



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

December 21, 2005

SECRETARY

Revised

COMMISSION VOTING RECORD

DECISION ITEM: SECY-05-0219

TITLE: ISSUANCE OF NUCLEAR REGULATORY COMMISSION
GENERIC LETTER 2005-XX, "GRID RELIABILITY AND THE
IMPACT ON PLANT RISK AND THE OPERABILITY OF
OFFSITE POWER"

The Commission acted (as noted on the next page) on the subject paper as recorded in the Staff Requirements Memorandum (SRM) of December 20, 2005.

This Record contains a summary of voting on this matter together with the individual vote sheets, views and comments of the Commission.

A handwritten signature in black ink, appearing to read "Annette L. Vietti-Cook", written over a horizontal line.

Annette L. Vietti-Cook
Secretary of the Commission

Attachments:

1. Voting Summary
2. Commissioner Vote Sheets

cc: Chairman Diaz
Commissioner McGaffigan
Commissioner Merrifield
Commissioner Jaczko
Commissioner Lyons
OGC
EDO
PDR

VOTING SUMMARY - SECY-05-0219

RECORDED VOTES

	APRVD	DISAPRVD	ABSTAIN	NOT PARTICIP	COMMENTS	DATE
CHRM. DIAZ		X			X	12/16/05
COMR. McGAFFIGAN		X			X	12/14/05
COMR. MERRIFIELD		X			X	12/14/05
COMR. JACZKO	X				X	12/15/05
COMR. LYONS		X			X	12/14/05

COMMENT RESOLUTION

In their vote sheets, Chairman Diaz and Commissioners McGaffigan, Merrifield and Lyons disapproved the immediate issuance of the generic letter. Commissioner Jaczko approved immediate issuance of the generic letter. Subsequently, the comments of the Commission were incorporated into the guidance to staff as reflected in the SRM issued on December 20, 2005.

NOTATION VOTE
RESPONSE SHEET

TO: Annette Vietti-Cook, Secretary

FROM: CHAIRMAN DIAZ

SUBJECT: **SECY-05-0219 - ISSUANCE OF NUCLEAR REGULATORY COMMISSION GENERIC LETTER 2005-XX, "GRID RELIABILITY AND THE IMPACT ON PLANT RISK AND THE OPERABILITY OF OFFSITE POWER"**

Approved _____ Disapproved ^{w/comments} xx *[Signature]* Abstain _____

Not Participating _____

COMMENTS:

See attached comments.

[Signature]

SIGNATURE

Dec 16, 05

DATE

Entered on "STARS" Yes No _____

Chairman Diaz Comments on SECY-05-0219

I join Commissioner Merrifield in disapproving the issuance of the Generic Letter on Grid Reliability at this time. I agree that the staff should be commended for its efforts to date on this issue, including activities to ensure nuclear power plant readiness particularly during periods of peak demand. I believe that the agency and our stakeholders could benefit significantly from the approach presented by Commissioner Merrifield to hold a public workshop prior to issuing the generic letter. Such a workshop promotes openness in our regulatory process to ensure protection of public health and safety. I agree with Commissioner Merrifield's observation that the time that is lost holding a public workshop will be regained in a higher quality of responses by our licensees.

Finally, I support Commissioner Merrifield's schedule of holding a public workshop as soon as practicable and revising the Generic Letter as needed to facilitate its issuance in late January 2006 in order to maintain the our schedule to prepare for the 2006 peak cooling season.

A handwritten signature in black ink, appearing to be 'LD', is located to the right of the second paragraph.

NOTATION VOTE

RESPONSE SHEET

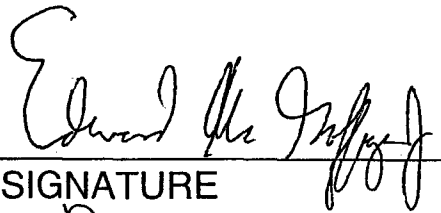
TO: Annette Vietti-Cook, Secretary
FROM: COMMISSIONER MCGAFFIGAN
SUBJECT: **SECY-05-0219 - ISSUANCE OF NUCLEAR REGULATORY COMMISSION GENERIC LETTER 2005-XX, "GRID RELIABILITY AND THE IMPACT ON PLANT RISK AND THE OPERABILITY OF OFFSITE POWER"**

Approved _____ Disapproved X ^{w/ comments (EMG)} Abstain _____

Not Participating _____

COMMENTS:

See attached comments.



