

# **FY 2022 Proposed Fee Rule Public Meeting**

March 17, 2022

10:30 a.m. – 12:00 p.m.

# Ground Rules

**Anthony Rossi**

# **FY 2022 Proposed Fee Rule**

**Cherish Johnson**  
Chief Financial Officer

## PUBLIC MEETING AGENDA

Notice of Meeting on the FY 2022 Proposed Fee Rule

March 17, 2022, 10:30 A.M. to 12:00 P.M.

[Virtual Teams Meeting link:](#)

Call in number: 301-576-2978; Conference ID: 815235679#

Time	Topic	Speaker
10:30 AM	Establish Ground Rules for Meeting	Anthony Rossi
10:35 AM	Opening Remarks	Cherish Johnson
10:45 AM	Key Features of the NRC's FY 2022 Budget <ul style="list-style-type: none"><li>Budgetary Considerations</li><li>License Fee Policy Overview</li><li>Reactor Safety Program (Operating and New Reactors)</li></ul>	Jason Shay Christie Galster Brian Smith
11:30 AM	Q&A	Jo Jacobs
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 2022 Budgetary Considerations

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

# FY 2022 Enacted Budget

Major Program	FY 2021 Enacted Budget		FY 2022 Enacted Budget**		Delta FY 2022 – FY 2021	
	\$M*	FTE	\$M*	FTE	\$M*	FTE
Nuclear Reactor Safety	452.8	1,755	477.4	1,783	24.6	28
Nuclear Materials and Waste Safety	125.6	462	130.2	453	4.6	(9)
Corporate Support	271.4	588	266.3	580	(5.1)	(8)
<b>Subtotal</b>	<b>849.9</b>	<b>2,805</b>	<b>873.9</b>	<b>2,816</b>	<b>24.1</b>	<b>11</b>
Office of the Inspector General	13.5	63	13.8	63	0.3	0
<b>Subtotal</b>	<b>863.4</b>	<b>2,868</b>	<b>887.7</b>	<b>2,879</b>	<b>24.4</b>	<b>11</b>
University Nuclear Leadership Program	16.0		16.0		0.0	
Authorized Carryover	(35.0)	-	(16.0)	-	19.0	-
<b>Total</b>	<b>\$844.4</b>	<b>2,868</b>	<b>\$887.7</b>	<b>2,879</b>	<b>\$43.3</b>	<b>11</b>

\*\$M includes full-time equivalent (FTE) costs as well as contract support and travel. Numbers may not add due to rounding.

\*\*The numbers may change based on the NRC's FY 2022 Execution Plan.

# Net Budget Authority

	FY 2021 Enacted	FY 2022 Enacted	Delta FY 2022 – FY 2021
	\$M*	\$M*	\$M*
Budget Authority	844.4	887.7	43.3
Offsetting Fees	721.4	756.7	35.3
<b>Net Budget Authority</b>	<b>\$123.0</b>	<b>\$131.0</b>	<b>\$8.0</b>

