a topical, you have
14 to show how you are enveloped and how any site-specific
15 commitments are being made before you can use it.

16 Okay, next slide.

17 Babcock & Wilcox Owners Group is active. They
18 were actually the first owners group to make a submittal.
19 They've got a generic program for five operating plants
20 which are the three Oconee units of Duke's, GPU's CMI-1 and
21 Entergy's two Arkansas units. They have submitted three of
22 the four planned component topical reports on reactor
23 coolant system piping, pressurizer and the reactor vessel.
24 Based on the review, we have already found one acceptable on
25 the final safety evaluation report. We have issued another

1 draft and we are working on a second final safety evaluation
2 report and draft. We expect the final report this month on
3 the vessel internals.

4 Our review -- actually what they have indicated
5 is, in the future, after they complete the topical work,
6 they will take on the longer term generic issues that may be
7 identified in renewal as well as provide support to Duke and
8 the other licensees who may apply for renewal.

9 A review of the reports to date has been more
10 advanced on B&W than the others because they have been in
11 longer, has been that generally existing programs have been
12 sufficient.

13 We have found in some cases where enhancements
14 have been needed, say on small bore piping and augmented
15 inspection but in general the existing programs have been
16 sufficient.

17 CHAIRMAN JACKSON: Is the B&W generic license
18 renewal effort still broadly supported by the members?

19 MR. HOFFMAN: It's been supported for some time by
20 three of the five.

21 One member, Florida Power, was involved early on,
22 but our understanding is that they dropped out due to
23 financial reasons, not for lack of interest.

24 One never was involved -- Toledo Edison.

25 Westinghouse Owners Group -- their program has

1 been very active too. They are preparing 15 topical reports
2 for major components and structures. The intent is to bound
3 all Westinghouse plants with the reports.

4 Their reports give the attributes of an acceptable
5 aging management program as opposed to B&W's, where with the
6 smaller population of plants they have actually made
7 commitments to specific programs.

8 They have submitted four topical reports that are
9 under review. We're preparing a draft safety evaluation
10 report on the reactor coolant system supports and the
11 remainder in various stages of requests for information and
12 responses.

13 The fifth report on the vessel internals is
14 scheduled to be submitted this month, and then they have
15 indicated that they plan to submit an additional two to
16 three reports.

17 The Boiling Water Reactor Owners Group program was
18 based on preparing topic reports for reference design. They
19 picked the BWR Mark I and an applicant that came in, if
20 there were any differences would justify those in their
21 plant-specific application.

22 They submitted the first of their six planned
23 reports on the containment in December of '95 which the
24 Staff reviewed and issued a request for additional
25 information on in February '96. That review was put on hold

1 by the BWR Owners Group initially because of funding.

2 We just received a letter from them in May
3 indicating that they are going to maintain that hold on
4 their program and let the implementation issues, the process
5 issues that have been identified as part of their report
6 review and the Reg Guide, let them be resolved by the lead
7 plant reviews.

8 CHAIRMAN JACKSON: So that is all BWR Owners Group
9 license renewal activities?

10 MR. HOFFMAN: In the Owners Group, yes.

11 CHAIRMAN JACKSON: And if some of the technical
12 issues are associated with the BWR containments, how does
13 suspending action resolve those issues?

14 MR. HOFFMAN: Well, some of them deal with the
15 interpretation of the guidance, which I will get into more
16 in the Reg Guide effort and where -- what is going to be
17 necessary in an application.

18 CHAIRMAN JACKSON: Okay.

19 MR. HOFFMAN: So they are going to let the lead
20 plants take those on.

21 The regulatory guide development began in earnest
22 in May of '95 when we amended the rule. A little bit of
23 background for you. About that time Nuclear Energy
24 Institute approached us and indicated they were preparing
25 the industry guideline, NEI 95-10, and requested our review

1 and endorsement if it was found acceptable.

2 We agreed to that, and there were extensive
3 interactions between August of '95 and March of '96 that
4 resulted in us preparing the draft Reg Guide that was
5 published for comment in August of '96 that proposed
6 endorsement of NEI 95-10, rev. zero.

7 During this development process, that was March to
8 August of '96, we participated in a trial application of the
9 95-10 guidance. NEI sponsored an industry demonstration
10 program in which six utilities participated. That was
11 Baltimore Gas & Electric, Duke, Southern Nuclear, Wisconsin
12 Electric, Philadelphia Electric, and Virginia Power.

13 The Staff actually sent a team out to each of the
14 licensees with the exception of Virginia Power, which chose
15 not to participate in the Staff site visit but underwent an
16 NEI-led peer review.

17 The intent was to look at, assess the adequacy of
18 the guidance and the ability of the participants to
19 implement the guidance and obviously identify any needs for
20 revision.

21 In the demonstration program the licensees used
22 the guidance to select certain system structures and
23 components and then they kind of ran it through the process
24 of doing the integrated plan assessment, evaluated time
25 limited aging analysis, and prepared sample application

1 materials that the Staff reviewed.

2 Generally what we found was that the 95-10, rev.
3 zero contains the basic guidance needed to prepare an
4 application, but we did see some inconsistent application of
5 the guidance as well as some areas where improvements could
6 be made or additional clarification would avoid conflicts in
7 the future.

8 We did publish our lessons learned in a NUREG
9 Report 1568.

10 During the public comment period we also conducted
11 a public workshop to allow as much opportunity for the
12 public to be involved in this. We discussed the rule, the
13 Reg Guide and 95-10 guidance, and the demonstration program
14 lessons learned, since that was being completed towards the
15 end of the public comment period.

16 The comment period ended at the end of November of
17 '96 and we received comments from NEI, five licensees, two
18 owners groups, and the Department of Energy. No comments
19 from the general public.

20 The comments received on the Reg Guide raised some
21 issues with interpretation of the wording and some of the
22 guidance contained in the draft Reg Guide and 95-10.

23 Discussions with industry on the issues raised by
24 the comments helped establish a better understanding of the
25 differences in interpretation in some of the areas.

1 Examples of some of the areas that were discussed
2 were the amount of information needed to demonstrate the
3 adequacy of existing programs being credited for aging
4 management, the amount of detail needed in an application
5 versus onsite available for Staff inspection, and the level
6 at which intended functions must be maintained and whether
7 component failure was allowed.

8 After extensive discussions with the industry, the
9 Staff now believes that the issues associated with the
10 guidance can best be resolved through trial application of
11 the draft guidance on specific structure and component
12 reviews.

