

**Countdown to
Ontario Power Generation's New Build**

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To the Canadian Nuclear Association

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Ottawa, Ontario**

Subject to change upon delivery

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(Check against delivery)**

Good morning. It's good to be here at the CNA's annual industry conference.

Right now I'd like to start things off by asking a favour of everyone.

No, I'm not going to ask you to turn off your cell phones.

And I'm not going to ask you to do an icebreaker exercise and hug the person next to you.

Instead, I want you to pay attention to the following words.

"T minus 26"

That's all...Just three words.

"T minus 26"

This isn't a riddle.

It's not a word game.

It's a statement of fact.

...A fact that signifies, I believe, a major event for our industry, for OPG, for Ontario and indeed for all of Canada.

In just 26 days – on March 21 – public hearings will begin on the Environmental Assessment for new nuclear units at OPG's Darlington site.

This is the *first time* such a process has been undertaken for new nuclear in Canada.

In effect, new nuclear is on the verge of becoming a reality in Ontario.

We're not there yet. We don't have liftoff. But we're definitely moving to the launch pad.

As you may have guessed, I'm going to talk today about nuclear new build.

I picked this topic because it's timely.

It's consistent with the theme of this conference.

And frankly, it's key to our future as an industry.

New nuclear is THE major growth opportunity on the horizon today.

I believe that statement is true for our industry. It's also true for the many other industries involved in infrastructure.

I also believe that the building of new nuclear reactors -- if it's to be successful -- must deliver value.

...Value to Ontario and Canada.

...Value to host communities.

....Value to business and industry.

...And especially value to the ratepayers and taxpayers who benefit from these capital projects but who also pay for them.

I've been talking a lot lately about value. I spoke about it in November to the Association of Power Producers of Ontario – in the context of ratepayer frustration over electricity bills and the industry's need to connect with its customers.

I talked about it again at the Ontario Energy Network in Toronto last December – in the context of nuclear refurbishment and the critical importance of delivering projects on time and on budget.

My focus on value today is based on the question: “Can we deliver nuclear new build in a way that provides value – in the broadest sense of the word?”

At the end of the day, when these reactors are built, our stakeholders -- customers, ratepayers, the community – will want an answer to that question.

We better be able to deliver, because in my view we won't get a second chance.

I believe we can deliver as an industry.

What's more, I believe that OPG occupies a unique and strong position from which to advance the process.

In fact, we're already pursuing several critical factors essential to new build success.

First, we're focussed on getting all the right approvals and public input completed in a timely manner.

Our goal is to fulfill the necessary requirements in an open and transparent way. And we're meeting that goal.

In the Fall of 2009, we submitted an Environmental Impact Statement and an updated Licence to Prepare the Site at Darlington. The submission represented more than three years of detailed work in and around the Darlington site, and included extensive public and community consultation.

The public hearings, as I said, start on March 21 of this year. They represent the final phase of the environmental review. What's more, they give us an opportunity to again hear, consider and respond to public input on our studies and analyses. And we look forward to that opportunity.

The other good thing about our progress on the approvals front is that it reduces the chance of delay. Since we've already completed most of our environmental and site preparation requirements, we can move quickly once the suspended procurement process resumes and regulatory approvals are received.

The second area we're focussed on involves getting the right reactor technology.

As you know, OPG has conducted a technology neutral environmental assessment.

We have looked at the benefits and limitations of all technology options.

That said...as the largest nuclear operator in Canada, and the largest CANDU owner in the world, we can clearly see the merit in continuing to use CANDU technology.

In particular, we can see the merit in building *enhanced* CANDUs at the Darlington site.

This is consistent with the Ontario government's position in its Long Term Energy Plan.

The Plan states that new nuclear "must be provided at a fair price to ratepayers" – which is our position as well.

This assumes, of course, the enhanced CANDU satisfies OPG's criteria for value, appropriate risk sharing and risk mitigation.

I realize others may have their own opinions on what kind of reactor to use. I respect that.

But right now, for OPG, the enhanced CANDU is -- in our opinion -- a good fit. This is especially true given our long history in operating this technology.

Our third element for new build success is people.

The new units will need fully trained and experienced operators ready to go.

We have an excellent solution.

By about 2020, our Pickering station will reach the end of its operating life. Pickering employs over 2,500 skilled and very experienced nuclear energy professionals. Once the station is placed into safe storage, these employees will be freed up to operate the new units at Darlington. These workers are a tremendous and unique asset.

