



Canadian Nuclear
Safety Commission

Commission canadienne
de sûreté nucléaire

P.O. Box 1046, Station B
280 Slater Street
Ottawa, Ontario K1P 5S9
Fax: (613) 995-5086

C.P. 1046, Succursale B
280, rue Slater
Ottawa (Ontario) K1P 5S9
Télécopieur: (613) 995-5086

PROTECTED A

Our File Notre référence
A-2015-00037 / YR

JUL 06 2015

Mr. Shawn-Patrick Stensil
Energy and Climate Campaigner
Greenpeace Canada
33 Cecil St.
Toronto, ON M5T 1N1

Dear Mr. Stensil:

This letter is in response to your request under the *Access to Information Act* for:

***"a copy of the letter president Binder sent to industry stakeholders
regarding the CNSC's regulatory framework in December 2014. "***

Enclosed please find copies of all the accessible records you requested.

You have the right to file a complaint with the Information Commissioner of Canada about this aspect of the processing of your request for a period of 60 days following the receipt of this notice. The address is:

Information Commissioner of Canada
30 Victoria Street
Gatineau, Québec
K1A 1H3

If you have any questions regarding this request, do not hesitate to contact Yvonne Robinson, at 613-944-1973.

Sincerely,

Philip Dubuc
Senior Advisor
Access to Information and Privacy

Attach. pp. 1-20



DEC 16 2014

Mr. Frank Saunders
Vice President Nuclear
Oversight and Regulatory
Affairs
Bruce Power
P.O. Box 1540
B10 4th floor W
Tiverton ON N0G 2T0

Ms. Laurie Swami
Senior Vice President,
Decommissioning and
Nuclear Waste
Management
Ontario Power Generation
1340 Pickering Parkway
P84-4
Pickering ON L1V 0C4

Mr. Sean Granville
Site Vice President and
Chief Nuclear Officer
Point Lepreau Generating
Station
New Brunswick Power
PO Box 600
Lepreau NB E5J 2S6

Dear Mr. Saunders, Ms. Swami and Mr. Granville,

Thank you for your letters of November 20, December 4 and December 11, 2014 (enclosed). The CNSC welcomes feedback on its regulations and regulatory documents, as well as on our processes to develop them. I particularly appreciate the nuclear power industry's active engagement in the CNSC's efforts to clarify our regulatory framework.

As you noted, over the past several years, the CNSC has undertaken a concerted effort to document and clarify regulatory expectations. To be blunt, when I arrived at the CNSC in 2008, there was no clear idea of how many CNSC regulatory documents were in force (recall the old collection of R-, S-, P-, G-, C-documents, etc. I was told there were more than 150 such documents). There were also very few references to industry standards in our licences. Furthermore, there were literally hundreds of exchanges between our specialists that were, *de facto*, regulatory in nature, leading to inconsistent and unclear regulatory expectations.

Recognizing the critical importance of having clear, documented regulatory expectations, we set out to develop a modern regulatory framework to replace an old and inconsistent set of documents; clarifying the role of documents in our licences and dealing with significant new events, including 9/11, new build, refurbishment and the more recent accident at the Fukushima Daiichi nuclear power plant. This led us to develop a comprehensive framework of 56 REGDOCs, allowing us to better identify and resolve areas of duplication and overlap.

Furthermore, we have structured the framework to be on a five year cycle, where each REGDOC will be reviewed regularly to ensure its ongoing relevance. This schedule is available on our website and is regularly updated. It provides a transparent roadmap to plan future work. Once the first cycle is complete, we expect future revisions to be significantly simpler and less onerous.

In developing regulatory documents, the CNSC puts particular emphasis on ensuring its processes are transparent and that its public consultation and stakeholder engagement activities are robust. Consultation activities – including posting all comments received on regulatory initiatives for additional feedback from stakeholders, as well as publicly addressing all comments received – go above and beyond the standard practice for federal regulators. The CNSC adopted this practice to recognize that extensive stakeholder input is necessary to meet the standard of clear regulatory expectations. To support this work, the CNSC has begun issuing discussion papers to facilitate early stakeholder engagement, allowing early input on regulatory approaches and potential impacts on licensees.

I am particularly interested in your comment about a regulatory impact analysis-like statement. Moving forward, I have asked staff to explore this, and to continue their efforts to improve our engagement practices with all stakeholders throughout the development process, with a particular emphasis on opportunities for early engagement on new initiatives. In addition, they will be following up with you to discuss and explore your work to develop consistent means for estimating costs and benefits of regulatory proposals. Finally, the CNSC will be exploring opportunities to clearly outline regulatory objectives and estimated impacts of new initiatives. In return, it is incumbent on you, and all our stakeholders, to provide clear and specific feedback that can help us refine, or revisit, our initial assumptions and objectives.