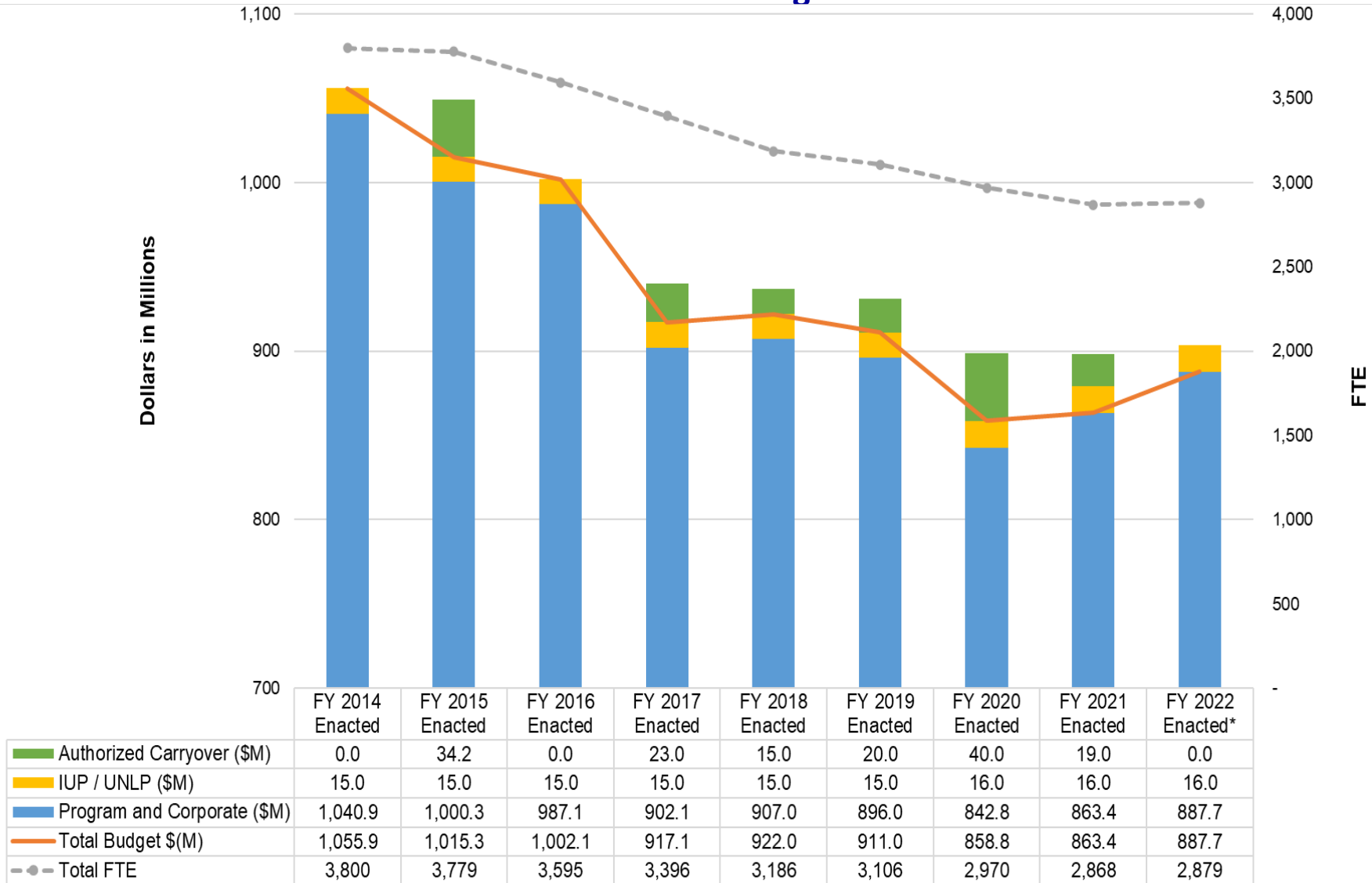
\*\$M includes FTE costs as well as contract support and travel. Numbers may not add due to rounding.

 \$8 million



# Budget Trend

## FY 2014-FY 2022 Budget



\*The numbers may change based on the NRC's FY 2022 Execution Plan.

# **FY 2022 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**
- **Nuclear Energy Innovation & Modernization Act (NEIMA) of 2018:**
  - 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 2022 Proposed Rule

[Dollars in Millions]

Total Budget Authority

\$ 887.7

Less Budget Authority for Excluded

Activities: *GHLS, WIR, DNFSB, ARI*  
*and FEE RELIEF*

- 131.0  
\$ 756.7

Balance

Fee Recovery Rate for FY 2022

x 100.0%

Total Amount to be Recovered For FY 2022

\$ 756.7

Adjustments (Part 171 Collections)

- 4.5

Adjusted Recovery Amount

\$ 752.2

Less Estimated Part 170 Billings

- 188.9

Part 171 Fee Collections Required

\$ 563.3

Fee-Relief Activities:

\$ 91.5M

Statutory Activities:

39.5M

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

\$ 131.0M

# Hourly Rate Methodology

Mission Direct Program Salaries and Benefits	\$348.9M
Mission Indirect Program Support	115.6M
Agency Support: Corporate Support and IG	<u>278.9M</u>

Subtotal:	\$743.4M
Less: Offsetting Receipts	<u>- 0.0</u>
Total Budgeted Resources Included in Professional Hourly Rate	\$743.4M

Mission Direct FTEs:	1,694 FTEs	
Mission Direct FTEs Productive Hours:	1,510 Hours	
Professional Hourly Rate		\$291