13 Therefore, we have modified our approach for
14 developing the final Reg Guide and instead of issuing it
15 final in September of '97, as currently planned, we intend
16 to focus on plant-specific and owners group reviews using
17 the draft Reg Guide and the working draft standard review
18 plan for license renewal that I will talk about next to gain
19 the needed experience with implementation of the rule and
20 use that to help finalize the Reg Guide as well as the
21 standard review plan.

22 CHAIRMAN JACKSON: So then where would that track
23 you to when you think you would finalize the Reg Guide?

24 MR. HOFFMAN: What we would expect to do is
25 actually the guidance would not just sit. We would

1 incorporate a lot of that guidance that has been developed
2 and is being developed into the working draft of the
3 standard review plan, which is scheduled to be updated and
4 put in the public document room in September.

5 CHAIRMAN JACKSON: How appropriate would it be to
6 incorporate or to endorse, to publish a Reg Guide that
7 endorses those portions of 95-10 that we feel are
8 appropriate and then to supplement the Reg Guide on the
9 issues that have yet to be resolved at a later date?

10 MR. HOFFMAN: We considered that, but what we are
11 seeing is the interpretation by some of the -- like the
12 commenters that there's some principles that run throughout
13 that if we did that it would get the guidance out there, but
14 we are not certain that it is really a document that the
15 industry in the majority would embrace and would feel would
16 be useful for pursuing renewal.

17 What we are finding is that we have got two
18 licensees and two owners groups that are proceeding using
19 the guidance that is available. They have indicated that
20 they don't need the Reg Guide in order to proceed.

21 Generally what we find is that when we focus on a
22 specific structure on component with a licensee or an owners
23 group that we can work through these issues and we can come
24 to agreement as to what is acceptable for an application.
25 It is when we go back up and start talking in broad terms,

1 broad policy type statements that we then start debating
2 interpretations of the wording.

3 CHAIRMAN JACKSON: And that is why you are saying
4 that you want to incorporate the experience gained from
5 implementing it on plant-specific and the owners group.

6 You were going to make a comment, Sam?

7 MR. COLLINS: No.

8 CHAIRMAN JACKSON: Just showing your interest?

9 MR. COLLINS: Right.

10 CHAIRMAN JACKSON: Okay.

11 COMMISSIONER MCGAFFIGAN: What would be the
12 plan -- it will be several years before you try to
13 finalize -- but there would be another round of public
14 comment at that point where you would put out a new revised
15 draft and go through a process at that point? Is that the
16 thought?

17 MR. HOFFMAN: I think we'll have to.

18 We haven't really looked at it in detail but it is
19 most likely we would.

20 We wouldn't terminate actually the process with
21 Nuclear Energy Institute. The idea is not to stop. It's
22 just to -- I think it would be better to focus our resources
23 on these lead plant reviews and finishing the owners group
24 topical, and then continue the interaction with NEI, just
25 not on as high a priority basis.

1 During the draft work we were meeting with them
2 weekly. We had -- it was a very intensive effort trying to
3 produce the final document, so we would continue the effort
4 with NEI during this time.

5 CHAIRMAN JACKSON: Okay.

6 MR. HOFFMAN: We have already covered part of
7 this. We placed -- the original draft standard review plan
8 for license renewal was issued for comment back in 1990 but
9 it was based on the '91 rule so we updated that to reflect
10 actually it was the '94 proposed rule wording and agreements
11 that were reached from -- back in that timeframe there was a
12 NUMARC initiative in which were prepared industry reports
13 that addressed aging management for some structures and
14 components.

15 The Staff had been doing a review. We
16 incorporated the agreements from that into that working
17 draft standard review plan.

18 Currently we are working on updating and expanding
19 that to capture -- there were some modifications for the
20 final '95 amended rule wording, the experience we have
21 gained from the plant and owners group reviews to date, the
22 experience from the draft Reg Guide development and also
23 some additional administrative requirements and that should
24 be in the PDR by September.

25 The current schedule is to publish the draft

1 standard review plan for public comment after the review of
2 several renewal applications to allow experience to be
3 gained.

4 Next I would like to discuss two areas that we are
5 monitoring for potential effect on implementation of the
6 license renewal.

7 That is use of risk insights and maintenance rule
8 experience.

9 Regarding the use of risk insights, the Staff
10 recently received Commission approval to publish the draft
11 regulatory guides and standard review plan that provide
12 guidance for using probabilistic risk assessment and risk
13 informed decisions on plant-specific changes to the current
14 licensing basis.

15 These Reg Guides and SRPs were submitted to the
16 Commission in SECY 97-077.

17 Once issued final, licensees will be able to use
18 this guidance to make changes to its COB during the current
19 operating term, and, consistent with the principles of
20 license renewal, the regulatory process carries forward into
21 the renewal term so a renewal applicant would be able to use
22 this guidance in preparing its application as well as in the
23 renewal term.

24 Specifically for license renewal, when the amended
25 license renewal was issued, the Commission stated in the

1 statement's consideration that PRA could be used by a
2 renewal applicant when assessing the relative importance of
3 a structure or component subject to an aging management
4 review and for developing the aging management program.

5 The PRA Reg Guides that were just approved for
6 issuance for draft for comment could also be used for
7 guidance for an applicant in performing these assessments.

8 We also plan to use risk insights when we develop
9 the inspection program for license renewal, which I will
10 talk about again in a minute.

11 Maintenance rule experience -- the license renewal
12 relies on existing licensee programs, in particular the
13 maintenance rule -- that was clear in the amended '95
14 rule -- to conclude that active components can be
15 generically excluded from the scope of renewal review
16 because the effects of aging are more readily detectable.

17 Although passive structures and components are
18 technically within the scope of the maintenance rule, the
19 Commission at that time believed that there was insufficient
20 experience regarding the evaluation of long-term effects of
21 aging on passive functions to be able to generically exclude
22 them from renewal review.

23 Because of this dependence on the maintenance
24 rule, license renewal staff is monitoring the implementation
25 of the maintenance rule and the baseline inspections being

1 performed to determine how lessons learned from the
2 maintenance rule can best be factored into the license
3 renewal process.

4 One example of an issue identified by the
5 maintenance rule, inspections, has been the need for
6 additional guidance for monitoring the structures. That was
7 described in the maintenance rule status paper, SECY 97-055.

8 In that case license renewal staff has been
9 participating in the Staff activities to develop guidance
10 for both operating reactors as well as for the renewal term.

11 The help the exchange of information, both the
12 maintenance rule and license renewal staffs have been
13 monitoring and participating in each other's activities.
14 Maintenance rule staff was active in our development of the
15 draft Reg Guide and participated in the demonstration
16 program for the Reg Guide.

17 License renewal staff is going to be participating
18 in a maintenance rule baseline inspection, and we are
19 monitoring the results of their ongoing inspections for any
20 lessons learned.