In conclusion, the CNSC owes it to the regulated community, and to all Canadians, to provide clear, documented and comprehensive regulatory expectations. Leveraging the licence conditions handbooks to reference a comprehensive suite of regulatory documents will help ensure that all licensees have a common understanding of what is expected of them, providing a solid foundation for ensuring a balanced, consistent and responsive regulatory oversight for many years into the future.

Yours sincerely,



Michael Binder

Enclosure:



c.c.: Ramzi Jammal, CNSC
Terry Jamieson, CNSC
Jason Cameron, CNSC
Brian Torrie, CNSC
Greg Rzentkowski, CNSC

November 20, 2014

NK21-CORR-00531-11731
NK29-CORR-00531-12120

Dr. M. Binder
President and CEO
Canadian Nuclear Safety Commission
P.O. Box 1046
280 Slater Street
Ottawa, Ontario
K1P 5S9



1.01.02

| | |
|-------------------------|-----------------|
| FILE DOSSIER | 1-1-1-2 |
| REFERRED TO REFÉRÉ À | <i>Quivelle</i> |

Dear Dr. Binder:

Development of New Regulatory and Guidance Documents

In response to your request for feedback on CNSC processes, the purpose of this letter is to provide constructive comment on the CNSC process for development of new regulatory requirements and guidance documents.

In recent years, the CNSC has made a concerted effort to clarify regulatory requirements and further enhance nuclear safety by implementing a plan to document the regulatory framework, thus providing regulatory direction in each of the safety and control areas. Included among the clarifications are amendments to several CNSC regulations, but also a large and growing number of regulatory and guidance documents [1]. As a result, in the last Power Reactor Operating Licences issued to Bruce Power in 2009, 20 new or revised CSA Standards and CNSC Regulatory Documents were adopted in the licence and currently there are an additional 25 new or revised CSA Standards and CNSC regulatory documents under review for inclusion in the 2015 licence renewal.

There has been a 10 fold increase in the number of CNSC regulatory documents incorporated into the licences since 2004, which results in significant management effort to track compliance. We note that the current CNSC practice of adding chapters of new requirements to existing CNSC regulatory documents only complicates this issue further. The large number of new requirements included in regulatory documents also results in significant additional resource demands on Licensees. The resource impact normally occurs in one of three ways:

- Incremental one-time costs to establish or install a new or upgraded capability required by the document.
- Ongoing direct costs that are required to maintain the capability year over year.
- Overhead costs that are required to place the document as a regulatory requirement within the managed system, demonstrate ongoing compliance, control changes, monitor performance, report on results, and support CNSC staff inspections.

Bruce Power Frank Saunders Vice President - Nuclear Oversight and Regulatory Affairs
P.O. Box 1540 B10 4th floor W Tiverton ON N0G 2T0
Telephone 519 361-5025 Facsimile 519 361-4559
frank.saunders@brucepower.com

NK21-CORR-00531-11731
NK29-CORR-00531-12120

A0047180_3-000003



Over the last 10 years new regulatory documents have resulted in incremental one-time costs to Bruce Power measured in the hundreds of millions as well as ongoing year over year costs to maintain the capability measured in several tens of millions. The nuclear industry, as demonstrated by its excellent safety record, fully supports the improvements to health and safety, security, and the environment that is the intended purpose of regulatory documents but the efficiency and effectiveness of such controls is also important. Resources have finite limits so increased cost may result in the diversion of resources from other areas or ultimately may result in increased costs to the Canadian public. Bruce Power has never resisted making investments that are reasonably expected to improve the safe, reliable operations of the Bruce Power Site. However, we want to ensure, that as the regulatory process evolves, that these resources are being focused in the right areas and effectively deployed.

Many documents have now been issued under the current approach but many more are planned for issue under the regulatory document framework plan. Bruce Power believes that this is an appropriate time to reflect on this process and based on our own review and experience offer the following high level comments and observations for consideration:

