

FY 2021 Proposed Fee Rule Public Meeting

March 18, 2021

10:00 a.m. – 12:00 p.m.

Ground Rules

Jo Jacobs

FY 2021 Proposed Fee Rule

Cherish Johnson
Chief Financial Officer

PUBLIC MEETING AGENDA

Notice of Meeting on the FY 2021 Proposed Fee Rule

March 18, 2021, 10:00 A.M. to 12:00 P.M.

Virtual Teams Meeting: [Teams Link](#)

Call in number: [1-301-576-2978](#) Phone Conference ID: [438593277#](#)

Time	Topics	Speakers
10:00 AM	Establish Ground Rules for Meeting	Jo Jacobs
10:05 AM	Opening Remarks	Cherish Johnson
10:15 AM	Key Features of the NRC's FY 2021 Budget <ul style="list-style-type: none">Budgetary ConsiderationsLicense Fee Policy OverviewOperating and New ReactorsDecommissioning and Low-Level Waste	Jason Shay Christie Galster Greg Bowman Aida Rivera-Varona
11:00 AM	Proposed Policy Changes <ul style="list-style-type: none">Assessment of annual fees for future 10 CFR Part 50 non-power production or utilization facility licensees and for small modular reactor licenseesProcess for disputing errors in invoices for service fees	Billy Blaney Meghan Blair
11:15 AM	eBilling Demonstration	Meghan Blair
11:20 AM	Forward Looking: Development of Annual Fee Policy for Non-Light Water Reactors	Tony Rossi
11:30 AM	Q&A	Jo Jacobs and Billy Blaney
11:50 AM	Public Comments Submission	Jo Jacobs
11:55 AM	CFO Closing Remarks	Cherish Johnson
12:00 PM	Meeting Adjourned	

Fee Rule Comments

- **In scope comments:**
 - Focused on methodology for calculating fees
 - Changes to fee regulations
 - Fee schedules
- **Out of scope comments:**
 - General comments on agency efficiencies
 - Changes to regulatory process
 - Public participation in budget formulation
- **Use the appropriate venue to receive timely response**

