

OPG chief sees only refurbishment in Ontario's nuclear future

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QP Briefing

Quizzed on the future of nuclear power, Ontario Power Generation's president envisioned only the refurbishment of reactors, not new builds.

"What I see is a lot of focus on revamping the assets we have," **Tom Mitchell** told an energy conference Tuesday. The OPG CEO was answering a question about what role nuclear will play in the medium- to longer-term energy picture.

Yet refurbishment alone - at an estimated cost of more than \$25 billion over the next several years - is, "a huge challenge," added Mitchell. "Our focus, really, is on making that happen."

The province and OPG have committed to fixing up reactors at the Darlington Nuclear Generating station starting in 2016. No budget has been published, but the rumoured price tag is in the range of \$10 billion.

Likewise, 2016 will bring a \$15-billion refurbishment of Bruce Power's nuclear generating station at Tiverton, on the shore of Lake Huron. Mitchell said OPG is the beneficiary of a lot of experience on refurbishment, specifically mentioning colleagues at Bruce Power as those lending their expertise.

Nuclear refurbishment is on the province's agenda, though.

OPG had been ramping up its preparations for new nuclear reactors at the Darlington Nuclear Generating Station when the province pulled the plug last fall. Energy Minister **Bob Chiarelli** confirmed in October, 2013, that the government had decided against building reactors at Darlington for the time being. The province's long-term energy plan reaffirmed this, stating it was due to Ontario's already-strong supply situation.

Even so, the Ministry of Energy is trying to keep the new nuclear idea warm. The ministry has indicated it is working with OPG to maintain the site licence it received from the Canadian Nuclear Safety Commission (CNSC).

But adding to the hurdles for a new build, a federal judge ruled in May that the CNSC faulted in approving the Darlington project. The ruling stated the commission hadn't sufficiently studied the environmental effects of radioactive fuel waste, major accidents or meltdowns and hazardous emissions. Before any new build can happen, those concerns need to be addressed.

Mitchell's comments on refurbishment were made as he sat on a panel at the Ontario Energy Association's energy conference.

OPG is one of the assets being studied for sale by the panel headed up by TD Bank CEO Ed Clark. However, a conference participant said it's unlikely that a private company could grab the nuclear baton and run with it.

Michael O'Sullivan, senior vice-president of development at NextEra, said up to 95 per cent of Canadian and American publicly-traded companies cannot handle risking the billions a nuclear project could cost. "When you make a nuclear decision in the states, you're betting your company. It has to be a unique compact with government and private capital."

NextEra has several solar and wind projects in Ontario, but O'Sullivan said the company would likely be staying out of Canada's "complicated" nuclear regulatory system.

Despite all of this, Mitchell said nuclear will continue to play a large role in powering the province. It has a "good price point" and emits little in the way of greenhouse gases, he explained. "I think there will always be a place for that in the mix."