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NOTES FOR REMARKS

Introduction

Good morning and welcome to the CNA's annual conference. We have a strong program with interesting speakers offering much food for thought.

C'est pour moi un très grand plaisir de vous parler ce matin. Cette conférence est un événement important pour nous tous, qui travaillons dans cette industrie. Ici rassemblés aujourd'hui, je vois des personnes qui possèdent une vaste expérience et de nombreuses connaissances. J'espère que nous profiterons tous de cette occasion pour faire de notre industrie une industrie encore plus forte et plus performante. Je souhaiterais remercier tout particulièrement l'Association et ses employés, qui chaque année, rendent possible la tenue de cette conférence.

Our theme this year is “The Reality of Renaissance.” It’s a timely theme. The nuclear industry is poised to enter a new era of potential growth and expansion. In Canada, we’re witnessing an unprecedented level of project development and activity.

This applies across the entire spectrum of our industry – from mining and fuel processing, to generation development and waste management. It’s an exciting time – with lots of opportunity and optimism. This conference is an example of that. The interest it’s generated, the number of people it attracts, and the quality of its speakers are all indicative of a dynamic industry that has momentum and is indeed experiencing a Renaissance.

But there is a reality to this Renaissance. As we move into this new era, we must take care not to let our enthusiasm for new projects and initiatives overwhelm our focus on certain fundamentals necessary for our long-term success. I would like to explore this thesis in my remarks with you today.

The Nuclear Renaissance... Yes, It's Real... But

I will be the first to admit – and applaud – the fact that this is indeed an encouraging time for our industry. The evidence is impressive.

Long term, worldwide demand for uranium is increasing, driven by the global nuclear Renaissance. Earlier this month, Cameco predicted an average annual demand growth in uranium of three percent. That is good news for Canadian uranium producers.

Here in Canada, work began on refurbishing the Point Lepreau reactor in New Brunswick.

Hydro Quebec announced plans to refurbish its Gentilly-2 nuclear station; and work continued on the restart of Bruce A Units 1 and 2 – one of the largest infrastructure projects in Canada.

At the same time, OPG continued to assess the feasibility of refurbishing Pickering B and began a similar process for its Darlington station. Last month, the CNSC concluded that the refurbishment and continued operation of Pickering B is not likely to cause significant adverse environmental effects, taking into account identified mitigation measures. This was a significant milestone for the project.

In the area of new nuclear, OPG was selected by the Ontario government to operate two new nuclear units at its Darlington site. This was a major vote of confidence for our industry.

In the area of nuclear waste management, the Nuclear Waste Management Organization is developing its siting process under its Adaptive Phase Management program for the storage of used nuclear fuel. Progress is also being made on the Environmental Assessment that is underway with respect to the proposed Deep Geologic Repository near Kincardine, Ontario to store low and intermediate nuclear waste.

Looming Challenges

While these initiatives are encouraging, they are occurring alongside two other major developments which need to be considered if we want to see our industry continue to grow.

One is the current economic situation. Much of the world is in deep recession – the worst in many of our lifetimes. On the one hand, this can work for our industry because refurbishment and new build are seen as essential infrastructure projects important for job creation.

On the other hand, the recession has made money scarce. In the U.S. commercial lending has virtually dried up in many places. The recession has also made many people wary of mega projects like nuclear. These projects have not always had the best track record, and the most recent project launched in Finland is also experiencing challenges.

Increasingly, it will be incumbent on our industry to manage expectations much more carefully regarding timelines, budgets and risks. As we move forward with new projects we cannot be seen as over-promising and under-delivering.

The other big development is the growing consensus around climate change and the need to do something about it. This works to our advantage because of the obvious environmental benefits nuclear offers as a virtually emission free technology. Many people, however, who are concerned about the environment tend to favor smaller renewable generation projects – like wind and solar. Large nuclear plants are seen sometimes as a throwback to an earlier era. But we must recognize that these plants are a source of very competitive and reliable baseload energy.