21 Okay, Inspection Program Development. The intent
22 is to prepare a draft of the inspection program for license
23 renewal to support review of the first application. We're
24 using the ongoing dialogue with industry and the experience
25 gained from reviews of the owners group and plant-specific

1 documents to help staff know where to focus its inspection
2 efforts and where there's a need for new or modified
3 programs both for the renewal review as well as on into the
4 renewal term.

5 We also like I said plan to use risk insights in
6 establishing that program, consistent with like the SRP we
7 would finalize that inspection program after we've gained
8 the experience of several renewal application reviews.

9 If there's no additional questions, I'll let Dave
10 Matthews discuss environmental.

11 MR. MATTHEWS: Good afternoon.

12 Before I present a description of the status of
13 our environmental review activities associated with license
14 renewal, I think it would be helpful to review just briefly
15 in contrast to the Part 54 rulemaking activities that there
16 was a companion rulemaking activity in the environmental
17 protection area associated with an amendment to Part 51 to
18 address license renewal.

19 Part 51 was revised finally to address license
20 renewal issues in December of 1996, just last year. That
21 rule revision was based on a generic Environmental Impact
22 Statement to address the environmental impacts attendant to
23 license renewal, which was issued in final form in May of
24 1996. In turn that GEIS was based on operating experience
25 from an environmental perspective of the 118 reactors that

1 were either operating at the time or planned in 1991 when
2 this effort was undertaken.

3 The result of that rulemaking activity and GEIS
4 development focused on 92 impacts associated with license
5 renewal that related to environmental protection. Those 92
6 impacts were sorted and classified in the final rule into
7 two categories. Category 1 impacts, and there were 68 of
8 those that were dealt with by the Commission's approval in a
9 generic capacity, and 24 site-specific impacts, referred to
10 as category 2 impacts, that were to be left for
11 determination during the site-specific evaluation of the
12 environmental impacts.

13 I think it would also be helpful if I could turn
14 to background slide 6, to just briefly describe the process
15 that is outlined in part 51 for a plant-specific review.
16 And the major steps are the staff's environmental review of
17 an application. In this case we're talking the licensee's
18 environmental report. That would then result in the staff
19 issuing a site-specific supplemental Environmental Impact
20 Statement in draft form addressing those 24 issues that were
21 left to site-specific review.

22 The staff at that point following the draft and
23 the scoping process and public comment would issue a final
24 Environmental Impact Statement and would make a
25 determination of the acceptability of the license renewal

1 action. At that point the responsibility turns to the
2 Commission to issue a record of decision based on that
3 Environmental Impact Statement and the staff's conclusion,
4 and the wording of that record of decision that's called for
5 in Part 51 relates to preserving the option of license
6 renewal for energy-planning decision makers. That is a
7 little different from the traditional cost-benefit balancing
8 that is usually done in environmental reviews, and that's
9 articulated in the final rule.

10 Turning back now to the status slide, which is
11 slide 12, at the time that the Commission approved for final
12 publication the revisions to Part 51 they also requested the
13 staff to address the issue of guidance associated with the
14 implementation of that rule, and the two elements of that
15 guidance and the staff responded to the Commission with a
16 schedule for these, were the environmental standard review
17 plan, which we plan to publish for public comment in August
18 1997, and we're on schedule to do that, and the hope is
19 provided the comments are such that we can resolve them
20 expeditiously, is to issue a final environmental standard
21 review plan in August of 1998. In addition a regulatory
22 guide is under preparation, with the planned schedule for
23 that of being published for public comment in July of 1997,
24 with a reg guide to be finalized in March of 1998.

25 Consistent with the approach you've just heard

1 with regard to Part 54 review efforts, we have had
2 discussions and extensive interaction with Baltimore Gas &
3 Electric on a template process for the format and content of
4 an environmental report that would support an application.
5 The goal of that process was to ensure that an environmental
6 report when submitted would be considered suitable for
7 further staff review as part of an actual application. So
8 we weren't making determinations on the acceptability of the
9 material contained therein, only acceptability of its scope
10 associated with the staff's ongoing review.

11 We concluded that template process through a
12 management meeting which took place on Thursday, June 5,
13 where we provided our assessment to BG&E management that we
14 thought the process had culminated in a format and content
15 document that they had prepared that if they were to prepare
16 an environmental report along those lines it would meet that
17 requirement, namely that it would pass our acceptability
18 review.

19 We've had interactions with NEI and Duke. With
20 Duke with regard to the fact that they have under
21 preparation an environmental report to support a possible
22 application, and we've also talked with NEI with regard to
23 their desires to consider the development of guidance for
24 the industry in this area.

25 COMMISSIONER McGAFFIGAN: Does that conclude the

1 environmental part?

2 CHAIRMAN JACKSON: I think so.

3 Do you have a question?

4 COMMISSIONER McGAFFIGAN: Can I ask a question?

5 CHAIRMAN JACKSON: Sure.

6 COMMISSIONER McGAFFIGAN: I've gone back and
7 looked at Part 51, and one of the issues that you've
8 mentioned in the paper before us on page 7, an area that
9 needs some clarification, and you're discussing it with
10 industry, is the generic and cumulative impacts associated
11 with transportation operation in the vicinity of a
12 high-level waste repository site.

13 That's one of these category 2 items under the
14 rule that was published. And it strikes me that sort of
15 puts people in a pretty tough situation in that it probably
16 should be dealt with generically maybe by ourselves. And so
17 how do we get ourselves out of the fix that we're probably
18 not going to deal with the generic transportation issues of
19 Yucca Mountain for a few years yet, and yet some of these
20 folks are on a time line to come in as early as late this
21 year or next year? So do you have any thoughts as to how we
22 deal with that issue? What has been the nature of the
23 discussions?

24 MR. MATTHEWS: Yeah, based on our discussions with
25 BG&E and with Duke, it is clear that that is probably, if

1 there is an -- what appears at this point in time to be an
2 issue that's unresolved in this area, although there are
3 some other ones the resolution of which isn't completely
4 clear, this one would be less clear than the others.

5 However, this situation was anticipated in
6 conjunction with the approval of the final rule in December
7 of last year. The staff and the Commission found themselves
8 in the position of not having a sufficient generic analysis
9 upon which to base a finding that this could be considered
10 as a category 1 issue. However, the Commission expected,
11 and they expressed in the statement of consideration, that
12 as part of its efforts to develop regulatory guidance for
13 this rule, the Commission would consider whether further
14 changes to the rule are desirable to generically address the
15 issue of cumulative transportation impacts. And that's
16 exactly what the staff is going at this juncture.

