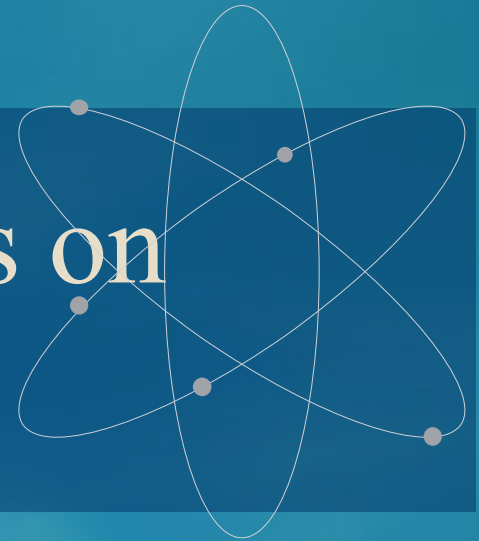


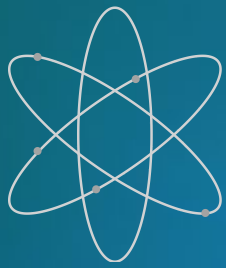
NUGEQ Observations on IP 71111.21N.03



**Presentation to NRC on Initial Observations Regarding the
Inspection Procedure 71111.21N.03
Web-Based Public Meeting
September 20, 2022**

• [William Horin, Winston & Strawn, LLP \(Counsel to NUGEQ \(whorin@winston.com\)\)](mailto:whorin@winston.com)

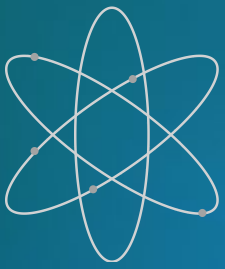
• [Ron Wise, NEQ Consulting \(NUGEQ Technical Consultant \(ronwise@aol.com\)\)](mailto:ronwise@aol.com)



NUGEQ Comments on IP 71111.21N.03

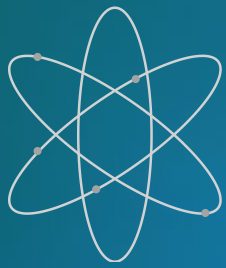
INTRODUCTIONS:

- William Horin (NUGEQ Counsel)
- Ron Wise (NUGEQ Consultant)



GOALS

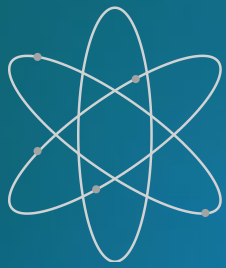
- To ensure plant unique license basis is acknowledged
- Affirm that the inspection scope focuses on licensees' obligations under Part 21 and Part 50 related to their procurement and dedication of commercial grade items
- Ideally any updates to the inspection procedure stemming from industry feedback, including any associated training, would be done updated prior to start of inspections



NUGEQ Comments on IP 71111.21N.03

BACKGROUND:

- IP 71111.21N.03, “Commercial Grade Dedication” was issued on 6/28/2022 and becomes effective on 1/01/2023.
- NUGEQ submitted a letter on August 31, 2022 in support of having near-term meetings with the Staff to discuss the current content and focus of NRC Inspection Procedure 71111.21N.03, “Commercial Grade Dedication.”
- This letter acknowledged EPRI’s request of August 16, 2022 for such meeting [Accession # ML22234A204].

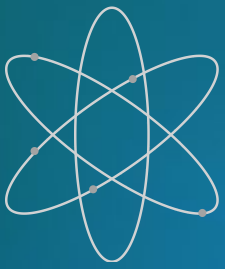


NUGEQ Observations

Observation #1:

- The objectives in Sections 01.01 and 01.02 of the IP 71111.21N.0, “Commercial Grade Dedication” expands the scope of the inspection beyond evaluating a licensee’s process for procuring commercial grade items and dedicating them for use as basic components.

01.01: This objective differs from the proper wording in IP 43004 on how the licensee’s dedication program satisfies the requirements of Appendix B with regard to the procurement and acceptance of CGIs in accordance with 10 CFR Part 21

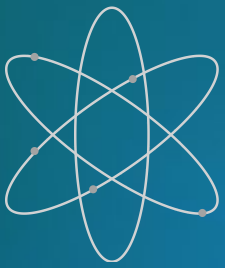


NUGEQ Observations

Observation #1: (continued)

01.02: This objective expressly expands the scope of IP 71111.21N.03 to include review of the licensee's procurement process for safety-related components supplied by vendors with approved Appendix B QA programs (including items dedicated by suppliers or sub-tier suppliers).