SIGNATURE

December 14, 2005

DATE

Entered on "STARS" Yes X No _____

Commissioner McGaffigan's Comments on SECY-05-0219

I join with Commissioner Merrifield both in recognizing the efforts of the staff in making ready the proposed Generic Letter on the schedule set out by the Commission, and also in recognizing the need to engage our external stakeholders in a public workshop before the Generic Letter is issued.

I also endorse the comments of Commissioner Merrifield concerning the evolving organizations involved in our nation's electrical transmission infrastructure, the ongoing oversight roles and initiatives of FERC, and that the Generic Letter reaches into areas that go beyond the NRC's traditional regulatory authority.

Perhaps it is worth reflecting on how the NRC has steadily expanded its regulatory scope with respect to offsite power. The Commission's history on this issue goes back at least to 10 CFR 50, Appendix A, General Design Criterion 17, "Electric Power Systems", in which the Commission required two physically independent sources of offsite power. The Commission would later identify the possibility of a Station Blackout (SBO) as Unresolved Safety Issue A-44 in 1980, leading to the SBO Rule (10 CFR 50.63) in 1988.

GDC 17 directed applicants to construct their physical plants in specific ways but limited the offsite attributes to the switchyard. The GDC did not even require complete physical separation within the switchyard, permitting instead the use of a single right of way for the two required incoming power lines. Without setting any numerical requirements, the language directed the designers simply "to minimize to the extent practical the likelihood their simultaneous failure under operating and postulated accident and environmental conditions."

The SBO Rule (10 CFR 50.63) required that plants "be able to withstand for a specified duration and recover from station blackout." The duration was to be calculated based on four factors, two of which were the expected frequency and duration of loss of offsite power. It is this last aspect that is at the heart of the current issue, but the information and the command and control elements sought by the staff are not necessarily within the control of NRC licensees. The initiatives identified by Commissioner Merrifield, some of which involve FERC, are all currently underway to improve grid reliability. Thus, the intent of those initiatives is to change what the answers might be for the SBO Rule factors, and they are all beyond the scope of NRC regulatory authority. It is therefore vital to ensure that external stakeholders have been thoroughly and publicly engaged before the issuance of a Generic Letter such as the one in SECY-05-0219.

EMG

12/14/05

NOTATION VOTE

RESPONSE SHEET

TO: Annette Vietti-Cook, Secretary
FROM: COMMISSIONER MERRIFIELD
SUBJECT: **SECY-05-0219 - ISSUANCE OF NUCLEAR REGULATORY COMMISSION GENERIC LETTER 2005-XX, "GRID RELIABILITY AND THE IMPACT ON PLANT RISK AND THE OPERABILITY OF OFFSITE POWER"**

Approved _____ Disapproved Abstain _____

Not Participating _____

COMMENTS:

See attached comments.



SIGNATURE

DATE

12/14/05

Entered on "STARS" Yes No _____

**Commissioner Merrifield's Comments on SECY-05-0219,
Issuance of NRC Generic Letter 2005-XX, "Grid Reliability and the Impact
on Plant Risk and the Operability of Offsite Power"**

As a result of my experience as Acting Chairman on the day of the August 14, 2003 blackout, I have strongly supported the efforts of our staff to engage with our licensees to ensure that they are fully prepared to respond to grid disturbances during high electrical demand periods – particularly the summer months of June through September. Since high demand can spike during a variety of times throughout the year, some may question why the Agency has particularly focused on the summer time period. From a practical standpoint, extreme heat during these time periods can place additional stress on electrical equipment, and as the 2003 blackout demonstrates, grid disturbances can be triggered by transmission lines sagging from these heat loads. Further, although not within our direct responsibility, the adverse consequences to public health have been demonstrated multiple times from individuals succumbing to heat prostration during these time periods.¹ Extreme weather conditions have occasionally resulted in requests from our licensees to operate outside their normal design parameters in order to maintain the grid. Thus, I think it is entirely justified why the summer months are as good as any other period to focus our efforts on grid stability.

It was for these reasons that earlier in the year, in my vote on the staff requirements memorandum of the April 26, 2005 Grid Stability meeting, I authored the Commission language that placed an early date (December 15, 2005) for issuing a Generic Letter to our licensees regarding their preparations for the summer of 2006. I felt that our staff needed this information early to provide sufficient time to analyze the responses so that appropriate action could be taken prior to entering the peak cooling season. To their great credit, the staff worked diligently to meet this date, and today, they are fully prepared to send the generic letter out on time. Additionally, I credit the staff for having worked closely with the Advisory Committee on Reactor Safety (ACRS) during the Committee's review of the generic letter.

