

Speaking Notes

for

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President and CEO

Canadian Nuclear Association

To

**Clarington Board of Trade:
2nd Annual Energy Summit**

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INTRODUCTION

Good Morning ladies and gentlemen,

Thank you Randy. (Randy Henry, President, Clarington Board of Trade) for the kind introduction.

And thank you to the Clarington Board of Trade for inviting me to participate in your Second Annual Energy Summit.

I am just six months into my role as President and CEO of the Canadian Nuclear Association (the CNA), and still in what I call “learning and listening mode”. But I do have a background in the Energy sector, and I recognize the importance of local engagement and an open dialogue. These elements are crucial to successful, prosperous outcomes for the community and its core industries.

I’m a Westerner from Alberta, so part of my research for today involved learning key facts about the Durham region and the Municipality of Clarington. You have an impressive track record.

The Clarington Board of Trade represents the Business leaders, Industry and Community Groups of a Municipality that strives for leadership in energy conservation and efficiency. You have collectively embraced values of what it means to be stewards of energy development and the environment – so I can’t think of a better time or place to have an Energy Summit. As Clarington looks forward to the opportunities for future innovation and growth, so does the CNA. And seizing these opportunities is what I would like to talk about this morning.

THE INDUSTRY

The CNA has some 95 members representing the entire spectrum of the nuclear industry – electricity producers, manufacturers, uranium mining and fuel processing, labour unions, engineering and universities.

This year marks a significant milestone for us. It was 50 years ago, in 1960, that the members of the Canadian nuclear industry created the Canadian Nuclear Association to promote the peaceful use of nuclear technology in Canada.

Our vision is to seize the opportunity presented by the global renaissance to build and sustain a strong, vibrant and growing nuclear industry. Globally there are 438 operating reactors, 54 under construction and over 450 planned or proposed. Our industry wants to be a global player and create economic wealth and thousands of high paying jobs for Canadians.

Canada's nuclear industry, from its early days at Chalk River to today, is responsible for developing innovative new products and services that have improved the quality of life of Canadians and people around the globe.

The CANDU reactor, nuclear medicine, materials research, products that can make food safer and water more available – our industry is key to our economy, it improves living standards, and it saves lives.

In three Canadian provinces, we have achieved an unparalleled record of safe, reliable and economic nuclear power generation. Here in Ontario, where we supply more than half of the province's power, nuclear-generated electricity energizes Canada's largest economy.

Our nuclear power plants also generate clean air. We should be proud of our very positive contributions to avoiding both smog and greenhouse gases. We are part of the solutions to these pressing problems.

We have created a world-leading uranium industry. We have been world leaders in the production of medical isotopes.

Our industry has produced a Nobel Prize winner in Bert Brockhouse. Our engineers and scientists are second to none.

The jobs we create, both directly and indirectly, offer high-value employment to more than 70,000 Canadians. There is no doubt that our industry is a mainstay of the Canadian economy.

It is easy to forget all we have accomplished. It's natural to focus only on today's challenges.

We need to remember that throughout our history, there have been many challenges. We've met them together, and over the decades we have built a strong, Canadian industry. We have a legacy of successes to move us forward.

Canada's nuclear industry is strong today because of the dedication and efforts of its members and the communities - such as Clarington - that allow us to operate.

Canada has a unique history of nuclear innovation and achievement. Our job today is to build on this record of accomplishment by looking to the future for growth. To help frame this story, I think you will enjoy a short video which we recently developed to explain why nuclear is important and ever so timely.

I hope you enjoyed that. I should mention here that all of you will be receiving copies of that DVD along with our flip book on nuclear facts. I encourage you to share these products and the information as widely as you like. Canada has an incredible history in nuclear achievements of which we can be very proud. These products are also available on our website - WWW.CNA.CA

To help assimilate some of this information, I would like to take a couple of minutes to position our industry. Some of this will be very familiar to an audience such as this one.

First, the Canadian nuclear industry is large. Nuclear generates 15% of Canada's electricity, including 55% in Ontario. It is responsible for over 70,000 highly skilled and high paying direct and indirect jobs. Canada, specifically Saskatchewan, is the world's second largest uranium producer with 20% of the world market. We are a global leader in nuclear medical technologies. And we have state-of-the-art research facilities in Chalk River, Ontario.