17 CHAIRMAN JACKSON: So let me make sure -- so what
18 is it that the staff is doing?

19 MR. MATTHEWS: I was going to move on to that.

20 COMMISSIONER McGAFFIGAN: Well, we'll both let you
21 go.

22 MR. MATTHEWS: The staff has obtained and is
23 currently evaluating information from DOE which we
24 anticipate will provide the basis for a generic analysis of
25 cumulative effects of transportation in the vicinity of a

1 high-level waste repository.

2 CHAIRMAN JACKSON: And are you going to bring a
3 paper forth to the Commission on this?

4 MR. MATTHEWS: Yes, and in fact I will get to the
5 issue of what options might be available.

6 CHAIRMAN JACKSON: Okay. Good.

7 MR. MATTHEWS: And certainly the Commission will
8 be involved in the determination of the chosen one

9 COMMISSIONER McGAFFIGAN: And what is the timing
10 for --

11 MR. MATTHEWS: I wanted to make a comment that
12 it's important, given that DOE has not yet issued an
13 Environmental Impact Statement that would go the full
14 distance in addressing this issue --

15 COMMISSIONER McGAFFIGAN: And won't for some --

16 MR. MATTHEWS: For some time.

17 COMMISSIONER McGAFFIGAN: Yes.

18 MR. MATTHEWS: We're of course concerned that we
19 not act too precipitously, so we do want to have an analysis
20 performed by the staff based on information that we receive
21 from DOE as opposed to just quote "adopting" what they've
22 provided. So we do want to do that.

23 COMMISSIONER McGAFFIGAN: Is an option for dealing
24 with the early appliers though -- this is something that
25 obviously should be dealt with generically. We can't deal

1 with it generically yet. Is this an area where we're going
2 to have to use an exemption to -- or some sort of an
3 approach --

4 MR. MATTHEWS: I think there's a potential for
5 that. The staff really hasn't considered what the
6 implications of granting an exemption in this area is, and
7 we'll certainly consider it if the need arises.

8 CHAIRMAN JACKSON: Is that one of the options on
9 your list?

10 MR. MATTHEWS: Yes. But I wanted to say we think
11 that there's probably time to perform an analysis and
12 proposed to you the possibility of an expeditious rulemaking
13 that will resolve this issue.

14 CHAIRMAN JACKSON: I see.

15 MR. MATTHEWS: That was what was expected at the
16 time that the issue was not sufficiently dealt with in
17 December, and our expectation is that provided the analysis
18 of DOE's input and our analysis would provide a sufficient
19 basis for that, that's the road that we'd like to go down.

20 COMMISSIONER MCGAFFIGAN: I've heard expeditious
21 rulemaking --

22 [Laughter.]

23 COMMISSIONER DICUS: No, no, no, I have both of
24 you on either side, so I don't have to worry about it.

25 No, I'm not clear on the timing in here. You

1 said, you know, we have to wait -- we had to wait a little
2 bit, you know, obviously with DOE and other things to get
3 the Environmental Impact Statement and then you talk about
4 an expeditious rulemaking, so I'm not --

5 MS. CYR: If I could say something, I mean the
6 Commission and -- I mean, the obligation to examine this
7 under NEPA is fundamentally ours, and we provide by
8 regulation that licensees have to provide an environmental
9 report to give us information basically that shortens our
10 process, so, I mean, in a sense this is a slightly different
11 situation if you were to quote "grant an exemption" if
12 that -- in that context -- but what the Commission has done
13 in the past is -- most notably in the waste confidence
14 proceeding -- was where we had a generic issue that came up
15 which the Commission decided that they wanted to address
16 generically.

17 They just provided that during the proceeding that
18 issue in the rulemaking you would not address it in
19 individual license proceedings and this licensing proceeding
20 would be subject to whatever the outcome of that generic
21 proceeding was, so we at least -- we have a situation in the
22 past where we have just provided that the individual actions
23 would be subject to whatever the outcome of the action was,
24 if in fact the license -- their proposal to amend the
25 existing findings in part 51 didn't terminate prior to the

1 time that you had an application come in.

2 MR. MATTHEWS: And I might clarify that I hope I
3 didn't leave the impression we thought we needed to wait on
4 DOE's final Environmental Impact Statement for us to review
5 the issue and the associated environmental impacts, and we
6 the NRC issue a generic document that would reflect the
7 generic treatment of that issue short of DOE finalizing
8 their activity. And that would be the document upon which a
9 potential rulemaking would be potentially based. However,
10 short of that, there might be an option of issuing such a
11 generic environmental analysis that could be referenced by
12 the utilities in individual environmental reports. But,
13 again, the staff would then turn in development of their
14 draft environmental impact statement of having to deal with
15 that issue on a generic basis.

16 So that is why I made the comment exemptions,
17 while we haven't considered them in detail, may not really
18 be the option.

19 COMMISSIONER McGAFFIGAN: Could I clarify?
20 What does expeditious rulemaking mean in this
21 context?

22 MR. MATTHEWS: Well --

23 COMMISSIONER McGAFFIGAN: I mean, when would it
24 begin and when would it end, just approximately?

25 MR. MATTHEWS: I think that is the options that we

1 would have to consider among us, NOGC, in terms of how
2 expeditious such a rulemaking could be performed.

3 COMMISSIONER MCGAFFIGAN: If I am a licensee
4 listening to this discussion, BG&E or Duke, what am I to
5 take away from it in terms of is this a problem for me or
6 not and do I have to include very much on this in my draft
7 report to the Commission or do I not?

8 MR. MATTHEWS: In the current regulatory arena
9 with the regulation as it exists, they need to address this
10 issue in the environmental report and address what's phrased
11 the generic and cumulative impacts so there is an obligation
12 for them to do that. However, as I explained with regard to
13 the process, we then, as Karen has pointed out, we the staff
14 then assume the obligation for doing a sufficient
15 environmental review and so we can bring to that review
16 additional information that we may develop as well.

17 CHAIRMAN JACKSON: I think perhaps a way to get at
18 this is if you were -- well, let me ask two questions, a
19 question and then make a comment.

20 When were you expecting to propagate the options
21 paper to the Commission?

22 MR. MATTHEWS: Well, I have to admit that until I
23 have a better feeling for when the staff can complete their
24 environmental assessment of the information received by DOE,
25 it is difficult for us to commit to what might be the next

1 step and that was the difficulty I --

2 CHAIRMAN JACKSON: I think we need a couple of
3 things from you. I think one is that we need to have that
4 readout of when the staff can complete its review of DOE's
5 environmental assessment and it's tied into what they are
6 doing. But I think we also need a readout relative to
7 various options that the Commission would have, but
8 particularly one related to rulemaking.

