

Thu, April 24, 2008  
Build nukes, just don't favour CANDU

By RON BANERJEE

Jim Flaherty has suggested that Ontario's Liberal government has jeopardized our energy supply. Regardless of whether the Grits or Tories are at fault for previous actions, our energy situation is in crisis and could get worse thanks to recent Liberal decisions.

Ontario-designed CANDU nuclear reactors account for half of Ontario's capacity, and have plagued the province with prolonged shutdowns and drastic cost overruns. Every year, we have to import power from the U.S. to make up the shortfall.

There is strong protectionist sentiment urging the provincial government to continue with the troublesome CANDU series, since it generates employment in Ontario. However, Energy Probe reports that CANDU unreliability and cost has essentially crippled Ontario's energy sector.

Ontario has come to a major fork in the road, with choices which include upgrading existing CANDUs, building new ones, or purchasing foreign reactors. The McGuinty government has allowed CANDU, two American firms, and a European company to submit bids.

But questions remain whether this bidding process is genuine or mere window-dressing. All suppliers were recently disturbed by a "gag order" imposed on the bidders, forbidding any communication on the bids -- an unusual move inconsistent with transparent bidding.

Jan Trzeciakowski, with the Polish Association of Engineers in Canada, believes the restrictions are designed to protect the CANDU proposal.

Ontario must fairly and transparently evaluate all options. The foreign reactors under consideration are light water reactors, which differ substantially from CANDU heavy water units. Buying these may mean throwing away decades of knowledge gained by our technical sector.

There is a third choice which may make more sense, but has mysteriously been excluded from the bidding process. India is the only other nation which has built heavy water reactors, and with the Indo-U.S. nuclear agreement proposed last year, every nation with a nuclear industry is stampeding to establish trade with that emerging giant.

India's domestic reactor industry has been a stunning success. Not only have India's heavy water reactors achieved over 90% uptime in the last decade, but the nation now is building breeder reactors and thorium reactors, which feature a 600 megawatt Indian design which will be the safest and cleanest in the world. Both India and Canada have plentiful thorium reserves.

#### POSSIBLE ROADBLOCKS

There are potential roadblocks here. Nuclear trade with India is contingent on final approval from the International Atomic Energy Agency, and the proposed agreement faces some domestic opposition within India.

But any Ontario nuclear solution would not be deployed until 2016-2018, so time remains for these issues to be resolved.

An imaginative government could resolve many issues with an Indian deal. Canada could provide uranium to India with the same stringent conditions that the IAEA will impose.

India could in turn supply cheap and efficient heavy water and thorium reactors to Ontario, which will leverage Canadian skills and the established industrial base more than the alien light water

reactors. Usage of clean and safe thorium reactors, which produce less radioactive waste than today's units, would help our environment.

Diane Flanagan, spokesperson for Infrastructure Ontario, pointed to a McKinsey report used to shortlist the current bidders. The high-level report did not recommend specific suppliers but listed a set of general parameters that suppliers should provide.

No publicly available document explains why some bidders were short-listed and other options excluded. I believe the accepted foreign bidders may have been selected on the basis of their easy disqualification due to technology which is incompatible with existing Ontario infrastructure, paving the way for more of Team CANDU.

While the McGuinty government has promised a fair and transparent bidding process, doubts have been raised by mysterious gag orders and arbitrary disqualification of potential solutions without clear explanation.

Ontario taxpayers deserve the best possible solution to our energy woes. This should be the primary goal, rather than propping up a possibly unsuitable domestic solution.