- To our knowledge there is no equivalent in the current CNSC regulatory document process to the Regulatory Impact Analysis Statement (RIAS) which explains what a regulatory proposal is intended to address, what it is intended to achieve, and what are the benefits and costs [2]. The RIAS assesses the potential impacts to "health and safety, security, the environment, and the social and economic well-being of Canadians" [3]. We would argue that given the significant impact of these documents there should be a demonstrable benefit to health, safety, security, or the environment before any regulatory document is developed. The relationship between the added safety, or other value and the implementation effort is not clear or frequently even discussed in the current regulatory document process.
- Only infrequently is there a period early in the process where directly affected stakeholders can discuss the benefits and cost implications of the documents. Recent efforts to hold workshops on new documents go some way towards fulfilling this need, but the emphasis must be on early involvement. In our view this implies before irreversible decisions are made regarding the need for and content of regulatory and guidance documents. Documents that have been shared publicly do not fall within our definition of early because our experience has shown that for the most part the decision to proceed in some form becomes irreversible at this point. There is an over reliance on external parties for the submission of cost-benefit information through public consultation or Commission proceedings rather than through early fact finding. Many documents reach the public consultation period with significant errors still present. Early assessment of regulatory proposals would allow for the streamlining of approval processes and the proper allocation of resources.
- It is frequently not clear what prompted the development of the CNSC regulatory and guidance documents, what gap the documents are intended to fill, or what safety or other benefit will be gained. The benefits of the regulatory proposal should be considered as well as potential alternatives including no regulatory action where other alternatives are shown to be effective.



- Increasingly, regulatory documents go well beyond simply establishing requirements and include detailed discussion about how to meet the requirements. This reduces Licensees ability to determine the most cost effective manner of implementation or adds cost to demonstrate another method is equally effective.

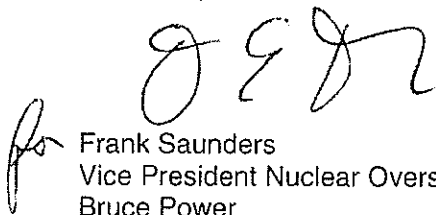
Central to the establishment of new regulatory documents must be the assurance that the regulatory proposals will result in the greatest overall benefit to Canadians. Based on our observations above we recommend that the CNSC:

- Introduce a process similar or equivalent to the Regulatory Impact Analysis Statement into the CNSC regulatory document process to ensure it is clear what the regulatory document is intended to address, what it is intended to achieve, and what are the benefits and costs.
- Require a period early in the process before decisions to proceed are made, especially for significant documents, where directly affected stakeholders can discuss the benefits and cost implications of the planned document as an input to the process.
- Assess the potential impacts to health and safety, security, the environment, and the social and economic well-being of Canadians when reviewing regulatory documents for final approval by requiring the presentation of information that clearly specifies and quantifies all new requirements and the potential positive and negative impacts of the regulatory document.

Industry is currently working to develop a consistent way of estimating impacts and cost across all licensees and would be interested in discussing how CNSC staff currently accomplish this as well as sharing our approach. We would also like to reinforce the value in applying a sober second thought to the need for the development of new regulatory requirements and guidance documents. The list of proposed documents is growing at a pace that is making it increasingly difficult for industry to respond.

If you require further information or have any questions regarding this submission, please contact myself, at (519) 361-5025.

Yours truly,



Frank Saunders
Vice President Nuclear Oversight and Regulatory Affairs
Bruce Power

cc: R. Jammal CNSC Ottawa
T. Jamieson CNSC Ottawa
J. Cameron CNSC Ottawa
G. Rzentkowski CNSC Ottawa
K. Lafrenière CNSC Ottawa
CNSC Bruce Site Office (Letter only)



References:

1. Canadian Nuclear Safety Commission, *Forward Regulatory Plan 2014-16*, retrieved from <http://nuclearsafety.gc.ca/eng/acts-and-regulations/regulatoryplan/forward-regulatory-plan-details/index.cfm>.
2. Privy Council Office, 2009. *Guide to Making Federal Acts and Regulations: Part 3 - Making Regulations*, retrieved from <http://www.pco-bcp.gc.ca/index.asp?lang=eng&page=information&sub=publications&doc=legislation/part3-eng.htm>.
3. Treasury Board of Canada Secretariat, 2010. *RIAS Writer's Guide 2009*, retrieved from <http://www.tbs-sct.gc.ca/rtrap-parfa/riaswg-grrier/riaswg-grrier02-eng.asp>

**OPG-Confidential**

December 4, 2014

CD# N-CORR-00531-07346

Dr. M. Binder
President and CEO
Canadian Nuclear Safety Commission
P.O. Box 1046
280 Slater Street
Ottawa, Ontario
K1P 5S9

1.03.02

| | |
|-------------------------|-----------|
| FILE DOSSIER | 1-1-16-4 |
| REFERRED TO REFERE A | Guevillon |

Dear Dr. Binder:

Development of New Regulatory Documents

The purpose of this letter is to provide comments and recommendations on the Canadian Nuclear Safety Commission (CNSC) process for development of new regulatory requirements, guidance and documents.