9 We need to have some sense of what is possible in
10 terms of speed and that may require input from OGC so we
11 understand, you know, what the legal bounds are. And so if
12 you could do that?

13 MR. MATTHEWS: That was the path we were headed
14 upon and we will proceed expeditiously.

15 CHAIRMAN JACKSON: Sure, apace. Right. Thank
16 you.

17 MS. SLOSSON: If we could go to the last slide?

18 In summary, the staff plans to focus its resources
19 on the plant-specific and owners group reviews and
20 applications if we receive it and use the information from
21 those reviews to make sure that we have clear and concise
22 guidance from the industry to use in pursuit of license
23 renewal and in the development of that guidance, certainly,
24 if we identify any policy issues, we will bring them forward
25 to the Commission.

1 CHAIRMAN JACKSON: Thank you.

2 Commissioner Rogers?

3 COMMISSIONER ROGERS: I don't have anything.

4 CHAIRMAN JACKSON: Commissioner Dicus?

5 COMMISSIONER DICUS: I have one more question.

6 I recognize at the onset this is not specifically
7 related to license renewal but I am particularly interested
8 in learning a little bit more about the subject so, for
9 information purposes, I would like to bring it up. This has
10 to do with EQ, which I recognize is an ongoing issue with
11 operating plants and was taken out of the renewal bin for
12 that reason, at least that is what I understand.

13 But what do you expect licensees or how do you
14 expect licensees to address this in their renewal
15 applications?

16 MR. HOFFMAN: Well, EQ, actually that generic
17 issue was identified as part of the early license renewal
18 reviews along with, like metal fatigue which is another
19 generic issue that we have identified.

20 When we amended the rule, the statements of
21 consideration talks about unresolved generic issues and it
22 does state clearly that a renewed license can be issued with
23 an unresolved issue. A couple options, it discusses like
24 BG&E or Duke could use would be to -- they could come up
25 with a plant-specific resolution of the issue or they could

1 give us a more or less a justification of why they can
2 continue to operate until some period in the future when
3 they could then incorporate the final resolution.

4 We have been involved, you know, even though it
5 has been taken out of more or less the license renewal's
6 responsibility, we continue to be involved in the ongoing
7 activities with research and the technical branches of NRR.

8 COMMISSIONER DICUS: How many unresolved generic
9 safety issues are there?

10 MR. HOFFMAN: We are still looking at that. We
11 are talking about -- well, unresolved generic issues that
12 have to be addressed for renewal are only those that involve
13 structures and components subject to the -- you know, within
14 the scope of the rule and that involve aging effects. So we
15 are talking passive, long-lived components with applicable
16 aging effects. So it narrows it down quite a bit.

17 Some initial cuts show less than 10, in that
18 ballpark. And some reviews have shown two. It depends on
19 who is doing the review right now. So we haven't got that
20 final list.

21 CHAIRMAN JACKSON: Okay, Commissioner Diaz?

22 COMMISSIONER DIAZ: Yes, let's see. Following on
23 that question, I think aging is the key issue on relicensing
24 versus not the matter of aging but aging gracefully, that
25 whole issue.

1 [Laughter.]

2 COMMISSIONER DIAZ: A concern that some of us have
3 of late. But, you know that I think it is important to, and
4 I don't quite see though, how are we developing the body of
5 knowledge necessary to systematically use some criteria to
6 determine the degradation, not aging, per se, as a
7 degradation of safety systems. Instead, is that process
8 being developed with significant focus?

9 MR. HOFFMAN: There have been a number of
10 activities. To clarify, we are looking at the aging
11 effects.

12 COMMISSIONER DIAZ: Aging means degradation due to
13 aging, right?

14 MR. HOFFMAN: Right.

15 We are looking at the effects as opposed to the
16 mechanisms themselves because we want to ensure the
17 functionality of structures and components.

18 There -- and the intent is that we maintain that
19 functionality in accordance with the current licensing basis
20 and, in particular, the design basis. So that when you are
21 looking at the effects of aging in a number of areas, you do
22 go back and see what the design intent is and ensure that
23 function can be maintained.

24 There have been some additional -- it's really,
25 like before, in renewal, everything seems to be kind of

1 interrelated. The NUMARC reports in which they did some
2 studies on specific structures and components have added to
3 it, the Office of Research has had their Nuclear Plant
4 Research -- I forget the exact name of it, that they have
5 been developing. There was a generic aging lessons learned
6 document that has been produced.

7 So we are pulling all of that data in as part of
8 this ongoing process and looking at it.

9 COMMISSIONER DIAZ: And are we starting to assume
10 some criteria of pass, no pass, going to watch it? I mean,
11 there should be some body of knowledge that we develop
12 systematically that will not only allow us to look at the
13 first one but will actually allow us to, in a critical
14 manner, analyze the functionality and/or potential
15 continuing effects. Because I think aging becomes the
16 critical component of the process; is that correct?

17 MS. SLOSSON: Aging is the critical part of the
18 license renewal review we do for the passive, long-lived
19 components. So we are evaluating and developing guidance
20 for how the staff will look at and what criteria will we use
21 to determine if an aging management program is effective.
22 So that is being done as part of the regulatory guidance
23 development.

24 MR. HOFFMAN: And the Standard Review Plan will
25 be, for the components and structures looked at, it will

1 contain specific guidance as to --

2 COMMISSIONER DIAZ: I think that body of knowledge
3 is critical to the entire process, to maintain it and
4 upgrade it and develop it to a point that will be useful in
5 a continuous manner because you are going to go back to it
6 over and over again.

7 CHAIRMAN JACKSON: Commissioner McGaffigan?

8 COMMISSIONER MCGAFFIGAN: Given how much time was
9 devoted to the last question that was spurred by this
10 sentence, I am not sure I want to keep going on it, but
11 there is a list of other issues other than transportation
12 issues that you have been discussing with the industry and
13 the sentence that follows says, good progress has been made
14 on these issues and dialogue continues.

15 Are any of the other issues on the list, do they
16 rise to the same level that the transportation issue rises
17 to in terms of possibly involving Commission guidance or
18 whatever?

19 MR. MATTHEWS: Not based on what discussions we
20 have had to date.

21 CHAIRMAN JACKSON: Well, I would like to thank the
22 NRC staff for providing a very informative briefing to the
23 Commission regarding activities associated with the
24 implementation of the license renewal rule. It was
25 important in 1994, when the Commission directed the staff to

1 revise the rule and it is just as important today that the
2 Commission provide a stable and predictable license renewal
3 process.