FY 2021 Budgetary Considerations

Jason Shay, Director
Office of Chief Financial Officer
Division of Budget

FY 2021 Budget

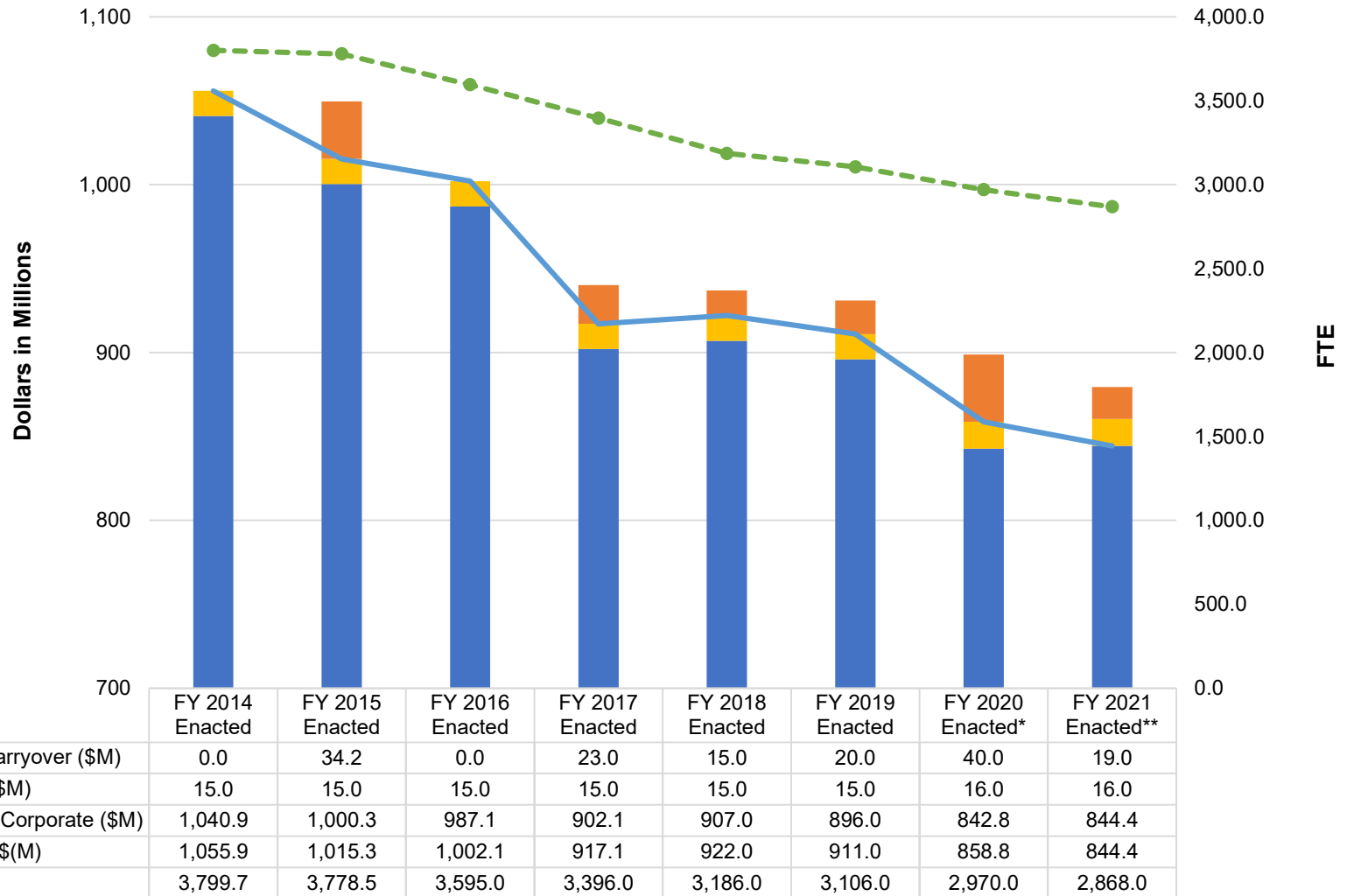
Control Point	FY 2020 Enacted		FY 2021 Enacted		Changes from FY 2020	
	\$M	FTE	\$M	FTE	\$M	FTE
Nuclear Reactor Safety	\$447.5	1,815	\$452.8	1,755	\$5.3	(60)
Nuclear Materials and Waste Safety	\$103.2	388	\$102.9	376	(\$0.3)	(12)
Decommissioning & Low-Level Waste	\$22.9	93	\$22.8	86	(\$0.1)	(7)
Corporate Support	\$292.6	611	\$271.4	588	(\$21.2)	(23)
IUP/UNLP	\$16.0	0	\$16.0	0	\$0.0	0
Office of the Inspector General	\$13.3	63	\$13.5	63	\$0.2	0
Subtotal	\$895.5	2,970	\$879.4	2,868	(\$16.1)	(102)
Authorized Carryover	(\$40.0)	0	(\$35.0)	0	\$5.0	0
CARES Act	\$3.3	0	0.0	0	(\$3.3)	0
Total	\$858.8	2,970	\$844.4	2,868	(\$14.4)	(102)

*\$M includes FTE costs as well as contract support and travel. Numbers may not add due to rounding.

- The FY 2021 budget includes \$17.7 million in the Nuclear Reactor Safety Program for the continued development of a regulatory infrastructure for advanced nuclear reactor technologies.

Budget Trend

FY 2014-FY 2021 Budget



* NRC received a \$3.3M supplemental appropriation under the CARES Act on March 27, 2020.

** The explanatory statement for the Consolidated Appropriations Act, 2021 directed that \$16M of unobligated carryover be used to fund the FY 2021 Integrated University Program.

FY 2021 Fee Overview

Christine Galster, Senior Accountant
Office of the Chief Financial Officer
Division of Budget
License Fee Policy Team

Statutory and Regulatory Framework

- Independent Offices Appropriation Act (IOAA) of 1952
- Omnibus Budget Reconciliation Act of 1990 (OBRA-90), as amended (1990-2020)
- Nuclear Energy Innovation & Modernization Act (NEIMA) of 2018:
 - Effective FY 2021 and thereafter; repeals OBRA-90.
 - Regulations promulgated under 10 CFR Part 171.
 - Limits power reactor annual fees at the FY 2015 annual fee amount as adjusted each year thereafter for inflation.
 - Recover, to the maximum extent practicable, 100% of budget authority:
 - LESS activities NEIMA designated as **excluded** from recovery.
 - LESS any fee-relief activities identified by the Commission.
- Annual Appropriation

