

# efficiency bulletin

March 23, 2017

Efficiency Bulletin: 17-08

## Share Industry Resources Associated with Regulatory Activities

This efficiency bulletin provides an industry-standard process for license amendment requests (LARs). The process is captured in Revision 5 of NEI 06-02, License Amendment Request Guidelines. The revision subdivides the LAR process, from inception to implementation, into phases describing the objective and critical steps of each phase. Noncritical steps were eliminated or reordered to improve process efficiency. Additionally the revised LAR standard format will improve the overall quality of submittals.

**Addressees:** Chief nuclear officers, NEI APCs and INPO APCs

**Issue:** RE-10, Share Industry Resources Associated with Regulatory Activities

### Summary of Efficiency Opportunity

- Desired end-state—All licensees' LAR process is consistent with the process and definitions in NEI 06-02, Revision 5.
- Value proposition (vision of excellence)—Significantly improved LAR quality and reduced plant-specific resources to prepare, submit and implement an LAR. Industry groups prepare LARs for licensees that can be submitted with minimal plant-specific resources.
- Why is it important?—The industry has tended to add additional detail to LAR procedures to address shortcomings, resulting in an LAR process that is frequently slow and burdensome. This additional effort does not always result in improved products as the number of LARs not accepted for review by the NRC has been increasing. As part of Project Aim, the NRC has stated that they will be more strict in acceptance of LARs. Thus, improvement in LAR quality is needed.

Color Code: BLUE  
Due: December 2017

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Also, utilities invest in industry groups (owners groups, NEI) that develop generic regulatory products, but the utility LAR process does not allow for efficient adoption of these products. Licensees use the same license amendment process (internal creation, review and approval) to adopt NRC-approved TSTF travelers (paid for by the owners groups) as they use for plant-specific technical amendment requests. This focuses the utility review on the content of the change instead of the applicability of the change and fails to leverage the significant resources spent on the traveler development and NRC review to obtain a more efficient amendment adoption. The new process recognizes the type of license amendment request being developed and focuses the review based on the type.

- Industry benchmark value(s)—A team of regulatory affairs specialists from the PWROG, the BWROG, and the APOG developed the NEI 06-02 revision using industry best practices and recommended improvements. The revised document was reviewed by the licensing committees of the PWROG, BWROG and APOG and the NEI Regulatory Issues Task Force.
- Measure of effectiveness—The number of LARs not accepted for NRC review will decrease, the number of requests for additional information (RAIs) will decrease and the time required for the NRC to review an LAR will decrease (resulting in a reduction in NRC review fees).

## Background

All utilities belong to industry groups which share resources to accomplish regulatory activities. However, utility processes may hinder the ability to maximize the benefits of these shared-cost activities. This efficiency bulletin addresses process changes that will make the license amendment process more efficient and will facilitate the use of shared industry resources instead of plant-specific resources to address generic regulatory issues. Mechanisms are already in place via the various owners groups and NEI activities, but a more aggressive, collaborative approach should result in industry savings and increased operational agility.

The industry has tended to add additional detail to the LAR preparation procedures and processes to respond to shortcomings. As a result, the LAR process can be slow and burdensome, and this additional effort does not always result in improved products. All utilities reference NEI 06-02 as the standard format to be used for license amendments, but the existing format does not always lead to a submittal that the NRC finds acceptable. To address these shortcomings, a team of utility regulatory affairs staff representing PWRs, BWRs and advanced plants developed an extensive revision to NEI 06-02. This guidance does not authorize deviations from specific quality assurance program requirements or other requirements deemed necessary by a specific utility, such as owners acceptance review of third party technical content. A description of the key improvements is attached.

## Relevant Standards

- None

## Relevant Regulatory Requirements

- 10 CFR 50.36, 50.90, 50.92, 50.54(a), 50.54(p), 50.54(q) and 50.59

Key to Color Codes:

Red: NSIAC initiative – full participation required for viability

Blue: Action expected at all sites, but is not needed for broad industry viability

Green: Utility discretion to implement, consistent with its business environment

- Regulatory Guide 1.174, An Approach for Using Probabilistic Risk Assessment in Risk-Informed Decisions on Plant-Specific Changes to the Licensing Basis
- Regulatory Guide 1.177, An Approach for Plant-Specific, Risk-Informed Decisionmaking: Technical Specifications
- Regulatory Guide 1.200, An Approach for Determining the Technical Adequacy of Probabilistic Risk Assessment Results for Risk-Informed Activities

## Guidance

- [NEI 06-02, Revision 5, License Amendment Request Guidelines](#)
- NRC Office Instruction LIC-101, License Amendment Review Procedures
- NRC Office Instruction LIC-109, Acceptance Review Procedures

## Recommended Industry Actions

- Licensees review and revise their license amendment request process to be consistent with the process and definitions in NEI 06-02, Revision 5. Utilize the standard LAR format in NEI 06-02, by the end of 2017.
- NEI establishes the expectation that the Regulatory Issues Task Force, or any successor organizations, periodically review and update NEI 06-02 to reflect industry best practices and the NRC review process.