4 So I commend the staff for its perseverance in
5 these license renewal efforts and the staff should continue
6 to work with the nuclear power industry to resolve the
7 technical and other implementation issues. And, as you have
8 heard and you have heard specific ones, should the staff
9 identify policy issues associated with the license renewal
10 rule implementation or with the environmental related
11 requirements contained in 10 CFR Part 51, the staff should
12 forward these issues promptly to the Commission for timely
13 resolution along the lines that we have already discussed.

14 So, unless my fellow commissioners have any
15 further comments, we are adjourned.

16 [Whereupon, at 2:36 p.m., the briefing was
17 concluded.]

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CERTIFICATE

This is to certify that the attached description of a meeting of the U.S. Nuclear Regulatory Commission entitled:

TITLE OF MEETING: BRIEFING ON STATUS OF LICENSE RENEWAL

PLACE OF MEETING: Rockville, Maryland

DATE OF MEETING: Thursday, June 12, 1997

was held as herein appears, is a true and accurate record of the meeting, and that this is the original transcript thereof taken stenographically by me, thereafter reduced to typewriting by me or under the direction of the court reporting company

Transcriber: Roalie Berskon

Reporter: Mark Mahoney



STATUS OF LICENSE RENEWAL

June 12, 1997

**Marylee M. Slosson
Stephen T. Hoffman
David B. Matthews**

LICENSE RENEWAL HISTORY

- **December 1991 - License renewal rule (10 CFR Part 54) issued**
- **May 1995 - Amended Part 54**
- **December 1996 - Amended 10 CFR Part 51 to address environmental considerations for license renewal**

Basis: Generic Environmental Impact Statement

SIGNIFICANT COMMISSION DETERMINATIONS LICENSE RENEWAL RULE

- **Regulatory process is adequate for ensuring that the licensing bases of all currently operating plants provides and maintains an acceptable level of safety**
- **Issues relevant to current operating plants will be addressed by the regulatory process and carried forward into the period of extended operation**
- **Compilation of the current licensing basis (CLB) or reverification of CLB compliance is not necessary for a license renewal review. CLB carries forward into period of extended operation.**

LICENSE RENEWAL ACTIVITIES

- **Industry interest in license renewal**

Plant-specific: Baltimore Gas & Electric and Duke Power

**Owners Groups: Babcock & Wilcox, Westinghouse, and
Boiling Water Reactor**

- **Implementation guidance development**
- **Environmental activities**
- **Future Activities**

BALTIMORE GAS & ELECTRIC CO. CALVERT CLIFFS NUCLEAR POWER PLANT

- **Potential first official application as early as fall 1997**
- **Staff reviewed IPA methodology and issued FSER**
- **Staff reviewed BGE application format & content template**
- **Submitted 5 technical reports in May 1996 - limited scope review**
- **Submitted 4 technical reports in May 1997**
- **Plan to submit total of 28 technical reports by fall 1997**

DUKE POWER COMPANY OCONEE NUCLEAR STATION

- **Potential application late 1998**
- **Staff reviewed generic format and content document**
- **Submitted first of 5 technical submittals in March 1997**
- **Remaining 4 submittals by fall 1997**

BABCOCK & WILCOX OWNERS GROUP

- **Generic program for 5 operating plants**
- **Submitted 3 of 4 component topical reports**
- **Staff issued 1 FSER (RCS piping) and 1 DSER (pressurizer)**
- **Staff preparing DSER (RPV) and FSER (pressurizer)**
- **RPV internals report to be submitted in June 1997**

WESTINGHOUSE OWNERS GROUP

- **Preparing 15 topical reports**
- **4 topical reports submitted and under review (RCS supports, Class 1 piping, pressurizer, and containment)**
- **RPV internals report to be submitted in June 1997**
- **Potential to submit 2 to 3 additional reports**

BOILING WATER REACTOR OWNERS GROUP

- **Topical reports based on a reference design**
- **Submitted 1 of 6 planned reports (containment)**
- **Staff review placed on hold by owners group**

REGULATORY GUIDE DEVELOPMENT

- **Published draft RG for comment - August 1996 (SECY-96-159)**
- **Proposes endorsement of NEI Guideline 95-10**
- **Application of guidance: demonstration program (6 utility participants)**
- **Public comments received**
- **Public workshop October 29, 1996**
- **Use experience gained from implementing draft RG on plant-specific and owners group reviews to finalize RG**

STANDARD REVIEW PLAN DEVELOPMENT

- **Working Draft SRP-LR placed in Public Document Room (PDR)
December 1995**
- **Working draft being expanded and updated to capture review
experience, draft RG development, and administrative requirements**
- **Updated working draft to be placed in PDR by September 1997**
- **Draft SRP-LR to be published after completing the review of several
renewal applications**

INSPECTION PROGRAM DEVELOPMENT

- **Preparing draft to support review of first application**
- **Finalize after completing review of several renewal applications**

STATUS OF ENVIRONMENTAL ACTIVITIES

- **Environmental Standard Review Plan (ESRP) to be published for public comment August 1997**

ESRP final in August 1998

- **Regulatory Guide (RG) to be published for public comment July 1997**

RG final in March 1998

- **BGE template process for format and content**
- **Interactions with NEI and Duke**

FUTURE ACTIVITIES

- **Focus staff resources on:**
 - Plant-specific and owners group report technical reviews**
 - Applications (when received)**
- **Continue development of implementation guidance**
 - Finalize after additional experience gained**



POLICY ISSUE

(Information)

June 5, 1997

SECY-97-118

FOR: The Commissioners

FROM: L. Joseph Callan
Executive Director for Operations

SUBJECT: ACTIVITIES ASSOCIATED WITH IMPLEMENTATION OF 10 CFR PART 54

PURPOSE:

To inform the Commission of the status of the activities associated with the implementation of 10 CFR Part 54 (the license renewal rule).

BACKGROUND:

Since the amended license renewal rule became effective in June 1995, the NRC staff and industry have initiated a number of activities associated with implementing the rule. The staff informed the Commission of the status of these activities in SECY-96-059, dated March 18, 1996. An overview of the status of license renewal activities was also transmitted to the Commission in a memorandum dated, January 16, 1997.

The staff informed the Commission in SECY-96-159, dated July 12, 1996, of its intent to issue Draft Regulatory Guide, DG-1047, "Standard Format and Content for Applications to Renew Nuclear Power Plant Operating Licenses." The draft regulatory guide (RG) proposes to endorse a guideline developed by the Nuclear Energy Institute (NEI), "Industry Guideline for Implementing the Requirements of 10 CFR Part 54 -- The License Renewal Rule," NEI 95-10, Revision 0, as an acceptable method for implementing the license renewal rule. In a staff requirements memorandum, dated August 8, 1996, the Commission indicated that it did not object to the publication of the draft RG for public comment. A notice of availability and request for public comments was published in the Federal Register on August 26, 1996.