Budget and Fee Recovery Amounts for FY 2021 Proposed Rule

[Dollars in Millions]

Total Budget Authority

\$ 844.4

Less Budget Authority for Excluded

Activities: *GHLS, WIR, NSFSB, ARI*

and FEE RELIEF

Balance

Fee Recovery Rate for FY 2020

- 123.0

\$ 721.4

x 100.0%

Total Amount to be Recovered For FY 2020

\$ 721.4

Adjustments (Part 171 Collections)

- 12.6

Adjusted Recovery Amount

\$ 708.8

Less Estimated Part 170 Billings

- 185.9

Part 171 Fee Collections Required

\$ 522.9

Fee-Relief Activities:

\$ 91.2M

Statutory Activities:

31.8M

Total Budget Authority Excluded Activities (credit) to reduce fee recovery amount

\$ 123.0M

Hourly Rate Methodology

Mission Direct Program Salaries and Benefits	\$335.3M
Mission Indirect Program Support	113.2M
Agency Support: Corporate Support and IG	<u>283.7M</u>

Subtotal:	\$732.2M
Less: Offsetting Receipts	<u>- 0.0</u>
Total Budgeted Resources Included in Professional Hourly Rate	\$732.2M

Mission Direct FTEs:	1,684 FTEs	
Mission Direct FTEs Productive Hours:	1,510 Hours	
Professional Hourly Rate		\$288

Full Cost FTE Rate = Subtotal divided by Mission Direct FTE \$ 434,811

* Methodology based on OMB circular A-25 "User Charges"

** Budget included in Hourly Rate calculation excludes Direct Program Contract Costs generally billed to licensees separately.

Budget Allocation For Fees

CROSSWALK OF BUSINESS LINES' ALLOCATION TO FEE CLASSES*

Business Line	License Fee Class
Operating Reactors	Power Reactors, Test and Research Reactors, Import/Export
New Reactors	Power Reactors
Fuel Facilities	Fuel Facilities
Nuclear Materials Users	Materials Users, Import/Export
Spent Fuel Storage and Transportation	Spent Fuel Storage/Reactor Decommissioning, Transportation
Decommissioning and Low-level Waste	Spent Fuel Storage/Reactor Decommissioning, Uranium Recovery

