

Tsui, Kathy [CEAA]

From: Sherhols, Peter [CEAA]
Sent: December 29, 2005 10:51 AM
To: Tsui, Kathy [CEAA]
Subject: FW: Globe and Mail - Editorial Sept 16
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From: Trudeau, Aline [mailto:trudeaua@aecl.ca]
Sent: Monday, September 19, 2005 2:48 PM
Subject: Globe and Mail - Editorial Sept 16

FYI
Dale Coffin
AECL

Ontario needs more nuclear power plants

Globe and Mail - Editorial
16 September 2005

Ontario Premier Dalton McGuinty is only being realistic when he declares that more nuclear power plants may be in the cards. Faced with a significant energy shortfall that could endanger the province's economic health, it would be irresponsible to rule out any safe option to boost long-term generating capacity.

Ontario's aging electricity system is already stretched to the limit, as vividly illustrated during the long summer heat wave. The province had to resort to costly imports. On one August day, operators even imposed a brownout to cope with shortages. More of the same - or even worse - awaits, as demand continues to soar. Mr. McGuinty inherited these problems from previous governments, which turned the mismanagement of electricity resources, including nuclear, into an art form. As installed capacity fell, demand soared, fuelled in no small measure by artificially low prices.

The McGuinty government appears to realize that bold measures are needed to fix the energy mess. The Premier told the Ontario Energy Association on Wednesday that the province has to refurbish, rebuild or replace 25,000 megawatts of supply over the next 15 years. That's a tall order, considering that current installed capacity is about 30,000 megawatts. On days when demand is high, Ontarians consume 25,000 megawatts. More than 2,200 megawatts have been added since Mr. McGuinty took office in October of 2003, and an additional 9,000 are coming on stream in the next five years. Of this new supply, 23 per cent will be nuclear and 23 per cent will come from renewable sources. Much of the rest will be from natural gas, the cost of which has soared by 64 per cent this year.

The government remains committed to closing the rest of its coal-fired generating plants by 2009, which would take 6,500 megawatts out of commission. And it has yet to sort out such complicated issues as regulation, ownership and pricing, although Mr. McGuinty insists that there will be no subsidization of prices. Caps on electricity prices may be politically popular, but they distorted the market, discouraged private investment and saddled the province with unnecessary debt.

29/12/2005

More nuclear power is obviously one good option, particularly in light of the soaring cost of other fuels. But the government is right not to throw more good money after bad into problem-plagued reactors that would take billions of dollars in further investments to restore to service. "We are prepared to go ahead with economical, safe, new nuclear if that is recommended by the OPA," Mr. McGuinty said. Good.

But in addition to finding the right mix of energy sources, the Ontario government must also come up with the right model of ownership. The province needs to encourage more private-sector involvement to help safeguard taxpayers from being saddled with the enormous costs associated with an ambitious expansion of generating capacity, nuclear or otherwise.

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