The staff's current and future activities include (1) reviewing plant-specific and owners group technical reports concerning specific structures and components for compliance with the renewal rule, (2) developing an RG for preparing a renewal application, (3) reviewing the industry guidance document,

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NEI 95-10, that would be endorsed by the RG if found acceptable, (4) preparing a standard review plan for license renewal, (5) preparing inspection guidance for license renewal, and (6) reviewing license renewal applications.

DISCUSSION:

Staff and industry activities associated with implementation of the license renewal rule are discussed next.

License Renewal Application Activities

The industry continues to submit plant-specific and owners group technical reports for staff approval instead of submitting actual license renewal applications. The intent is for a licensee to reference these reports in a future application if the decision is made to pursue license renewal. This approach provides a potential applicant with better information on which to base its evaluation of continuing plant operation beyond its current licensed term, including the cost of any additional aging management programs.

As discussed later in more detail, two licensees, Baltimore Gas and Electric (Calvert Cliffs) and Duke Power (Oconee) have submitted plant-specific reports for staff review. Baltimore Gas and Electric is contemplating a decision as early as this year on whether to pursue a renewed license and Duke is contemplating a decision in 1998. The Babcock and Wilcox, Westinghouse, and Boiling Water Reactor Owners Groups also have had active programs and have submitted reports for staff review and, ultimately, for reference in a licensee's application. Other licensees are active in license renewal and are participating in owners group or NEI license renewal initiatives but have not formally told the staff of their intentions regarding submittal of a license renewal application.

Baltimore Gas and Electric Company

The Baltimore Gas and Electric Company (BGE) has continued its license renewal activities in preparation for a possible license renewal application for Calvert Cliffs in late 1997 or early 1998. Baltimore Gas and Electric efforts include both technical and environmental activities (details of BGE environmental license renewal activities are discussed under the "Environmental Activities" section). In SECY-96-059, the staff informed the Commission that BGE intended to submit 26 technical reports in 1996. However, in lieu of submitting the 26 technical reports, BGE submitted only 5 reports and developed a format and content template for the technical reports.

Baltimore Gas and Electric decided to develop a format and content template because of staff comments made during the NEI-sponsored License Renewal Demonstration Program (LRDP), which is discussed later in this paper. During the LRDP, the staff commented that the reports did not contain, in all cases, the level of detail needed for the staff to complete its review. In response, BGE developed a template that provides guidance to ensure that the format and content of the reports are sufficient for the staff to begin a technical

review. In May 1996, BGE proposed that the staff review the template in parallel with the technical review of the five reports. The staff agreed and the template review was broken into two 90-day efforts, each of which concluded with a senior management meeting between BGE and the NRC.

The first 90-day review effort consisted of the staff's evaluation of BGE's implementation of the template. The implementation highlighted key areas in which BGE and the staff differed on the content and level of detail of information required for a technical report or license renewal application. The second 90-day effort focused on resolving the staff's and BGE's differences in these key areas to ensure that BGE implementation of the template meets the staff's expectations. At the end of the template review, the staff concluded that, when properly implemented, the template should result in technical reports with a format and content sufficient for the staff to begin technical review. Baltimore Gas and Electric is currently using the template as a guideline to develop technical reports and is on schedule to submit a total of 28 reports between May and September 1997.

The staff also completed its initial review of the five BGE reports in the areas of scoping, intended functions, and aging effects, and by letter dated August 30, 1996, issued a request for additional information (RAI). By letter dated February 14, 1997, BGE responded to the staff's RAI. Baltimore Gas and Electric subsequently submitted four reports, including revisions to three of the five original reports that are consistent with the template requirements for content.

Duke Power Company

The Duke Power Company (Duke) has established the Oconee License Renewal Project with the goal of completing a license renewal application and being prepared for submittal in late 1998. Duke is presently assessing the technical, regulatory, environmental, financial, and political aspects of license renewal before making the decision to apply. Duke plans to submit the technical information needed to support the renewal application in a topical report consisting of five major sections. These sections will encompass the entire plant. The first section on the reactor building was submitted for staff review on March 12, 1997, and the remaining sections covering structures, electrical components, mechanical components, and the reactor coolant system are scheduled for submittal by September 1997. In addition, Duke plans to incorporate by reference into its application topical reports prepared by the Babcock and Wilcox Owners Group (BWOG) and Westinghouse Owners Group (WOG) necessitating completion of the staff's review of the BWOG and WOG reports which are discussed in more detail later in this paper. Duke environmental activities are discussed under the "Environmental Activities" section.

Babcock and Wilcox Owners Group

The BWOG has continued its activities under the Generic License Renewal Program (GLRP) to provide generic guidance to member utilities regarding the

aging management programs necessary for selected components for complying with the license renewal rule. The BWOOG has submitted aging management generic topical reports (GTRs) on the reactor coolant system (RCS) piping, the pressurizer (PZR), and the reactor pressure vessel (RPV). A fourth and final GTR on RPV internals is expected to be submitted in June 1997.

The staff has completed its review of the BWOOG RCS piping GTR and issued a final safety evaluation report (FSER) on March 21, 1996. The staff is also preparing the FSER for the BWOOG PZR GTR, which is expected to be issued in July 1997. The initial review of the RPV report is complete and the staff is currently developing the draft safety evaluation report (DSER).

Westinghouse Owners Group

The Westinghouse Owners Group (WOG) has continued to develop GTRs to assist its member utilities with the technical evaluation necessary for complying with the license renewal rule. The WOG has submitted four GTRs: RCS supports, Class 1 piping, PZR, and containment. A fifth GTR on RPV internals is expected to be submitted in June 1997. The WOG has also completed reports on five additional structures and components and expects to complete five more reports by the end of June 1997. The WOG has informed the staff that it expects to submit only two or three of these ten additional reports for staff review and approval. The remainder of these reports will be used to assist participating WOG plants in preparing a license renewal application.

The staff has completed its initial review of the WOG RCS supports GTR and is developing the DSER. The staff is performing its initial review of the Class 1 piping, PZR, and containment GTRs.

Boiling Water Reactor Owners Group

The Boiling Water Reactor Owners Group (BWROG) has a generic license renewal program to develop topical reports to assist its member utilities with the technical evaluations necessary for complying with the license renewal rule. The topical reports are based on a reference plant, and an applicant would justify any differences from that plant. In December 1995, the BWROG submitted a topical report on BWR primary containments. The staff completed its initial review of the report and issued its comments and RAI on February 29, 1996. On May 7, 1997, the BWROG informed the staff that it was suspending action on this report until the fundamental issues raised in this report and by public comments on the draft RG and NEI 95-10 are resolved. The BWROG indicated that it will inform the staff when it wants to reinitiate discussions on the report.