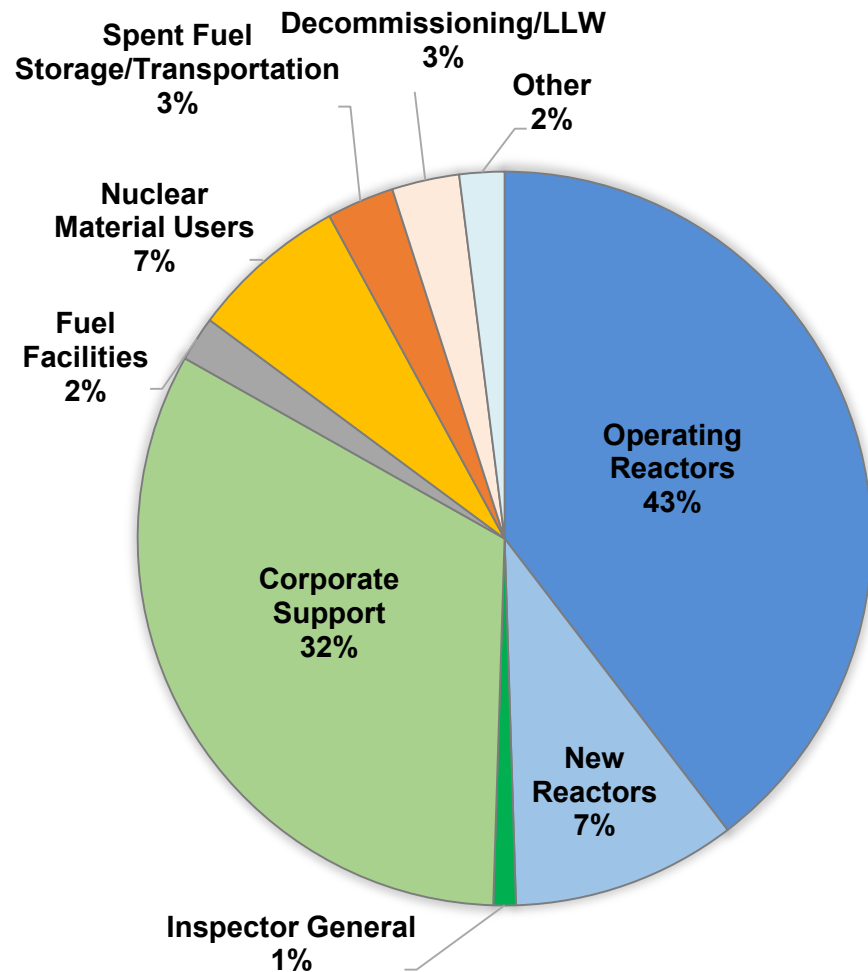
Reconciling Items

- Budget resources excluded from fee calculations (non-fee)
- Mission Indirect Program Support resources
- Business Line resources allocated to other fee classes/fee relief categories
- Budget resources allocated from other Business Lines
- Utilization of a full costed FTE rate
- Appropriation revisions

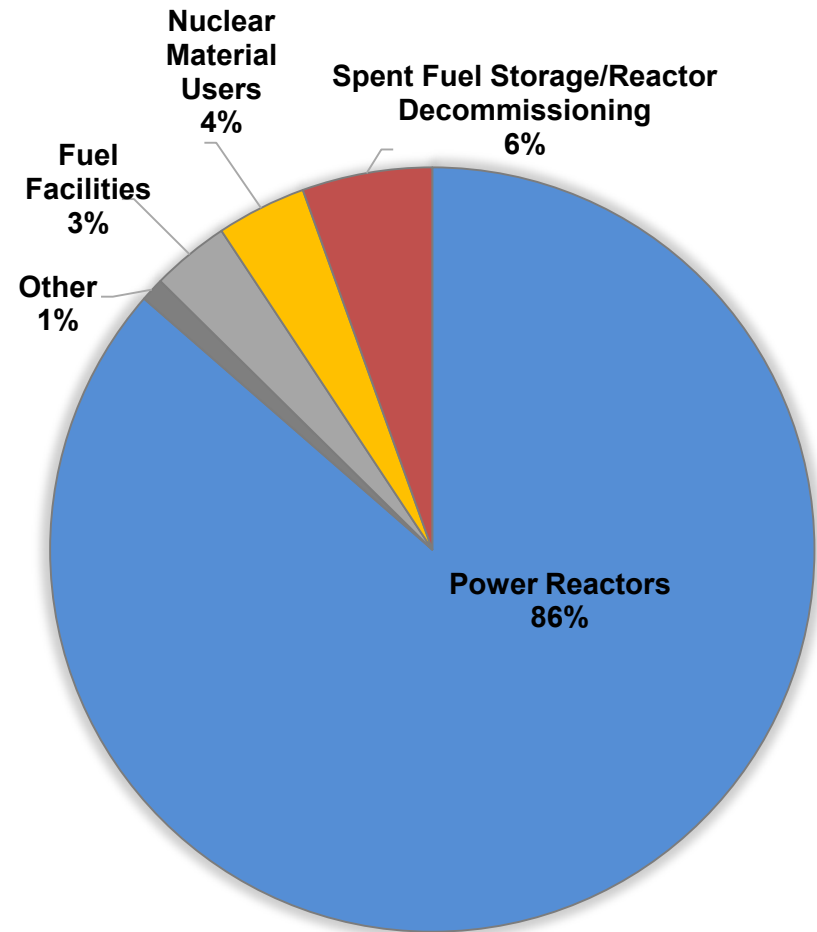
Delineates where the majority portion of a Business Line's direct resources are allocated for a fee class.