The scenario I've just described assumes that the new units will come on line after Pickering is placed in safe storage. The timing has to be right to take advantage of this large and talented workforce.

So we have to plan well.

With careful outage management, I believe we can manage the timeframe of winding down Pickering so that it matches the construction schedule of the new units.

Our final success factor involves OPG's status as an established and capable nuclear company.

I've been in the nuclear business for more than 30 years. I've observed many nuclear plants and companies around the world.

I have total faith in OPG's ability to get the job done.

As I said earlier, we're the largest nuclear operator in Canada and the largest CANDU owner in the world.

We have more experience operating CANDUs than anyone, anywhere.

We have in Darlington a location ideal for new nuclear. It's a large site, close to major transmission lines and accessible to a major load centre in Ontario.

We also have nearly 8,000 trained and experienced nuclear employees – with extensive knowledge, strong skill sets and proven leadership capabilities.

We have broad capability and excellence in nuclear support services. This includes engineering, health physics, nuclear waste management and training.

Our extensive network of training programs and facilities ensures our people are well versed in the latest industry best-practices.

We also have a large inventory of heavy water -- which is an asset that we will deploy for the new build project.

We have spent the last several years building a strong project management culture through benchmarking and the successful execution of, and learning from, complex projects.

And...we have strong support among residents of the Durham community. This is an invaluable asset for us going forward. It's one we never take for granted. We know we must earn their trust every single day.

Finally and importantly...We're the only electricity generating company in Ontario whose rates are set through an open and transparent public review process. Openness and transparency are important when building a new nuclear plant, and we are committed to that.

All the factors I've mentioned collectively put OPG in a position to make a significant contribution to new nuclear.

We look forward to taking on the task

Not just because it's good for OPG. But because this is an endeavour that benefits all stakeholders – including our industry and the many other Canadian industries that gain employment and opportunity from nuclear projects.

By constructing enhanced CANDUs at Darlington, we would continue to support a proven energy workhorse and the supply chain that backs it up. This includes tens of thousands of jobs across Ontario and Canada – not to mention the economic spin offs and benefits to the local community.

And let me make a further point.

We're in this together.

This is not just OPG's project.

This is the industry's project. It's your project.

We all have a role to play – and especially our suppliers.

And to our suppliers, we have very high expectations. Be ready to meet them.

With a successful new build project under its belt, I believe our industry can enter a new era.

New build can provide the springboard. It can renew credibility and confidence -- not just in our own eyes, but in the eyes of the world.

We can use this to our advantage, by evolving and developing new products and services for both domestic and international markets. Many of these products and services will be based on experience with the CANDU.

For example, I can easily see future partnerships to market our CANDU expertise in outage management or safe storage and decommissioning. I also see us leveraging our extensive training expertise as well as our experience in nuclear support services.

And by "us" I mean our entire industry.

I'll have more to say on this topic at this afternoon's panel discussion. So stay tuned.

It's time to look upward and set our sights on the universe of possibilities that are out there.

Yes, we have challenges. Capital costs, for example, are a huge challenge. If we want to deliver value, they need to be controlled. And they can be – through solid project planning and governance; rigorous scope control processes; sound monitoring of project execution; and the structuring of contracts to manage risk.

But despite the challenges, we also have strengths.

We can make our Canadian nuclear industry a real player -- in a whole range of areas and technologies.

I see the industry moving beyond CANDU and developing expertise in other reactor technologies. There's nothing carved in stone that says we have to base our business solely on CANDUs.

Going forward, our industry can – and should – broaden its horizons and diversify its capabilities beyond provincial boundaries to embrace national, North American and global markets. Many here are moving in that direction already.

But I'm getting ahead of myself.

We can't be good abroad until we're first good at home.

New build offers us that chance.

So let's get started. And let's do it right.

On schedule.

On budget.

All of us.

With that, I will stop talking.

But before I go I want to reiterate one thing...and it's this.

Ontario has set a goal to build new nuclear units at Darlington.

OPG is committed to doing its part to advance that goal.

And we will only do it in a way that ensures the utmost value for Ontario residents and ratepayers -- and indeed for all stakeholders who believe in the importance and efficacy of nuclear energy.

We're ready.

I believe our industry is ready.

Let the countdown proceed.

Thank you.