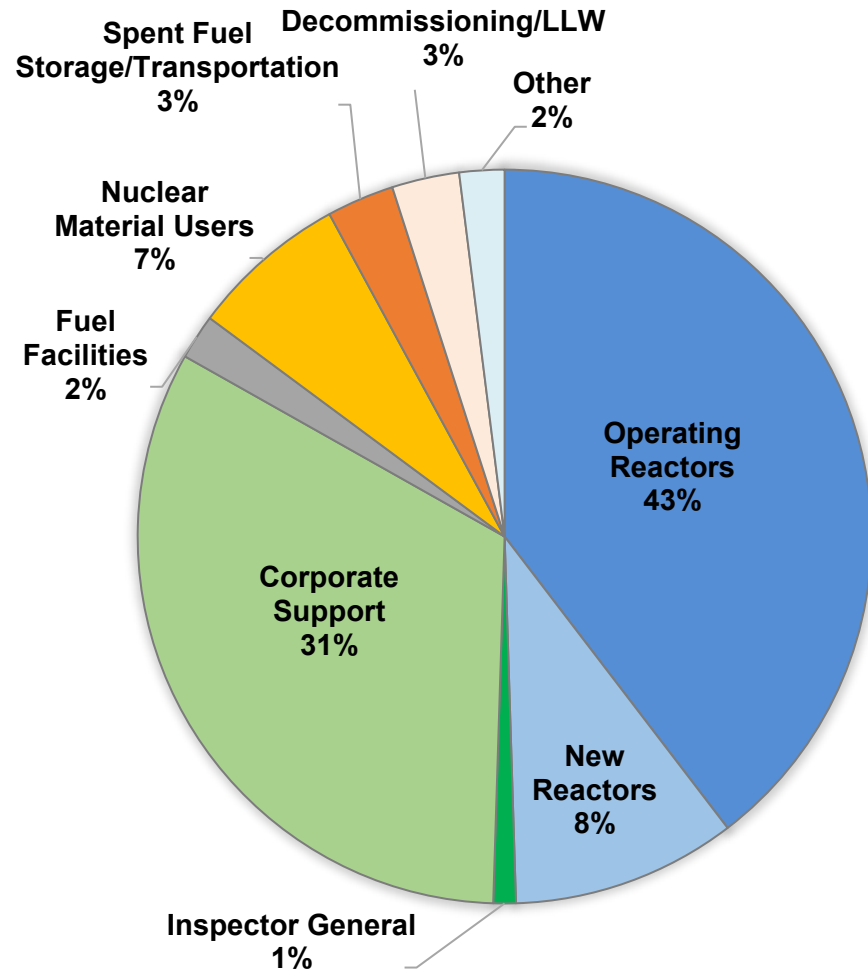
Full Cost FTE Rate = Subtotal divided by Mission Direct FTE    \$ 438,858

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

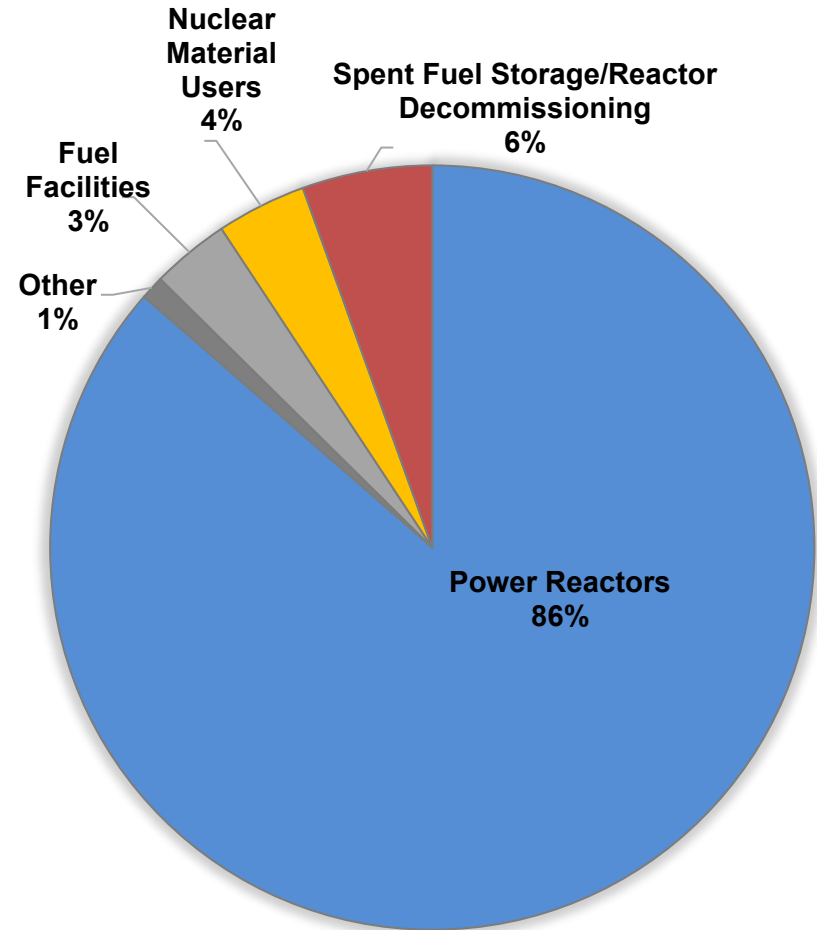
\*\* Budget included in Hourly Rate calculation excludes Direct Program Contract Costs generally billed to licensees separately.