Business Lines vs. Fee Classes

Percentage of Appropriated Budgeted Resources for FY 2021



**BUSINESS LINE BUDGETS
TOTAL \$844.4M**



**FEE CLASS BUDGETS
TOTAL \$721.4M**

**Excluded
Budget
Total
\$123.0M**

Reconciliation: Operating and New Reactors Business Lines vs. Fee Class Budget

**FY2021 Congressional Budget
Justification (Requested)**
(Dollars in thousands)

**Operating and New Reactor
Business Lines**

	Contract (\$,K)	FTE	
Product Lines			
Event Response	6,555	45.0	
Generic Homeland Security	0	8.0	
International Activities	110	21.0	
Licensing	14,488	485.0	
Oversight	18,562	548.0	
Rulemaking	400	41.0	
Mission Support/Supervisors	2,785	372.0	
Research	32,038	128.0	
Training	5,935	60.0	
Travel	14,988	0.0	
	\$ 95,861	1,708.0	
FTE rate \$198,000 times 1,470 FTEs & \$202,600 times 238 FTEs (includes Salaries and Benefits only)			\$339,279
Total Business Line Budget	\$ 95,861	\$339,279	= \$ 435,140

Reconciliation: Reactor Business Lines vs. Fee Class Budget

FY 2021 Proposed Fee Rule (Dollars in Thousands)

Power Reactor Fee Class (Proposed Fee Rule)

<u>Deductions from BL resources</u>	<u>Contract (\$,K)</u>	<u>FTE</u>
Event Response ⁵	(1,054.0)	0.0
Generic Homeland Security ¹	0.0	(8.0)
International Activities ¹	(110.0)	(21.0)
Licensing ^{3,5}	(3,754.0)	(33.0)
Oversight ^{3,5}	(4,917.6)	(6.5)
Research ^{1,5}	(8,919.0)	(37.0)
Rulemaking ³	-	(0.4)
Mission Support/Supervisors ^{2,5}	(2,785.0)	(372.0)
Training ^{3,5}	(112.0)	(0.2)
Travel ²	(14,988.0)	0.0
	<u>\$ (36,639.6)</u>	<u>(441.1)</u>
<u>Increases from Other resources</u>		
Oversight ⁴	6.0	0.0
Rulemaking ⁴	0.0	0.4
State/Tribal/Federal Programs ⁴	0.0	0.8
Training ⁴	235.0	2.2
	<u>\$ 241.0</u>	<u>3.4</u>
<i>BL resources w/ fee rule allocations</i>	<u>\$ 59,462.4</u>	<u>1,270.3</u>

FTE fully costed rate \$434,811 times 1,270 FTEs
(includes Salaries, Benefits, indirect resources
and agency support)

\$552,340.4

Reconciling Items

- Exclusion/Non-Fee Items¹
- Indirect resources²
- Resources allocated to other fee classes/fee relief categories³
- Resources allocated from other Business Lines⁴
- Carryover/Appropriation Reductions⁵

Total Fee Class Budget \$ 59,462.4 \$552,340.4 = \$ 611,802.80

Reconciliation: Reactor Business Lines vs. Fee Class Budget

Reconciliation
Summary
(Dollars in thousands)

	Contract (\$,K)	FTE	FTE (\$)	Total
Total Business Line Budget (CBJ) Includes S&B only	\$ 95,861	1,470.0	\$ 339,279.0	= \$ 435,140.0
Total Fee Class Budget Includes S&B, Indirect and Agency support (Full cost)	\$ 59,462.4	1,270.3	\$ 552,340.4	= \$ 611,802.8
Adjustments*	\$ (36,398.6)	(438.0)	\$ 213,061.4	\$ 176,662.8

* Allocation Adjustments

10 CFR Part 171 Annual Fee Calculation:

Power Reactors Fee Class

[Dollars in Millions]

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021P
Budgeted Resources	\$750.4	\$670.3	\$669.9	\$670.2	\$623.9	\$611.8
Part 170 Estimated Billings	(287.8)	(256.3)	(239.6)	(217.7)	(186.7)	(157.0)
Adjustments	3.3	12.5	(1.4)	5.1	1.8	(8.0)
Part 171 Annual Fee Resources	465.9	426.5	428.9	457.6	439	446.8

Operating Reactors **100** **99** **99** **98** **95** **93***

Annual Fee per Reactor **\$4,807,000** **\$4,308,000** **\$4,333,000** **\$4,669,000** **\$4,621,000** **\$4,804,000**

*Termination of Duane Arnold and Indian Point Unit 3 by Final Fee Rule publication.

