

**“Understanding why the costs of nuclear
inertia far outstrip the risk of moving
ahead with nuclear development now:
A time for tough choices”**

Canadian Nuclear Association (CNA)

**Conference and Trade Show
Theme: "The Reality of Renaissance"**

By:

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****Check Against Delivery***

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I am pleased to share some thoughts with you on the political challenge facing Canada's nuclear industry. As those challenges relate essentially to real delays in nuclear reactor commissioning and construction, and the cost of those delays to Canada's energy, economic, environmental and social interests, what I am really hoping to underline is the actual cost of delay; what needs to be done if delay, as a denial of our genuine national interest is not to prevail over coherent focused and competent national progress.

Let me share with you my biases. Most of what I know about nuclear power I learned as an advisor and Associate Cabinet Secretary for Mr. William Davis, one of the very best First Ministers ever to

serve any government in Canada. What I learned there was really simple. The nuclear industry is not just about electricity, CANDU or other technologies or the close to forty thousand Canadians who work directly or indirectly in nuclear construction, engineering, design, operation or supplying all of the above. It is not only about sustaining efficient energy supply that emits no greenhouse gases. It is not only about diminishing long term dependence on fossil fuels. It is about whether, as a society, we are prepared to harness Canadian ingenuity, know-how and competence to ensure our own economic future. It is about being passive about economic determinants that will shape social and productivity

gains for all Canadians, or engaging what must be done aggressively and creatively. Passivity is always the wrong answer.

I very much recall extensive hearings before a select committee on nuclear power in the mid 1970's in Ontario – while the Davis government was in minority. I recall that the committee had a majority made up of Liberals and New Democrats and was chaired by Donald C. Macdonald, the former and very distinguished NDP leader in the province of Ontario. The government of the day, Mr. Davis' government had no control on the committee's budget, agenda, research, testimony or conclusions. It had no control on the consultants and counsel the committee

hired. It was an exhaustive review. Safety, environment, technology and economics were all considered, not for days and months but for over a year. And the core findings were fundamentally in favour of further nuclear development as an integral part of our provincial power grid.

Prior to the 1981 election, in which Mr. Davis was returned for a fourth term, and this time with a majority, the cabinet approved the Darlington nuclear facility and exempted the project from provincial environmental assessment, using the reasoning that a nuclear plant was by far the most environmentally sound choice the cabinet, the government and Ontario had. It was deemed a vital

structural base for our economy. And, as we gather here today, despite the promise and real opportunity of sun, wind and other passive sources of energy, and the progress we have all made on these newer technologies, they are many decades away from supplying the grid any meaningful percentage of the electricity we need. Energy conservation in fact, as a way of economizing on what we take from the grid makes more short and medium term sense in various circumstances. But we need to be both visionary and pragmatic. The electric car, which in many forms and from different sources is clearly upon us, will make demands on the grid that will be serious. Whichever scenario one embraces on climate change,

the ability to depend in perpetuity on hydro-electric or fossil fuels as generating sources will be constrained over time. There is no reliable, more sustainable or more dependable source of generating consistency that can replace nuclear power for Canada.

To the critics that point to cost, over-runs, liabilities and financing challenges, we must be firm, realistic and clear. It was John Diefenbaker who, based on National Energy Board advice, mandated the greatest multi-billion subsidy to traditional Alberta basin oil by mandating the Ottawa valley line that saw Canadians west of that line pay much higher prices for decades to finance oil exploration and

production in the west. It was a multi-billion dollar subsidy for the Canadian oil industry. East of that line cheaper Venezuelan and Middle Eastern oil could be bought. The subsidy to the west was the right policy and it was visionary – as it led to oil security and energy predominance for Canada – two attributes that serve us very well these days and into the future.

Our road and rail system are sinews of productivity and expansion – heavily subsidized over the years and for good reason. Our universities and schools and colleges –sinews of civility, opportunity and economic productivity are also massively subsidized because they help build Canada and shape

a better world everyday for millions of young people.