With the goal of enhancing nuclear safety and documenting CNSC expectations and requirements, in recent years the CNSC has put substantial effort into better documenting the regulatory framework as noted in the CNSC Forward Regulatory Plan 2014-16 [1], by providing regulatory direction in each of the safety and control areas.

OPG has actively participated in the regulatory framework improvement initiative currently underway and offers the following recommendations for your consideration:

- 1) CNSC should implement a cost benefit analysis similar to the Regulatory Impact Analysis Statement [2];
- 2) Regulatory documents should be streamlined to provide requirements only without providing details on how to implement the requirements;
- 3) CNSC should prioritize new regulatory documents in the context of the existing and planned safety initiatives to ensure priority is on addressing the improvements with the greatest net benefit to Canadians.

OPG has always supported making investments that are reasonably expected to improve the safe, reliable operations of our nuclear facilities. The Canadian nuclear industry's demonstrated excellent safety record is evidence of our support for the improvements to health and safety, security, and the environment that is the intended purpose of regulatory documents, but the efficiency and effectiveness of such controls is also important.

In fact, OPG and the Canadian utilities are active members of industry organizations which look to best practices for implementation of programs to continuously improve safety performance. These benchmarking activities provide us ample opportunity to define how to implement these safety improvement activities.

The CNSC initiative to more fully document the regulatory framework has resulted in a significant increase in the amount of regulatory and guidance documents [3] with more planned for issue in the near future (see Attachment A). As examples, in the Power Reactor Operating Licence (PROL) issued for the Pickering Nuclear Generating station in 2013, a total of eleven new or revised CSA Standards and CNSC Regulatory Documents were adopted in the licence, and currently approximately twenty new or revised CSA Standards and CNSC Regulatory Documents (REGDOCs) are proposed for inclusion in the 2015 Darlington licence on its renewal. Each of these new regulatory documents have resulted in increased requirements and costs.

OPG has consulted with our peer NPP licencees on this issue, and we would like to offer the following observations on the existing process:

- Increasingly, regulatory documents go well beyond simply establishing requirements and include detailed discussion about how to meet the requirements. This reduces licensees' ability to determine the most cost effective manner of implementation or adds cost to demonstrate effectiveness of an alternative.
- We believe that given the significant impact of CNSC's REGDOCs there should be a documented and demonstrable benefit to health, safety, security, or the environment before any regulatory document is developed. To industry's knowledge there is no equivalent in the current CNSC regulatory document process to the Regulatory Impact Analysis Statement (RIAS) [2]. The RIAS assesses the potential impacts to "health and safety, security, the environment, and the social and economic well-being of Canadians".
- Only infrequently is there a period early in the process where stakeholders can discuss the benefits and cost implications of the documents. CNSC appears to rely on public consultation for the submission of cost-benefit information rather than through early fact finding.
- It is frequently not clear what prompted the development of the CNSC regulatory and guidance documents, what gap the documents are intended to fill, or what safety or other benefit will be gained.
- The large number of new requirements included in REGDOCs results in significant additional resource impacts on licensees. The resource impact normally occurs in one or more of three ways:
 - Incremental one-time costs to establish a new or upgraded capability required by the document.
 - Ongoing direct costs to maintain the capability year over year.
 - Overhead costs to administer the program, demonstrate compliance, and monitor and report on results.

Based on our observations as noted above we recommend the following:

- 1) The CNSC should assess the potential impacts to health and safety, security, the environment, and the social and economic well-being of Canadians when reviewing regulatory documents for final approval. This could be done by requiring the presentation of information that clearly identifies what problem the regulatory document is intended to address, all new requirements, and the anticipated safety benefits and costs. This could be accomplished through a process similar or equivalent to the Regulatory Impact Analysis Statement.

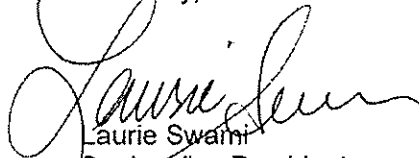
Consultation should require a process step where all stakeholders can participate in a forum to discuss the benefits and cost implications of the planned document early on before decisions to proceed are made, especially for significant documents.

- 2) The CNSC should include only the necessary requirements in regulatory documents without details on how to implement the requirements.
- 3) The CNSC should consider the relative priority and benefits of new regulatory document requirements alongside other improvement initiatives, however initiated, and develop plans and schedules for implementation that take account of these relative benefits. The benefits of the regulatory proposal should be considered as well as potential alternatives including taking no regulatory action where other alternatives are shown to be effective or where proposals do not generate sufficient benefit, compared to the cost, to be implemented at all.