10 CFR Part 171 Annual Fee Calculation: Spent Fuel Storage / Reactor Decommissioning Fee Class

[Dollars in Millions]

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021P
Budgeted Resources	\$30.5	\$29.5	\$33.8	\$35.6	\$37.9	\$42.2
Part 170 Estimated Billings	(7.5)	(8.0)	(10.2)	(17.8)	(15.9)	(12.4)
Adjustments	1.0	1.4	0.6	0.8	0.9	0.3
Part 171 Annual Fee Resources	24.0	22.9	24.2	18.6	22.9	30.1

Licensees	122	122	122	122	122	122
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Annual Fee per Licensee	\$197,000	\$188,000	\$198,000	\$152,000	\$188,000	\$246,000
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Utilization of Carryover Funds

Budget Business Line / Fee Rule Allocation	FY2020 Carryover Funding \$40M		FY2021 Carryover Funding \$19M		Carryover Change (+/-) FY20 vs FY 21
Operating/New Reactor BL	20,921,000		17,843,000		(3,078,000)
<i>Power Reactor Fee Class</i>		20,361,000		17,313,000	(3,048,000)
<i>Indirect → Hourly Rate</i>		560,000		0	(560,000)
<i>Fee Relief</i>				530,000	530,000
Spent Fuel Storage/Transportation BL	1,466,000		966,000		(500,000)
<i>Spent Fuel Storage/RD Fee Class</i>		422,000		748,000	326,000
<i>Transportation Fee Class</i>		1,044,000		218,000	(826,000)
Nuclear Materials User BL	2,918,000		0		(2,918,000)
<i>Nuclear Materials User Fee Class</i>		340,000		0	(340,000)
<i>Fee Relief</i>		2,101,000		0	(2,101,000)
<i>Indirect → Hourly Rate</i>		477,000		0	(477,000)
Decommissioning/Low Level Waste BL	1,070,000		191,000		(879,000)
<i>Spent Fuel Storage/RD Fee Class</i>		522,000		191,000	(331,000)
<i>Fee Relief</i>		548,000		0	(548,000)
Fuel Facilities BL	440,000		0		(440,000)
Corporate BL	13,185,000		0		(13,185,000)

Budget Overview: Operating and New Reactors Business Lines

Greg Bowman, Deputy Director
Office of Nuclear Reactor Regulation
Division of Risk Assessment

Operating and New Reactors Business Lines Activities

Licensing	Oversight
License Amendments (including risk-informed)	Inspections
License Renewals and Subsequent License Renewals	Security
Design Certifications	Allegations & Investigations
Combined Operating Licenses	Event Evaluation
Environmental Reviews	Construction Oversight
Topical Reports	Vendor Oversight
Digital I&C Modifications	Vogtle Units 3 and 4 ITAAC closeout
Vogtle Units 3 and 4 License Amendments	

How are the Budgets Developed?

- **Workload Forecasting:**
 - Identification of significant workload drivers
 - Analysis of historical data and trending
 - Communications with stakeholders
- **Estimate Level of Effort:**
 - Estimate level of effort for major projects
 - Yearly recurring activities

Budget Development and 10 CFR Part 170 Fee Estimates

- NRC Budget and Part 170 Fee Estimates are developed on different timelines
- 10 CFR Part 170 fee estimates will vary from the budgeted level of effort due to fact of life changes

Operating Reactors Business Line – Changing Workload

- **FY 2021 Budget**

- (-) Plant closures

- (-) Completion of Fukushima Lessons Learned

- (+) License Renewal and Subsequent License Renewal

- **FY 2021 10 CFR Part 170 Fee Estimates**

- (-) COVID impacts on oversight programs

New Reactors Business Line – Changing Workload

- **FY 2021 Budget**

- (-) Completion of NuScale Design Certification

- (-) Vogtle Units 3 and 4

- (+) Combined Operating Licenses

- **FY 2021 10 CFR Part 170 Fee Estimates**

- (-) Delayed application reviews and submittals

Budget Overview: Decommissioning and Low-Level Waste Business Line

Aida Rivera-Varona, Deputy Director

Office of Nuclear Material Safety and Safeguards
Division of Decommissioning, Uranium Recovery,
and Waste Programs

Decommissioning and Low-Level Waste Business Line Activities

Licensing

- Decommissioning activities for power reactors, research and test reactors, complex materials sites, uranium recovery facilities
- Uranium recovery licensing activities
- Safety and environmental reviews
- Military and non-military radium

Oversight

- Inspection activities - HQ and Regions

Rulemaking

- Rulemaking activities and associated guidance development

Research

- Research activities to support the application of new technologies at complex sites
- Analytical tools

How are the Budgets Developed?