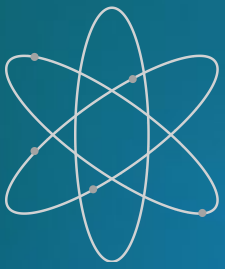
In addition, this objective is the only place in 21N.03 that mentions 10 CFR 50.69 and the procedure does not contain the clarification provided in the inspector training (on slide 76) that the sample sections should focus on RISC-1 components. Lacking this clarification gives the impression that the inspection objectives could include review of RISC-3 classified components that are not subject to Appendix B or Part 21.



NUGEQ Observations

Observation #2:

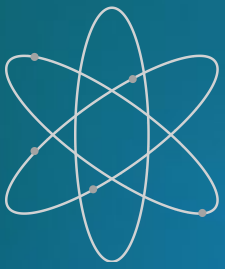
- To ensure consistency with RG 1.164, “Dedication of Commercial-Grade Items for Use in Nuclear Power Plants,” IP 71111.21N.03 should reflect or otherwise acknowledge differences in dedicating a “like-for-like” item vs. an equivalent replacement item as reflected in EPRI 3002002982, “Plant Engineering Guideline for the Acceptance of Commercial-Grade Items in Nuclear Safety-Related Applications.”



NUGEQ Observations

Observation #3:

- Several key references in IP 71111.21N.03 are out of date and inconsistent the recent (April 4, 2022) revision to IP 43004, “Inspection of Commercial-Grade Dedication Programs”
- References that are currently superseded include:
 - NP-5652 and TR-102260 (superseded by EPRI 3002002982)
 - NP-6406 (superseded by EPRI 1008256)
 - NP-7218 (superseded by EPRI TR-017218-R1)



Key Takeaways

- Expanding the scope to address procurement activities or processes unrelated to commercial grade dedication by the licensees will have a significant effect on burden or the level of effort for all licensee activities related to preparing for and supporting this inspection.
- Section 03.01(f)(3)(c) is an example where the scope of the IP includes consideration of shelf life and storage conditions as well as environmental qualifications for items procured as basic components (not commercial grade items).



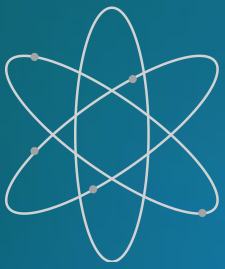
Key Takeaways (continued)

- Our involvement with previous NRC inspection efforts has shown that having up to date Inspection Procedures (including revisions that provide clarification or remove ambiguity) is beneficial to the overall inspection process.
- For example:
 - IP 71111.21N (EQ DBAI)
 - Pending revision IP 37060 (50.69 RISK-INFORMED CATEGORIZATION AND TREATMENT)



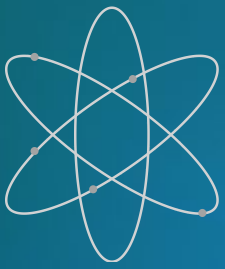
Key Takeaways (continued)

- Some additional suggestions to consider for future revision/update to IP 71111.21N.03:
 - IP 71111.21N.03 does not provide any specific guidance on how far back in time requests for advanced information will go. Consider being consistent with the 5-year window used in the Operating Experience Smart Sample (OpESS) 2019/01, “Commercial Grade Dedication, Procurement and Design Control” if that supports the selection of the 9-15 samples.



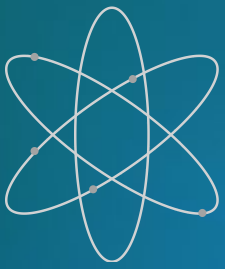
Key Takeaways (continued)

- Scheduling inspections should consider availability of licensee personnel that provide fleet or corporate level support, especially for licensees that have plants in different NRC regions when scheduling inspections (including info requests, bagman visits, onsite weeks and mid-week support)



Key Takeaways (continued)

- The expectations regarding the performance of plant walk downs should be clarified, specifically as it relates accessibility or being able to observe that the correct critical characteristics were identified for each component application.



Closing Remarks

- With the October 13, 2022 public workshop in mind, NUGEQ would like to extend an invitation to the Staff to attend the annual EQ Technical Meeting on November 10th, 2022 to discuss this focused engineering inspection.

THANK YOU