Industry is currently working to develop a means of estimating impacts, costs and benefits, and would be interested in discussing how CNSC staff currently accomplish this as well as sharing our approach.

If you require further information or have any questions regarding this submission, please contact Mr. Robin Manley, Director Nuclear Regulatory Affairs and Stakeholder Relations, at (905) 839-6746, extension 5264.

Sincerely,



Laurie Swami
Senior Vice President
Decommissioning and Nuclear Waste Management Division
Ontario Power Generation

Att.

| | |
|----------------|---------------|
| cc: R. Jammal | CNSC (Ottawa) |
| T. Jamieson | CNSC (Ottawa) |
| J. Cameron | CNSC (Ottawa) |
| G. Rzentkowski | CNSC (Ottawa) |

References:

1. Canadian Nuclear Safety Commission, *Forward Regulatory Plan 2014-16*, retrieved from <http://nuclearsafety.gc.ca/eng/acts-and-regulations/regulatoryplan/forward-regulatory-plan-details/index.cfm>.
2. Treasury Board of Canada, 2012. *Cabinet Directive on Regulatory Management*, retrieved from <http://www.tbs-sct.gc.ca/rtrap-parfa/cdrm-dcgr/cdrm-dcgrpr-eng.asp?format=print>.
3. Canadian Nuclear Safety Commission 2014, index of regulatory documents under development, retrieved from <http://nuclearsafety.gc.ca/eng/acts-and-regulations/regulatory-documents/index.cfm>

Attached to OPG Confidential letter Laurie Swami to Dr. M. Binder, "Development of
New Regulatory Documents," CD# N-CORR-00531-07346

Attachment A

Regulatory Requirements and Guidance Documents

Attachment A

| Regulatory Requirements and Guidance Documents | | | | |
|--|-----------|----------------|--|------------------------------|
| 1980-1990 | 1991-2000 | 2001-2005 | 2006-2014 | 2014-TBD |
| 1.1. Reactor Facilities | | | | |
| | | | RD-346 RD/GD-369 DIS-13-02 | |
| 1.2 Class IB Facilities | | | | |
| R-72 | | | | |
| 1.3 Uranium Mines and Mills | | | | |
| | | | DIS-10-01 | REGDOC - 1.3.1 |
| 1.4 Class II Nuclear Facilities | | | | |
| | | | RD/GD-289 RD/GD-120 | |
| 1.5 Certification of prescribed equipment | | | | |
| | | | RD/GD-207 RD/GD-254 | |
| 1.6 Nuclear substances and radiation devices | | | | |
| | | | RD/GD-371 | |
| 2.1 Management system | | | | |
| | | | | REGDOC-2.1.2 |
| 2.2 Human performance management | | | | |
| | P-119 | G-229 | REGDOC-2.2.2 REGDOC-2.2.3 RD-363 G-323 G-313 RD-204 DIS-12-07 | REGDOC-2.2.1 REGDOC-2.2.4 |
| 2.3 Operating performance | | | | |
| | | | G-306 RD-360 REGDOC-2.3.1 Commissioning REGDOC-2.3.1 Construction REGDOC-2.3.2 DIS-12-05 DIS-12-04 | REGDOC-2.3.3 |
| 2.4 Safety analysis | | | | |
| | G-149 | S-294 G-276 | REGDOC-2.4.1 RD-310 RD-308 GD-310 REGDOC-2.4.2 G-144 RD-327 G-327 | |

Attached to OPG Confidential letter Laurie Swami to Dr. M. Binder, "Development of New Regulatory Documents," CD# N-CORR-00531-07346

| Regulatory Requirements and Guidance Documents | | | | |
|--|-----------|--|--|--|
| 1980-1990 | 1991-2000 | 2001-2005 | 2006-2014 | 2014-TBD |
| 2.5 Physical design | | | | |
| R-77 | | G-278 G-221 | REGDOC-2.5.2 RD-337 GD-52 RD367 RD/GD-352 | DIS-14-01 |
| 2.6 Fitness for service | | | | |
| | | S-98 | RD/GD98 RD/GD-210 S-210 REGDOC-2.6.3 RD-334 DIS-12-03 | |
| 2.7 Radiation protection | | | | |
| R-85 | G-121 | G-4 G-218 G-91 G-129 G-147 G-228 S-260 | RD-58 GD-150 S-106 GD-314 DIS-13-01 DIS-12-02 | |
| 2.9 Environmental protection | | | | |
| | | P-223 S-296 G-296 | REGDOC-2.9.1 Policies DIS-12-01 | REGDOC_2.9.1 Environmental Assessments |
| 2.10 Emergency management and fire protection | | | | |
| | | G-225 | P-325 REGDOC-2.10.1 RD-353 | |
| 2.11 Waste management | | | | |
| | G-219 | P-290 | RD/GD-370 G-320 | |
| 2.12 Security | | | | |
| | | G-205 G-208 G-274 | RD-321 RD-361 REGDOC-2.12.1 REGDOC-2.12.2 REGDOC-2.12.3 | |
| 2.13 Safeguards and non-proliferation | | | | |
| | | | RD-336 GD-336 | REGDOC- 2.13.2 |
| 2.14 Packaging and transport | | | | |
| | | | RD-364 DIS-12-06 | |
| 3.1 Reporting requirements | | | | |
| R-25 R-26 R-27 | R-89 | | REGDOC-3.1.1 | REGDOC-3.1.2 |