Steps to Take

We need to consider these issues -- and other issues too -- if we want to ensure continued growth for our industry going forward and maintain the momentum we have established.

Here are some suggestions that we may want to consider. Collectively, they represent a basis for a successful, viable Canadian nuclear industry

We need to ensure that our regulatory system remains strong and efficient to adapt to changing priorities in our industry and society. For example, as demand for uranium grows we need a regulatory system that recognizes the need for timely investment in mining while respecting the needs of communities where mines are located.

With respect to refurbishment and new build, we need to make sure we put the required emphasis on project scoping, planning and project management controls necessary to deliver successful outcomes. It also means having effective infrastructures in place for (1) developing and acquiring skilled labour, and (2) ensuring a timely and sufficient supply of materials and equipment to support these projects.

It also means adopting a very systematic and strategic approach to the contracting strategy for these projects. Both refurbishment and new nuclear provide a unique opportunity for our industry to create a foundation of excellence that we can build on going forward.

Refurbishment gives us a great opportunity to leverage and share information. All refurbishments have challenges, but they can become less onerous as learnings are taken from one project and applied to the next. Removal of the pressure tubes in Bruce A Unit 1, for example, was completed in two-thirds the time it took to do the same work for Unit 2.

By the same token, OPG's refurbishment of Pickering A, Unit 4 was characterized by cost and schedule overruns. OPG learned from that experience and as a result its next refurbishment project – Pickering A, Unit 1 – was completed virtually on time and on budget. This ability to share and learn from our experiences is one of the great strengths of our industry, and we need to take advantage of it with refurbishment and new nuclear.

New nuclear has a special role to play. The Darlington new nuclear project has the potential to become a model that other nuclear new build projects in Canada can successfully replicate. If we get Darlington right, we can share the learnings across the industry – to the benefit of all Canadians. In addition, we can demonstrate to all Canadians – supporters and cynics alike – that the nuclear industry can be trusted to get the job done.

To achieve this we have to work together – strategically. We cannot risk over committing people as well as equipment. We must avoid trying to do too much with stretched resources. When that happens, we create risk to our projects and to our reputation, which in turn undermines public confidence.

We need to cooperate. We need to coordinate. We need to play the long game.

This does not mean we stop competing with one another, if we're competitors; or that we stop working as independent entities, if that is our role.

It does mean, however, that we recognize -- as an industry -- that we are in this together. The court of public opinion judges us collectively. We each may have our own agendas as companies and organizations. But let us always remember that our work is also for a common cause.

Finally, we must continue to ensure that our existing facilities perform safely, reliably, efficiently and in an environmentally effective manner. And we must effectively communicate this message to the public we serve. We will not be trusted to refurbish or build new nuclear facilities if we can't operate the ones we have the way they should be.

So, our industry stands at a threshold. We could go forward -- at risk -- without having all the pieces in place to ensure our success.

Or we can do it right – by ensuring that we have effective systems and policies in such key areas as regulatory oversight, human resource development, supply chain, waste management.

We also need to do it right by ensuring that the projects we undertake are executed in a manner that meets the expectations of our stakeholders for safety, environmental benefit, timeliness and economic efficiency.

I believe we *can* do it right.

Our success will enable us to move to the next level in our evolution as an industry. A well-regulated industry...open and transparent with the public and its stakeholders...respected and trusted for its ability to manage and deliver projects on time and on budget...an industry that operates its facilities safely and responsibly...and attracts and retains the most qualified people.

This is the Nuclear Renaissance that all of us want and envision.

Conclusion

In closing, I want to say that it has been a pleasure and honour to have been CNA Chairman during my two year term. I have learned much and have come to appreciate even more the important work this organization does for our industry. I am confident that my successor will find the experience as rewarding as I have. This truly is a great organization, and I appreciate having the opportunity to serve its membership. Thank you