- **Workload Forecast:**
 - Number of licensed facilities, letters of intent, communications with stakeholders, and external awareness
 - Analysis of historical data
- **Type and Amount of Work (licensing):**
 - Environmental and safety reviews
 - Type of licensing action
 - Complexity
 - Power reactor in active Decommissioning: higher level of effort
- **Type and Amount of Work (inspection):**
 - Periodicity established
 - Number of operating facilities

Decommissioning and Low-Level Waste Business Line – Changing Workload

- **Decreases:**

- The completion of licensing actions, partial site release requests, and a decrease in confirmatory survey work at multiple sites;
- The near completion of the license termination activities for 4 reactor units; and

- **Increases:**

- The transition of reactors to the decommissioning program; and
- The review of decommissioning license amendments, exemptions, and inspection activities at multiple sites

Policy Changes

Billy Blaney, Budget Analyst
Office of Chief Financial Officer
Division of Budget
License Fee Policy Team

Meghan Blair, Branch Chief
Office of Chief Financial Officer
Division of the Comptroller
Labor Administration and Fee Billing Branch

Assessment of annual fees for future 10 CFR Part 50 non-power production or utilization facility licensees and small modular reactor licensees

- **Modify the Timing Regarding Assessment of Annual Fees for Future Non-Power Production or Utilization Facility (NPUF) Licensees:**
 - Successfully completed startup testing and have provided written notification to the NRC.
- **Rename the “Research and Test Reactors” Fee Class the “Non-Power Production and Utilization Facility” Fee Class**
 - Includes Currently Operating Research and Test Reactors and Future NPUFs, such as non-reactor NPUF technologies

Assessment of annual fees for future 10 CFR Part 50 non-power production or utilization facility licensees and small modular reactor licensees (Cont.)

- **Modify the Timing Regarding Assessment of Annual Fees for Small Modular Reactor Licensees:**
 - Successful completion of power ascension testing and the licensee provides written notification to the NRC.