And if sustainable energy sources, tied to both our national security and economic and social requirements are to be genuine priorities for Canada, then a serious national programme of nuclear power construction must be an over-arching national priority. The costs of delay are staggering, and they far outstrip the costs of proceeding now. The costs of "overnight" construction – i.e. the cost of building tomorrow morning, end up being just a fraction of actual costs because of the escalation on services, and materials over time. Add to that escalation the multi-year siting and permitting costs, which are excessive and debilitating and we have the

classic case of situational paralysis. Whatever the future holds, paralysis serves no purpose whatever. Delay has measurable costs, to the environment, to hundreds of thousands of jobs and billions in productivity. Ontario and Canada have industrial and high-tech economies based on stable supplies of reasonably priced power. We must not let this recession lull us into inaction – because failure to act threatens the core economic and productive base of Ontario.

In Atlantic Canada, in Quebec and Ontario, in BC and Alberta nuclear power would add stability, economic growth, generational flexibility to important economic exigencies. Our ability to export

power would be enhanced. The symbol to the world of Canada engaging in a major nuclear build would be compelling and positive. Moreover, the 21 operating reactors in Canada and reactors up and running built by Canadians around the world continue to serve well. Large machines dependant on parts, processes, monitoring and technical and refurbishing requirements are never stagnant or without cost. Just as CANDU and other reactor designs are not without ongoing design and technical and servicing innovation. But the steady power they generate is vital in Ontario and of continuing and expanding importance in Quebec and New Brunswick – and should be expanded in other

provinces.

Let me say this to my friends in the environmental movement, of which I am a strong supporter. The technology on safe, long-term, spent fuel storage and security is in place. The philosophical obligation of our generation to deal with the spent fuel that powered our lives is clear. Canada's electric generators, which were dependant on nuclear power, funded through rates consumers sustained, world-class empirical research on safe storage techniques that are scientifically proven and have been essentially certified now by two royal commissions. This downturn we are collectively experiencing is a superb opportunity to move this

national project ahead. There was a reason that the great depression saw massive public works like dams and Tennessee Valley authorities begun and completed. To help avoid a depression, today's equivalent of that sort of engagement is a serious national nuclear build. Our European partners like France, whose electricity is 76% nuclear-based, as environmentally sensitive and careful as any society, nuclear power is a deeply dominant source. The same is true of Germany at 30% and Belgium at 54%. The Swedish government has just announced a change in policy and will propose to Parliament a new nuclear build engagement breaking a decades' long moratorium. Economic requirements in Asia,

over time in Africa and even in the Middle East suggest a growing demand for peaceful nuclear electrical generation for demands as broad as rural electrification, to desalination and economic growth.

If nuclear power is the answer, what then is the question? Well friends, the question is very simple and very fundamental. Can we manage and excel at complexity in our own national interest? It is core to our industrial and social progress that we embrace complex tasks we have managed well in the past to build even more determinedly for the future. And embracing that complexity may also require a rethink of the role of key players, how they are financed and structured. It may well require that we have the

courage to pass Orders in Council provincially and federally to streamline the process of environmental and other permitting questions. It may also be an opportunity for the benefits of public and private capital to help manage both risk and opportunity.

But this is not a time for feeble evasion or putting things off. Inertia will literally cost billions to our economy. It is not a time to be overwhelmed by complexity but to master it. It is a time to be assertive about what we can achieve...about the "can do" spirit that built the Trans-Canada highway, built the Dew Line, built the first reactors at Bruce, built the aerospace industry and the infrastructure that we call modern Canada. It is a time for an act of

political will and coherent federal-provincial cooperation. It is a time to seize the opportunity for a better tomorrow by doing what is essential today. What is essential is nuclear power. What is vital is political determination to move ahead with what is the right environmental, economic and energy security decision. It is a time to engage the future and embrace the complexity that is required. It is time for a major and national nuclear build.