Regulatory Guide Development and Industry Guideline Review

The public comment period for the RG and NEI 95-10 closed on November 29, 1996. To encourage public and industry participation, the staff conducted a public workshop on October 29, 1996, during the public comment period to discuss the draft RG, NEI guideline, and the staff's and industry's

observations from the NEI-sponsored LRDP (discussed below). Comments received at the workshop are being addressed along with the written comments received.

Written comments on the draft RG and NEI 95-10 were received from NEI, five licensees, two reactor vendor owners groups, and the U.S. Department of Energy. The comments included significant issues associated with implementation of the draft RG and NEI 95-10 guidance. A series of staff level meetings and a senior management meeting were held between the staff, NEI, and industry representatives to clarify positions on the issues. Additionally, staff positions on ten of the more significant issues were sent to NEI in a letter dated February 27, 1997. Nuclear Energy Institute responded to the staff's positions in letters dated March 14 and April 7, 1997. Interactions between the staff and industry have clarified positions, but differences still exist on implementation aspects of significant issues. The staff believes that a better understanding of the implementation issues associated with the regulatory guidance can be achieved through trial application of the draft guidance to specific structures and components during the plant-specific review processes. Therefore, the staff has decided to modify its approach for development of the RG and no longer plans to issue the final guide in September 1997.

The staff plans to focus on plant-specific and owners group reviews to gain needed experience with implementation of the rule and draft guidance. The staff will maintain the RG in draft form and use it along with the working draft of the license renewal standard review plan (SRP-LR) in performing the reviews. The staff would incorporate currently established positions and implementation guidance into the next working draft of the SRP-LR scheduled for release in September 1997. With this approach, experience gained from the trial use of the draft RG and from plant-specific and owners group reviews would be incorporated into the final RG. The staff would continue interactions with NEI during this time to develop the final RG, but on a lower priority basis, incorporating guidance as it is clearly established. The final RG will be published after completing the review of several license renewal applications.

License Renewal Demonstration Program

The NEI-sponsored industry LRDP was organized, implemented, and completed during 1996. The LRDP involved six volunteer licensees: (1) Baltimore Gas and Electric (Calvert Cliffs), (2) Duke Power (Oconee), (3) Southern Nuclear (Hatch), (4) Wisconsin Electric (Point Beach), (5) Philadelphia Electric (Peach Bottom), and (6) Virginia Power (North Anna and Surry). During the LRDP, the participating licensees used NEI 95-10, Revision 0, to (1) identify systems, structures, and components within the scope of the rule, (2) complete the integrated plant assessment process by performing an aging management review of a few select, passive, long-lived structures and components, (3) identify and evaluate time-limited aging analyses, and (4) prepare sample final safety analysis report (FSAR) supplements.

The staff visited five of the six licensees' facilities to obtain information to verify the adequacy of the guidance contained in NEI 95-10 for meeting the requirements of the license renewal rule and to identify the need for any additions, deletions, and revisions in the guideline. One licensee, Virginia Power, did not participate in the staff site visits but did participate in a peer review led by NEI. The staff accomplished its goal and identified strengths and weaknesses in the guideline. A lessons-learned report was published as NUREG-1568, "License Renewal Demonstration Program: NRC Observations and Lessons Learned," December 1996.

Standard Review Plan for License Renewal

A working draft of the SRP-LR reflecting the September 1994 proposed rule was made publicly available in the NRC's Public Document Room (PDR) in December 1995. The staff is currently modifying the working draft to reflect the 1995 amended rule. The working draft SRP-LR is also being expanded and updated to capture plant-specific technical report review experience, owners group topical report review experience, draft regulatory guide development experience, and administrative requirements.

The current working draft SRP-LR provides staff review guidance for specific structures and components. By giving detailed staff review guidance, the SRP-LR establishes the staff expectations regarding the contents of a renewal application for these specific structures and components. The staff will continue to revise the working draft SRP-LR as it gains experience from reviewing plant-specific technical reports and owners group topical reports and gains additional information from interactions with the industry (e.g., during development of the regulatory guide).

The staff plans to place an updated working draft SRP-LR in the PDR by September 1997. The staff still plans to complete and publish the revised draft SRP-LR after completing the review of several license renewal applications.

Inspection Guidance for License Renewal

The staff is continuing to develop inspection guidance for license renewal. The staff plans to complete the draft inspection guidance to support the review of the first license renewal application. Consistent with the development of the SRP-LR and RG, the inspection guidance will be finalized after completing the review of several license renewal applications.

Environmental Activities

The Commission revised its environmental protection regulations (10 CFR Part 51) for license renewal on December 18, 1996 (61 FR 66542). In a staff requirements memorandum (SRM) dated October 18, 1996, the Commission instructed the staff to prepare a plan and schedule for the development of regulatory guidance for implementation of the environmental protection rule for license renewal. In its response to the SRM, dated December 19, 1996, the

staff outlined plans that would lead to a draft and a final RG in July 1997 and March 1998, respectively, and a draft and a final environmental standard review plan (ESRP) in August 1997 and August 1998, respectively. NRR has prepared the draft ESRP, which is undergoing staff review in advance of Advisory Committee on Reactor Safeguards or Committee to Review Generic Requirements review (or both), should they prove necessary.

The industry has initiated several activities associated with implementing the environmental protection regulations for license renewal. Starting in November 1996, the staff met with BGE representatives in a series of public meetings to discuss BGE's environmental report template to ensure that the form, substance, and level of detail of its submittal for the Calvert Cliffs plant would be responsive to the requirements of the rule. These meetings have been progressively more detailed and resulted in the identification of areas that require further discussion and guidance before implementation. These include the generic and cumulative impacts associated with transportation operation in the vicinity of a high-level waste repository site, consideration of alternatives to mitigate severe accidents, environmental justice, mitigative measures, alternatives to the proposed action, and new and significant information. Good progress has been made on resolving these issues and the dialogue continues.

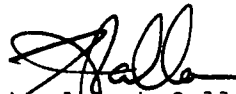
Duke is preparing the draft Oconee environmental report for license renewal and has discussed their plans with the staff. Separately, public meetings were also held with NEI on NEI's plans for developing generic guidance.

RESOURCES:

This paper provides the status of license renewal activities and does not involve changes in resource requirements. The revised approach for issuing the final RG allows reassignment of existing resources to focus on plant-specific and owners group reviews.

INFORMATION TECHNOLOGY:

No new anticipated impacts on information management or information technology are anticipated as a result of implementing the actions discussed in this paper.


L. Joseph Callan
Executive Director
for Operations

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