But size isn't everything. So my second message is that nuclear is important from economic, environmental and health public policy perspectives. Simply put:

- Nuclear is more than affordable and competitive – it is a low cost energy source. Nuclear provides competitive costs with coal and

natural gas and much lower than the two most promising renewables, namely wind and solar. At the same time, nuclear has high capital costs which generate large and positive economic impacts.

- Nuclear power is secure, safe, stable and reliable. Perhaps most important in today's concerns about climate change and our environment is the simple fact that nuclear electricity is clean and non-emitting. No other baseload electricity can compare.
- Nuclear goes well beyond electricity generation. Nuclear in Canada is also the basis for vital cancer-fighting medical technologies, diagnosis and treatment, medical sterilization and food irradiation, desalination of water and other emerging technologies. The Canadian nuclear research cluster in Chalk River is second to none. Half of the world's medical isotopes were produced by AECL's NRU reactor at Chalk River.

My third message is we need to focus on nuclear now. The Canadian industry is entering a period of unprecedented uncertainty due to the prospective sale of AECL.

As you saw in our video, the CANDUs have been a remarkable success story. But this sale could have unknown impacts on Canada's nuclear supply chain and potentially on the future of the Canadian nuclear industry at large.

It will be vitally important to ensure this sale will advance the industry and the hundreds of Canadian companies that are part of the CANDU supply chain and make it more competitive rather than risk repeating the misfortunes of other countries following the sale of their core nuclear power assets.

Which brings me to my fourth message. The CNA has unveiled a Growth Strategy to ensure Canada remains a global leader in nuclear technology, creates highly-skilled jobs in Canada, increases economic benefits for Canadians, and generates clean energy to help address the domestic and international challenges of climate change.

I spoke to Senators in Ottawa about our Growth Strategy last week, and I reiterated the need for vocal Government support to achieve our goals. We

are asking Governments to play a critical role in establishing the framework for continued growth in our nuclear industry.

Community Partnerships

OPG's Darlington Nuclear Generating Station has been a part of this community for over 25 years. You - residents of the Clarington and Durham region - describe yourselves as the "proud home of Darlington nuclear." When I first heard this, I was struck by the positive and inspirational tone of what that really means.

You are an example of what communities can accomplish all over Canada – and the world – when it comes to energy development. Even 25 years ago, you possessed a vision acceptance to work with an industry that many would shy away from. You recognized the opportunities for jobs, prosperity and growth – and you seized them.

OPG and Darlington Nuclear are committed to this community, and have supported more than 190 not-for-profit initiatives in Clarington and Oshawa.

For example, the establishment of the Waterfront Trails, which are open year-round for hiking, biking and nature-watching, and provide a home to over 900 different species of wildlife. As an avid lover of the outdoors, I was impressed to see how such an initiative could come to fruition between a nuclear power station and its neighbours.

That is just one example. I know there are countless others, including charity drives, school activities and other initiatives that are carried out in the Durham region.

Darlington Nuclear plays a key role in powering this region and the rest of the province. In 2009, your station produced nineteen per cent of the electricity produced by the province of Ontario.

In February, OPG announced a two-part investment strategy for its nuclear generating stations in Durham Region:

- OPG is proceeding with the planning phase for a mid-life refurbishment of the Darlington Nuclear Station;
- OPG is continuing safe operation of the Pickering Nuclear Station for about a decade with a \$300-million investment. OPG will then move

from operation to a project phase to put Pickering Nuclear into a safe layup and safe storage state, with eventual decommissioning of the station.

I know Mr. Deitmar Reiner (DEET-MAR RINER), the VP of Nuclear Refurbishment OPG will be talking to you more about these plans so I won't go into all the details. But I know you have a busy year ahead!

Once again, I do wish to commend OPG and you - the residents and Business Leaders of Clarington – for achieving such a strong safety, performance and community record. You are models in showing us how this can be done.

CONCLUSION

As our industry seizes the opportunities for growth in a global nuclear renaissance, the CNA will be supporting our members at every turn.

If you have specific ideas on how we can do this from a community angle, I would like to hear from you.

As I mentioned, you have a busy year ahead and I know you will tackle the challenges and take advantage of the benefits in an open, transparent way – just as you have done for the past 25 years.

My congratulations on a job well-done and I wish you a successful Summit.

I look forward to our discussions and would be please to take your questions.

Thank you.