Attached to OPG Confidential letter Laurie Swami to Dr. M. Binder, "Development of New Regulatory Documents," CD# N-CORR-00531-07346

| Regulatory Requirements and Guidance Documents | | | | |
|--|-----------|----------------------------------|----------------------------|--------------|
| 1980-1990 | 1991-2000 | 2001-2005 | 2006-2014 | 2014-TBD |
| 3.2 Public and Aboriginal engagement | | | | |
| | | G-217 | RD/GD-99.3 | REGDOC-3.2.2 |
| 3.3 Financial guarantees | | | | |
| | G-206 | | DIS-11-01 | |
| 3.4 Commission proceedings | | | | |
| | | | 3.4 Commission proceedings | |
| 3.5 Information dissemination | | | | |
| | | G-273 P-299 P-211 P-242 | REGDOC-3.5.2 GD-385 | |



Point Lepreau Generating Station
PO Box 600, Lepreau, NB
E5J 2S6

TU 06000
TU 06310

~~CONFIDENTIAL~~

CNSC CCSN



4594749

December 11, 2014

Dr. M. Binder
President and CEO
Canadian Nuclear Safety Commission
P.O. Box 1046
280 Slater Street
Ottawa, Ontario
K1P 5S9

1.03-02

| | |
|-------------------------|----------------|
| FILE DOSSIER | 1-1-16-4 |
| REFERRED TO REFÉRÉ À | <i>Quillon</i> |

File

Dear Dr. Binder:

Subject: Development of New Regulatory Documents

The purpose of this letter is to provide constructive comments and recommendations on the CNSC process for development of new regulatory requirements and guidance.

With the goal of enhancing nuclear safety, in recent years the Canadian Nuclear Safety Commission (CNSC) has put substantial effort into expansion and clarification of regulatory requirements. The plan (Reference 1) has been to better document the regulatory framework, providing regulatory direction in each of the safety and control areas. Included among the clarifications are amendments to several CNSC regulations, but more significant has been the growing number of regulatory and guidance documents (Reference 2). As a result in the last Power Reactor Operating Licence (PROL) issued for the Point Lepreau Nuclear Generating station in 2014, a variety of new or revised CSA Standards and CNSC Regulatory Documents were adopted in the licence, and currently an even more extensive additional number of new or revised CSA Standards and CNSC Regulatory Documents (REGDOCs) are proposed for inclusion in future licences.

There has been a significant the number of CNSC REGDOCs incorporated into the power reactor operating licences (through the Licence Conditions Handbooks) since 2004, which results in significant management effort to ensure and track compliance. While it is true that in many cases the incorporation of regulatory requirements in REGDOCs serves to document an existing practice or expectation, it is also the case that often the requirement is modified or expanded. The CNSC practice of adding chapters of new requirements to existing CNSC Regulatory Documents complicates this issue further.

..2

The large number of new requirements included in REGDOCs results in significant additional resource impacts on Licensees. The resource impact normally occurs in one or more of three ways:

- Incremental one-time costs to establish or install a new or upgraded capability required by the document.
- Ongoing direct costs that are required to maintain the capability year over year.
- Overhead costs that are required to demonstrate compliance, administer, monitor and report on results.

Over the last 10 years new regulatory documents have resulted in incremental one-time costs to our single unit station measured in the hundreds of millions of dollars (i.e., fire protection; emergency response; Fukushima; environmental; security; PSA; seismic; etc.), as well as ongoing year over year costs to maintain the capability measured in several tens of millions. The Canadian nuclear industry's demonstrated excellent safety record is evidence of our support for the improvements to health and safety, security, and the environment that is the intended purpose of regulatory documents, but the efficiency and effectiveness of such controls is also important. Resources have finite limits so increased cost may result in the diversion of resources from other potentially more beneficial areas, or increased costs to the Canadian public. PLGS has never resisted making investments that are reasonably expected to improve the safe, reliable operations of our nuclear facilities. However, we want to ensure that as the regulatory process evolves, these resources are being focused in the most effective areas.