# Business Lines vs. Fee Classes

## Percentage of Appropriated Budgeted Resources for FY 2022



**BUSINESS LINE BUDGETS  
TOTAL \$887.7M**



**FEE CLASS BUDGETS  
TOTAL \$756.7M**

**Excluded  
Budget  
Total  
\$131.0M**

# 10 CFR Part 171 Annual Fee Calculation: Operating Power Reactors Fee Class

[Dollars in Millions]

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022P
<b>Budgeted Resources</b>	\$670.3	\$669.9	\$670.2	\$623.9	\$611.8	\$645.1
<b>Part 170 Estimated Billings</b>	(256.3)	(239.6)	(217.7)	(186.7)	(161.6)	(160.0)
<b>Adjustments</b>	12.5	(1.4)	5.1	1.8	(8.6)	0.3
<b>Part 171 Annual Fee Resources</b>	426.5	428.9	457.6	439.0	441.7	485.5

**Operating Reactors**      **99**                      **99**                      **98**                      **95**                      **93**                      **94\***

**Annual Fee per Reactor**   **\$4,308,000**   **\$4,333,000**   **\$4,669,000**   **\$4,621,000**   **\$4,749,000**   **\$5,165,000**

\*Proposed Vogtle Unit 3 addition to the assessment of annual fee fleet .

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

[Dollars in Millions]

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022P
<b>Budgeted Resources</b>	\$29.5	\$33.8	\$35.6	\$37.9	\$42.2	\$40.4
<b>Part 170 Estimated Billings</b>	(8.0)	(10.2)	(17.8)	(15.9)	(13.8)	(10.3)
<b>Adjustments</b>	1.4	0.6	0.8	0.9	0.5	1.1
<b>Part 171 Annual Fee Resources</b>	22.9	24.2	18.6	22.9	28.9	31.3*

<b>Licensees</b>	<b>122</b>	<b>122</b>	<b>122</b>	<b>122</b>	<b>122</b>	<b>123</b>
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<b>Annual Fee per Licensee</b>	<b>\$188,000</b>	<b>\$198,000</b>	<b>\$152,000</b>	<b>\$188,000</b>	<b>\$237,000</b>	<b>\$254,000</b>
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\*Proposed Vogtle Unit 3 addition to the assessment of annual fee fleet .



# **Budget Overview: Operating and New Reactors Business Lines**

**Brian Smith, Director**

Division of New and Renewed Licenses  
Office of Nuclear Reactor Regulation

# Operating and New Reactors Business Lines Activities

Licensing	Oversight
License Amendments (including risk-informed)	Inspections
License Renewals and Subsequent License Renewals	Security
Design Certifications and Standard Design Approvals	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 10 CFR Part 170 Fee Estimates are developed on different timelines
- Part 170 Fee Estimates will vary from the budgeted level of effort due to fact of life changes

# Operating Reactors Business Line – Changing Workload

- 2022 Budget
  - (-) Plant closures
  - (-) Rulemaking activities
  - (+) Research activities
- 2022 Part 170 Fee Estimate
  - (-) COVID impacts on oversight programs

# New Reactors Business Line – Changing Workload

- 2022 Budget
  - (+) Combined License reviews
  - (+) Design Certification reviews
  - (-) Vogtle Units 3 and 4
- 2022 Part 170 Fee Estimates
  - (-) Canceled application reviews and delayed submittals

# QUESTIONS AND ANSWERS

# Public Comments Submission

## End of Comment Period: March 25, 2022



### Federal Rulemaking Website:

- <https://www.regulations.gov>;
- Docket ID NRC-2020-0031
- Address questions to Dawn Forder; telephone: 301-415-3407; e-mail: [Dawn.Forder@nrc.gov](mailto:Dawn.Forder@nrc.gov)



### E-mail Comments:

- [Rulemaking.Comments@nrc.gov](mailto: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](mailto:Anthony.Rossi@nrc.gov)

# CFO Closing Remarks