## Other Actions for Consideration

The regulatory affairs organization is not governed by INPO ACAD 02-002, The Process for Maintaining Accreditation of Training in the Nuclear Power Industry Technical Areas. Therefore, NEI 06-02, Revision 5, recommends that formal qualification programs for LAR preparers, such as qualification cards or job performance measures, be eliminated as unnecessary paperwork. (However, it is recognized that training and mentoring are vital to an effective organization and that the management is responsible for assigning personnel with the requisite knowledge to prepare an LAR.) Elimination of formal qualification requirements also allows utility management to choose third parties (consultants, owners groups, NEI, etc.) for LAR preparation based on the responsible preparer's knowledge and experience rather than completion of the plant-specific qualification program.

As a supplemental action, utilities should consider eliminating all formal qualification activities for regulatory affairs staff, while retaining training and mentoring programs.

## Change Management Considerations

### *Industry Activities*

- Industry webinar to provide background for initiative and an open forum to clarify expectations and ask questions. Information on the webinar is available at: <https://web.inpo.org/Pages/Nuclear-Promise-Issues.aspx>
- Presentations on the NEI 06-02, Revision 5 standard LAR format have been given at PWROG and BWROG licensing committee meetings in 2016.
- Presentations on the NEI 06-02, Revision 5 process will be given at PWROG and BWROG licensing committee meetings in 2017.

### *Company Actions*

- Ensure that LAR processes are changed to be consistent with the LAR process in NEI 06-02, Revision 5.
- Elimination of formal regulatory affairs qualification activities.

- Evaluate the elimination or deferral of mandatory off-site review committee or independent safety review of LARs.

#### *Guidrails*

- The PWROG and BWROG Licensing Committees, the APOG, and the NEI Regulatory Issues Task Force will provide guidance to the industry should questions arise and will track LARs not accepted for review.

### **Report Your Site's Results**

Please report your company's implementation of this improvement opportunity, including the date of completion. Send this information along with your company point of contact to [EfficiencyBulletin@NEI.org](mailto:EfficiencyBulletin@NEI.org).

### **Industry Contacts**

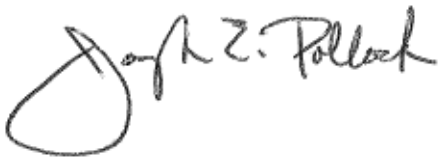
- Industry champion for this issue: Larry Nicholson, 561-304-6224, [larry.nicholson@fpl.com](mailto:larry.nicholson@fpl.com)
- NEI contact: Chris Earls, 202-739-8078, [cee@nei.org](mailto:cee@nei.org)
- On the web: [www.nei.org/bulletin1708](http://www.nei.org/bulletin1708)

### **Industry Approval:**\*

**Mano Nazar, CNO Lead**



**Joseph E. Pollock, Nuclear Energy Institute**



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\* Efficiency bulletins that primarily address changes to plant operator and NRC process relationships do not require INPO approval.

## Attachment 1

### Key Changes in NEI 06-02, Revision 5, License Amendment Request Guidelines

- The new license amendment request (LAR) format and additional direction on LAR content will reduce the number of Requests for Additional Information (RAIs) and LARs found unacceptable for review.
- Customizing the internal review process to the type of LAR will save utility resources and improve quality.
- Adding guidance on peer reviewers will improve LAR quality and reduce the number of RAIs and LARs found unacceptable for review.
- An industry-standard process for writing LARs allows greater efficiency, such as:
  - copying of other licensee submittals when writing an LAR,
  - streamlined use of third-party written LARs for multiple licensees (vendors, Owners Groups), and
  - less training of new staff with experience with other licensees.
- Adopting an industry standard on verification of information in LARs will allow third-party verification of some information, can increase LAR quality, and, for some licensees, reduce verification resources.
- Eliminating or deferring offsite safety committee review of LARs will save off-site committee resources, which can be very expensive.
- Added guidance on treatment of proprietary and SUNSI information will reduce RAIs and LARs found unacceptable for review.
- The updated and expanded guidance on risk-informed LARs will improve quality, and reduce the number of RAIs and LARs found unacceptable for review.
- Updated and expanded guidance on No Significant Hazard Consideration Analyses will improve quality and reduce the number of RAIs.
- The Industry Consolidated and Multi-Licensee Coordinated LAR process, being negotiated with the NRC, can reduce preparation resources and reduce review costs.