



# **Plan for Updating Cost-Benefit Guidance Phase 1**

Public Meeting  
July 16, 2015

# Purpose

- Describe NRC's plan to revise and consolidate cost-benefit guidance documents, primarily:
  - NUREG/BR-0058, "Regulatory Analysis Guidelines of the U.S. NRC"
  - NUREG/BR-0184, "Regulatory Analysis Technical Handbook"
  - NUREG-1409, "Backfitting Guidelines"

# Agenda

|                       |  |
|-----------------------|--|
| 8:30a.m. – 8:45a.m.   | Introduction and opening remarks                           |
| 8:45a.m. – 9:30a.m.   | Content and structure updates of NRC cost-benefit guidance |
| 9:30a.m. – 10:30a.m.  | Open Discussion  |
| 10:30a.m. – 11:00a.m. | Closing Remarks  |
| 11:00a.m.             | Adjourn  |

# Announcements

- Category 3 Public Meeting
- Teleconference Number
  - 1-888-946-7608 passcode: 2738045
- Webinar
  - <https://attendee.gotowebinar.com/register/7038448186129179649>
- If you are participating via the telephone, please send an email to [Pamela.Noto@nrc.gov](mailto:Pamela.Noto@nrc.gov) confirming your attendance.

# Background

- Fukushima accident raised questions related to how NRC considers economic consequences of a nuclear accident
- SECY-12-0110, in August 2012, recommended enhancing cost-benefit guidance documents

## **Background (cont'd)**

- In response to Commission direction the staff prepared:
  - SECY-14-0002, “Plan for Updating NRC’s Cost-Benefit Guidance”
  - SECY-14-0087, “Qualitative Consideration of Factors in the Development of Regulatory Analyses and Backfit Analyses”
  - SECY-14-0143, “Regulatory Gap Analysis of the NRC’s Cost-Benefit Guidance and Practices”

## **Background (cont'd)**

- Cumulative Effects of Regulation Case Studies
  - The regulatory analysis of three rules were studied
    - 2008 Part 26 rule
    - National Fire Protection Association (NFPA) 805 rule
    - Power Reactor Security rule
  - NEI Recommendations

## **Background (cont'd)**

- GAO Audit Report findings
- OIG's Audit of NRC's Regulatory Analysis Process, OIG-15-A-15



# Project Status

- NUREG-1530, “Reassessment of NRC’s Dollar per Person-Rem Conversion Factor Policy”
- Replacement energy costs NUREG
  - NUREG/CR-6080, “Replacement Energy, Capacity, and Reliability Costs for Permanent Nuclear Reactor Shutdowns,” October 1993
  - NUREG/CR-4012, “Replacement Energy Costs for Nuclear Electricity-Generating Units in the United States,” September 1997
- International activities

# Two-Phased Approach

- Phase 1 – Administrative Changes
  - Revise and consolidate documents (NUREG/BR-0058, NUREG/BR-0184, and NUREG-1409)
  - Harmonize cost-benefit practices across the NRC
  - Update data, methods, and references
  - Address audit findings and case study recommendations
- Phase 2 – Address potential changes in policy and methodology

## Target Schedule

- November 2015      Issue draft Phase I document for public comment
- August 2016        Issue Phase I document for use

# Document Structure

- The body of the document will revise and consolidate three NRC cost-benefit guidance documents
- Appendices will delve into topics at greater depth and can be revised separately
  - Cost Estimating Best Practices
  - Qualitative Factors Assessment Methodology
  - Treatment of Uncertainty

# Discussion Topics

- What suggestions do you have that would improve NRC's cost-benefit analyses?
- For example:
  - How can we use the cumulative effects of regulation process enhancements to further improve NRC cost-benefit analyses?
  - How to account for impacts that cannot be quantified or monetized?

## References

- CER Case Studies (COMSECY-14-0014) available at ML14069A061
- GAO Audit Report available at ML14351A082
- GAO Cost Estimating and Assessment Guide (GAO-09-3SP)
- NEI Recommendations available at ML14028A452 and ML14028A455
- NUREG/BR-0184 available at ML111290858
- NUREG/BR-0058 available at ML042820192
- NUREG-1409 available at ML032230247
- NUREG-1530 available at ML06340785

# References

- NUREG/CR-4012
- NUREG/CR-6080
- OECD/NEA Study
- OIG Report OIG-15-A-15, Audit of NRC's Regulatory Analysis Process available at ML15175A344
- SECYs available at <http://www.nrc.gov/reading-rm/doc-collections/commission/> or in ADAMS
  - SECY-12-0110 available at ML12173A478
  - SECY-14-0002 available at ML13274A519
  - SECY-14-0087 available at ML14127A458
  - SECY-14-0143 available at ML14280A426
  - SRM-SECY-12-0110 available at ML13079A055
  - SRM-SECY-12-0137 available at ML13071A635
  - SRM-SECY-12-0157 available at ML13078A017