Many documents have now been issued under the current approach but many more are planned for issue under the regulatory document framework plan (Attachment A). PLGS, along with other NPP licensees, believes that this is an appropriate time to reflect on this process. Based on our reviews and experiences we offer the following high level comments, observations, and recommendations, for your consideration:

- To industry's knowledge there is no equivalent in the current CNSC regulatory document process to the Regulatory Impact Analysis Statement (RIAS) which explains what a regulatory proposal is intended to address, what it is intended to achieve, and what are the benefits and costs [3]. The RIAS assesses the potential impacts to "health and safety, security, the environment, and the social and economic well-being of Canadians". We would argue that given the significant impact of CNSC's REGDOCs there should be a documented and demonstrable benefit to health, safety, security, or the environment before any regulatory document is developed. The relationship between the added safety or other value, and the implementation effort, is not clear or frequently even discussed in the current regulatory document development and consultation process.
- Only infrequently is there a period early in the process where directly affected stakeholders can discuss the benefits and cost implications of the documents. Recent efforts to hold workshops on new documents go some way towards fulfilling this need, but the emphasis must be on early consultation. In our view early consultation is needed before irreversible decisions are made regarding the need for and content of

regulatory and guidance documents. Detailed documents that have been posted for official consultation do not fall within our definition of early consultation because our experience has shown that for the most part the decision to proceed in some form had already been made by that point.

- In terms of content, there is an over reliance on external parties for the submission of cost-benefit information through public consultation or at Commission proceedings rather than through early fact finding. Many documents reach the public consultation period with significant errors still present. Early assessment of regulatory proposals would allow for the streamlining of approval processes and the proper allocation of resources.
- It is frequently not clear what prompted the development of the CNSC regulatory and guidance documents, what gap the documents are intended to fill, or what safety or other benefit will be gained. The benefits of the regulatory proposal should be considered as well as potential alternatives including taking no regulatory action where other alternatives are shown to be effective.
- Increasingly, regulatory documents go well beyond simply establishing requirements and include detailed discussion about how to meet the requirements. This reduces Licensees' ability to determine the most cost effective manner of implementation or adds cost to demonstrate another method.

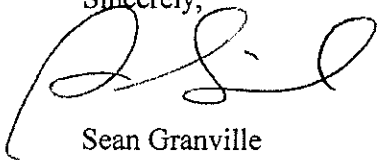
Central to the establishment of new regulatory documents must be the assurance that the regulatory proposals will result in the greatest overall benefit to Canadians. Based on our observations above we recommend that the Canadian Nuclear Safety Commission:

- Introduce a process similar or equivalent to the Regulatory Impact Analysis Statement into the CNSC regulatory document development process to ensure it is clear what the regulatory document is intended to address, what it is intended to achieve, and what are the benefits and costs.
- Require a period early in the process before decisions to proceed are made, especially for significant documents, where directly affected stakeholders can discuss the benefits and cost implications of the planned document as an input to the process.
- Assess the potential impacts to health and safety, security, the environment, and the social and economic well-being of Canadians when reviewing regulatory documents for final approval by requiring the presentation of information that clearly quantifies all new requirements and the potential positive and negative impacts of the regulatory document.
- In this process, consider the relative priority and benefits of new regulatory document requirements alongside other improvement initiatives, however initiated, and develop plans and schedules for implementation that take account of these relative benefits. In addition, the process should acknowledge that some proposals may in fact not make the cut to be implemented at all.

Industry is currently working to develop a consistent way of estimating impacts and cost across all licensees and would be interested in discussing how CNSC staff currently accomplish this as well as sharing our approach. We would also like to reinforce the value in applying a sober second thought to the need for the development of new regulatory requirements and guidance documents. The list of proposed documents is growing at a pace that is making it increasingly difficult for industry to respond.

If you require additional information, please contact **Rick Gauthier** at 506-659-6236 or RGauthier@nbpower.com.