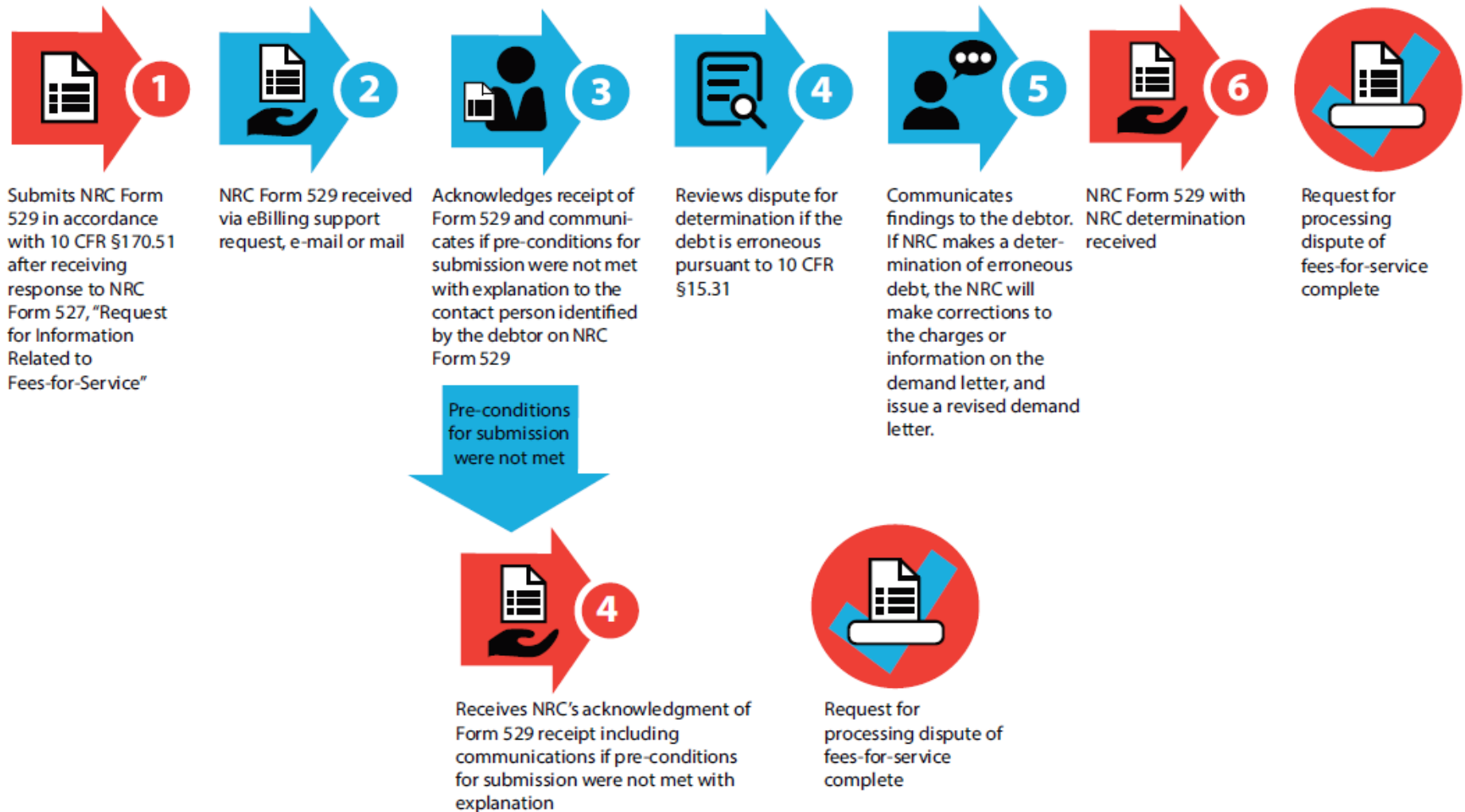
NEIMA – Accurate Invoicing

- With respect to invoices for fees described in subsection (b)(2), the Commission shall –
 - (1) ensure appropriate review and approval prior to the issuance of invoices;
 - (2) develop and implement processes to audit invoices to ensure accuracy, transparency, and fairness; and
 - (3) modify regulations to ensure fair and appropriate processes to provide licensees and applicants an opportunity to efficiently dispute or otherwise seek review and correction of errors in invoices for those fees.

NEIMA Section 102(d) - Accurate Invoicing Projects Completed

- Invoice and Billing Data Structure Redesign
- Standardization of the Fee Billing Validation Process
- eBilling
- NRC Form 527 - Request for Information Related to Fees-for-Service

NRC Form 529 - Dispute of Fees-for-Service Charges in Accordance with Title 10 of the Code of Federal Regulations (10 CFR) §170.51



U.S. Nuclear Regulatory Commission

Debtor

eBilling Demonstration

eBilling Video

To learn more about eBilling, please visit:

<https://www.nrc.gov/about-nrc/regulatory/licensing/fees.html#ebilling>

Forward Looking: Development of Annual Fee Policy for Non-Light Water Reactors

Anthony Rossi, Team Lead
Office of Chief Financial Officer
Division of Budget
License Fee Policy Team

Development of Annual Fee Policy for Non-Light Water Reactors

- Annual Fee Structure
 - Rulemaking to 10 CFR Part 171 is envisioned
 - Additional consideration for "micro-reactors"
- Working Group has been formed to develop options
- Stakeholder outreach
- Future rulemaking

Q&A

Jo Jacobs and Billy Blaney

Public Comments Submission

End of Comment Period: March 24, 2021



Federal Rulemaking Website:

- <https://www.regulations.gov>;
- Docket ID NRC-2018-0292
- Address questions to Dawn Forder; telephone: 301-415-3407; e-mail: Dawn.Forder@nrc.gov



E-mail Comments:

- Rulemaking.Comments@nrc.gov

Public Comments Submission (Cont.)

Mail Comments:

- Secretary, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, ATTN: Rulemakings and Adjudications Staff

Further Information:

- Anthony Rossi, License Fee Policy Team Lead, Office of the Chief Financial Officer; telephone: 301-415-7341, e-mail: Anthony.Rossi@nrc.gov

CFO Closing Remarks