Having sponsored the December 15, 2005 date, it is with some reluctance that I am now urging a six week delay before the letter is sent out.

While the staff has appropriately focused on the ability of the grid to provide a reliable offsite power source for nuclear power plant operations, and has endeavored to ensure that our licensees are acting in accordance with our Station Blackout Rule (10 CFR 50.63), we must remain mindful that, although we are responsible for overseeing nuclear safety at the Nation's nuclear power plants, we are not the sole regulator when it comes to concerns regarding the grid. The generic letter has a broad scope, reaching into areas that go beyond the NRC's traditional regulatory authority. The letter seeks extensive and detailed information regarding the interrelation between our licensees, other utilities, the North American Reliability Council (NERC), Regional Transmission Organizations (RTOs), Independent System Operators (ISOs), the Federal Energy Regulatory Commission (FERC), as well as the State Public Utility Commissions (PUCs). Organizations which all have a variety of efforts currently underway to improve grid reliability.

¹Although not necessarily tied to power outages, the 1993 heat wave in Philadelphia claimed over 100 lives, the 1995 Chicago heat wave claimed over 500 lives, and the 1999 Chicago heat wave claimed almost 100 lives. To me, it seems patently obvious why blackouts in the summer months are particularly critical from a health and safety standpoint.

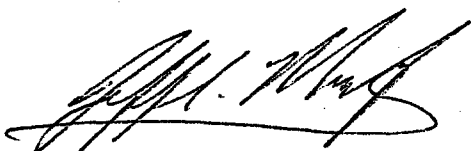
This Generic Letter also comes at the same time that NERC and FERC are working against a statutory deadline to create an Electric Reliability Organization (ERO), that will for the first time bring enforcement authority to grid reliability efforts. Additionally, as a result of recommendations made by the U.S. - Canada Power System Outage Task Force that investigated the 2003 Blackout, as well as the continuing oversight of FERC, the organization of many RTOs and ISOs is still evolving. All of this must come together to ensure that private, federal and state efforts can work harmoniously to improve the reliability of our nation's electrical transmission facilities.

Given all of this activity, and having reviewed comments provided by external stakeholders, it is understandable to me why some have continuing questions regarding our role in this effort, and what we intend to do with all of the answers we will be receiving from our licensees. It is also clear to me that some of our licensees may be unable to answer all of these questions because of continuing changes in the RTO and ISO structure. I believe that prior to sending out the Generic Letter, we should sponsor a workshop for our licensees and other stakeholders, including the aforementioned groups, as well as interested non-governmental organizations, to provide a full explanation of what is intended by the questions, what we expect for answers, and how we anticipate using the information as we move forward to ensure that nuclear power plants continue to have access to reliable offsite power.

While I believe the staff has been working with great diligence, I suspect that we could have done a better job communicating our expectations to stakeholders in this case. I am convinced that a workshop may resolve many of the current doubts about this effort, and has the potential to enhance the usefulness of the Generic Letter. While our internal "vetting process" which included review by the Committee to Review Generic Requirements (CRGR) and ACRS was beneficial, this effort could reap significant additional benefit from further interactions with NERC, FERC, the National Association of Regulatory Utility Commissioners (NARUC) and others. Nonetheless, I am mindful that the workshop may also result in no recommended changes to the generic letter. Even if no changes to the generic letter are needed, having a dialogue with stakeholders on the NRC's need for the information requested, and clarifying the intent of individual questions in the letter should help the licensees to prepare their responses, and allow a quicker staff review of the responses once they are received. Either way, I hope our staff takes this task seriously, and with an open mind.

Whatever happens to the Generic Letter as a result of the workshop, I think that better conveyance of information regarding our expectations about this matter will result in improved responses from our licensees, which in turn will improve the Agency actions that will be subsequently taken. In sum, what we lose in time by holding a public workshop, will be gained in a higher quality responses by our licensees and will allow us to do a better job of ensuring the safe operation of the plants we oversee. By holding the workshop to clarify the intent of the questions in the generic letter prior to its issuance, I would expect that the normal 60-day response time will provide licensees ample opportunity to respond. At the end of the day, I believe a public workshop will improve the efforts of our licensees and the NRC to prepare for the summer of 2006.