Sincerely,



Sean Granville
Site Vice President and Chief Nuclear Officer

SG/RG/sd

cc. Ben Poulet , Pierre Bélanger, Lisa Love-Tedjoutomo, Bruno Romanelli, (CNSC – Ottawa)
CNSC Site Office
Al MacDonald (NBP)

References:

1. Canadian Nuclear Safety Commission, *Forward Regulatory Plan 2014-16*, retrieved from <http://nuclearsafety.gc.ca/eng/acts-and-regulations/regulatoryplan/forward-regulatory-plan-details/index.cfm>.
2. Canadian Nuclear Safety Commission, 2014, index of regulatory documents under development, retrieved from <http://nuclearsafety.gc.ca/eng/acts-and-regulations/regulatory-documents/index.cfm>
3. Treasury Board of Canada, 2012. *Cabinet Directive on Regulatory Management*, retrieved from <http://www.tbs-sct.gc.ca/rtrap-parfa/cdrm-dcgr/cdrm-dcgrpr-eng.asp>

Attachment:

1. Regulatory Requirements and Guidance Documents

Attachment A

Regulatory Requirements and Guidance Documents

| Regulatory Requirements and Guidance Documents | | | | |
|--|-----------|---|--|------------------------------|
| 1980-1990 | 1991-2000 | 2001-2005 | 2006-2014 | 2014-TBD |
| 1.1. Reactor Facilities | | | | |
| | | | RD-346 RD/GD-369 DIS-13-02 | |
| 1.2 Class IB Facilities | | | | |
| R-72 | | | | |
| 1.3 Uranium Mines and Mills | | | | |
| | | | DIS-10-01 | REGDOC - 1.3.1 |
| 1.4 Class II Nuclear Facilities | | | | |
| | | | RD/GD-289 RD/GD-120 | |
| 1.5 Certification of prescribed equipment | | | | |
| | | | RD/GD-207 RD/GD-254 | |
| 1.6 Nuclear substances and radiation devices | | | | |
| | | | RD/GD-371 | |
| 2.1 Management system | | | | |
| | | | | REGDOC-2.1.2 |
| 2.2 Human performance management | | | | |
| | P-119 | G-229 | REGDOC-2.2.2 REGDOC-2.2.3 RD-363 G-323 G-313 RD-204 DIS-12-07 | REGDOC-2.2.1 REGDOC-2.2.4 |
| 2.3 Operating performance | | | | |
| | | | G-306 RD-360 REGDOC-2.3.1 Commissioning REGDOC-2.3.1 Construction REGDOC-2.3.2 DIS-12-05 DIS-12-04 | REGDOC-2.3.3 |
| 2.4 Safety analysis | | | | |
| | G-149 | S-294 G-276 | REGDOC-2.4.1 RD-310 RD-308 GD-310 REGDOC-2.4.2 G-144 RD-327 G-327 | |
| 2.5 Physical design | | | | |
| R-77 | | G-278 G-221 | REGDOC-2.5.2 RD-337 GD-52 RD367 RD/GD-352 | DIS-14-01 |
| 2.6 Fitness for service | | | | |
| | | S-98 | RD/GD98 RD/GD-210 S-210 REGDOC-2.6.3 RD-334 DIS-12-03 | |
| 2.7 Radiation protection | | | | |
| R-85 | G-121 | G-4 G-218 G-91 G-129 G-147 G-228 | RD-58 GD-150 S-106 GD-314 DIS-13-01 DIS-12-02 | |

| Regulatory Requirements and Guidance Documents | | | | |
|--|-----------|----------------------------------|---|--|
| 1980-1990 | 1991-2000 | 2001-2005 | 2006-2014 | 2014-TBD |
| | | S-260 | | |
| 2.9 Environmental protection | | | | |
| | | P-223 S-296 G-296 | REGDOC-2.9.1 Policies DIS-12-01 | REGDOC 2.9.1 Environmental Assessments |
| 2.10 Emergency management and fire protection | | | | |
| | | G-225 | P-325 REGDOC-2.10.1 RD-353 | |
| 2.11 Waste management | | | | |
| | G-219 | P-290 | RD/GD-370 G-320 | |
| 2.12 Security | | | | |
| | | G-205 G-208 G-274 | RD-321 RD-361 REGDOC-2.12.1 REGDOC-2.12.2 REGDOC-2.12.3 | |
| 2.13 Safeguards and non-proliferation | | | | |
| | | | RD-336 GD-336 | REGDOC-2.13.2 |
| 2.14 Packaging and transport | | | | |
| | | | RD-364 DIS-12-06 | |
| 3.1 Reporting requirements | | | | |
| R-25 R-26 R-27 | R-89 | | REGDOC-3.1.1 | REGDOC-3.1.2 |
| 3.2 Public and Aboriginal engagement | | | | |
| | | G-217 | RD/GD-99.3 | REGDOC-3.2.2 |
| 3.3 Financial guarantees | | | | |
| | G-206 | | DIS-11-01 | |
| 3.4 Commission proceedings | | | | |
| | | | 3.4 Commission proceedings | |
| 3.5 Information dissemination | | | | |
| | | G-273 P-299 P-211 P-242 | REGDOC-3.5.2 GD-385 | |