



Canadian Nuclear Association
Association nucléaire canadienne

**Commentary on the Issues List
of the Ontario Energy Board**

The principal interest of the Canadian Nuclear Association (CNA) with respect to the Ontario Power Authority's (OPA) Integrated Power System Plan (IPSP) is the future of electricity supply in Ontario. Our interest is that the electricity system of the future provides an electricity supply that is as reliable, secure and cost effective as it has been in the past.

The Ontario Energy Board (OEB) has circulated for comment a list of issues for comment by intervenors. This document is comprised of two parts: the first part related to compliance with directions issued by the Minister of Energy; and the second part with regard to economic prudence and cost effectiveness.

With respect to the first section, there are two questions that have direct or indirect implications for nuclear power. These are 1(3) and 1(6).

With respect to Section 1(3), the OPA has stated in its plan that it has no intention of procuring any nuclear supply before 2010. However, on the same page its supply graphs show new nuclear supply entering service either in 2015 or 2018 depending upon the refurbishment decision for Pickering B. It is not clear to the CNA that delaying procurement decisions past 2010 will allow such deadlines to be met, particularly when it is considered that the Ontario government does not control much of the approval process related to the licencing and construction of new nuclear facilities.

On Section 1(6) the CNA notes that the OPA has called for the strengthening of the Ontario transmission system. The CNA has a strong interest in the detailed transmission plan which will emerge. We believe it essential that useful sources of supply are not constrained by lack of timely access to transmission, as has occurred elsewhere. For example, in November 2007, 13 wind farm projects in Kansas were cancelled because of the decision by the state government not to proceed with the construction of two coal-fired generating stations. The transmission systems were not economic with just the wind generation facilities and hence were cancelled as well.

With respect to Section 2, the IPSP has indicated that there are three methods of procurement: competitive, non-competitive, and standard offer. The IPSP does not

indicate which of these methods will be used for nuclear power, because, as noted above it has no intention of nuclear procurement to the end of 2010.

The CNA has a strong interest in the deliberations of the OEB with respect to procurement. IPSP explicitly states that new nuclear power will be essential for Ontario's future supply. The only question is the amount of new nuclear power that must be built, based primarily around the future refurbishment of the Pickering B nuclear station. If Pickering B is not refurbished then more new construction will be required to achieve the 14,000 MW target set by the IPSP. If decisions regarding procurement of new nuclear power are made sooner then there is less constraint on the licencing, assessment and construction phases of new capacity that will follow later.

In closing, the CNA accepts that the OPA has followed the directives of the Minister in the formulation of its plan. We would suggest to the OEB that, given the time constraints regarding large capital projects, the hearing process move forward expeditiously.