The staff should hold a public workshop as soon as practicable in early January, inform the Commission offices of the results of the workshop, and if no significant changes to the generic letter are needed, be prepared to issue a potentially revised Generic Letter by January 27, 2006. Given this date, the staff should make all appropriate efficiencies to maintain our schedule to prepare for the 2006 peak cooling season.



12/14/05

NOTATION VOTE
RESPONSE SHEET

TO: Annette Vietti-Cook, Secretary

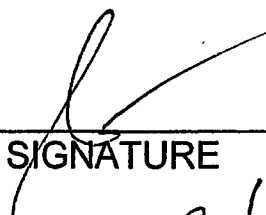
FROM: COMMISSIONER JACZKO

SUBJECT: **SECY-05-0219 - ISSUANCE OF NUCLEAR REGULATORY COMMISSION GENERIC LETTER 2005-XX, "GRID RELIABILITY AND THE IMPACT ON PLANT RISK AND THE OPERABILITY OF OFFSITE POWER"**

Approved Disapproved Abstain

Not Participating

COMMENTS: See attached comments.



SIGNATURE

12/18/05

DATE

Entered on "STARS" Yes No

**Commissioner Jaczko's Comments on SECY-05-0219,
Issuance of NRC Generic Letter 2005-XX, "Grid Reliability and the Impact
on Plant Risk and the Operability of Offsite Power"**

I support the staff's issuance of the proposed generic letter. The generic letter has been through a very thorough validation process, which included Advisory Committee on Reactor Safeguards review, and stakeholder comments have been received and dispositioned. Further stakeholder engagement can occur after the document is issued as I believe issuance at this time is the only viable path toward obtaining the information prior to the peak summer load season.

I do not differ with my fellow Commissioners that further engagement with the Federal Energy Regulatory Commission, the North American Electric Reliability Council and other offsite organizations would be beneficial; that some of the areas we are seeking information on are beyond our traditional regulatory authority, and that the evolving nature of the offsite organizations may change some of the information we seek. I maintain, however, it is well within our regulatory authority to seek this information pursuant to 10 CFR 50.54(f). A generic letter is only an information request. It does not impose any new requirements. While there may be some disagreement as to the breadth of our current regulatory framework, we should not hesitate to seek information to identify where gaps in that framework may exist. The information obtained in this generic letter in my view is not expected to give us any final answers, but is to be used to inform future regulatory decision-making. Any future decisions will involve all stakeholders.

Given the above, and the recommendations from the most senior NRC management and the ACRS, I support issuing the generic letter now and convening public workshop as soon as practical.



Gregory B. Jaczko Date

Commissioner Lyons' Comments on SECY-05-0219

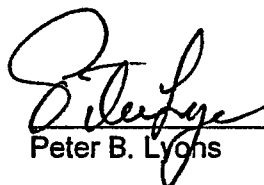
Grid Reliability and the Impact on Plant Risk and the Operability of Offsite Power

I support the comments of Commissioner Merrifield and also appreciate the effort by the staff to meet the Commission's previous direction in SRM M050426 to formulate and issue a generic letter regarding licensee compliance with regulations impacted by grid reliability concerns by December 15, 2005.

Given recent expressions from industry that the objectives of the generic letter are not fully understood, I believe it is appropriate for the staff to publicly meet with industry and other stakeholders once more prior to issuing the generic letter, to ensure that the objectives of the generic letter are clearly and completely understood by licensees such that the information provided in response will be sufficient for the staff to determine whether further regulatory actions are needed.

SRM M050426 directed the staff to determine whether another round of TI inspections will be needed for summer of 2006, in part by evaluating licensee responses to the generic letter, and to inform the Commission of this determination by April 28, 2006. I believe that staff should use the best available information in making this determination, even if it does not include a complete evaluation of licensee responses to the generic letter.

Finally, the 2004 Memorandum of Agreement (MOA) (ML042580167) between NRC and the Federal Energy Regulatory Commission (FERC) addresses the overlapping Federal oversight responsibilities for these issues through several "Principles of Cooperation" between the two Commission staffs. Consistent with this MOA, at a recent Commission meeting with the ACRS, we heard that the staff is fully engaged with FERC staff and other organizations in grid reliability coordination activities. These staff interactions are vital, but in addition I recommend a joint public Commission-level meeting of the NRC and FERC, similar to the previous meeting held on January 23, 2004. The objective of this NRC/FERC meeting would be to discuss the most effective role of each respective Commission in addressing grid reliability issues and should assure an integrated approach of the two key Commissions in accomplishing our national missions.


Peter B. Lyons 12/14/05
Date