

May 3, 2017

Hon. Navdeep Bains
Minister of Innovation, Science and Economic Development
Government of Canada
235 Queen Street
Ottawa, Ontario K1A 0H5
Canada



Minister Bains,

As Ontario's business advocate, the Ontario Chamber of Commerce (OCC) represents over 135 communities and over 60,000 members across the province, all of which are committed to working with government to promote economic growth and prosperity in Canada. The OCC has long recognized the important role of nuclear technology and its contribution to our economy. Aided by Ontario leadership and expertise, we believe that continued Canadian investment in nuclear innovation will benefit not only our environment, but the future prosperity of our nation.

The role of nuclear technology in Canada extends far beyond being a safe, clean and affordable source of energy. It plays an integral role in medicine, research and innovation, and is a greater than \$6 billion industry that supports 60,000 Canadian jobs. Canadian nuclear innovation pioneered the Canada Deuterium Uranium (CANDU) reactor which, along with our local expertise, has been exported around the world. At the same time, nuclear power in Canada provides clean, affordable and reliable electricity to 17 percent of the country. Domestic nuclear power generation prevents millions of tons of greenhouse gas (GHG) emissions each year by reducing Canada's use of fossil fuels, a literal breath of fresh air for millions of Canadians.

The positive contribution of nuclear energy to Canada is in large part due to the strength of Ontario's nuclear industry expertise. Ontario is home to 18 of Canada's 19 nuclear generating stations as well as the National Research Universal (NRU) reactor in Chalk River. Since its opening in 1957, the NRU has served as the cornerstone of the entire Canadian nuclear power industry providing strong research capacity and demonstrating Ontario's entrenched knowledge in the nuclear science and technology sector.

Ontario is about to take another step forward in nuclear innovation with the refurbishment of its Darlington Nuclear power plant and Life-Extension Program at Bruce Power. The anticipated economic impact of these investments will provide Ontario with high quality jobs and deliver substantial economic benefit through direct and indirect spending. These projects, which are the first of their kind, serve to reinforce Ontario's position as a global leader in nuclear innovation and expertise.

While these demonstrate just a few of the benefits of nuclear innovation in Ontario, current challenges exist that threaten our continued nuclear leadership. Ontario has currently undertaken a Market Renewal Process which promises to address challenges within the existing energy procurement process. While Market Renewal represents a tremendous opportunity to deliver a more efficient and cost-effective energy system, caution must be

exercised to ensure that the market does not unduly favour one type of generation over another. A renewed commitment from Ontario through the release of its 2017 Long-Term Energy Plan must serve to reinforce the importance of reliable baseload nuclear power in Ontario and maintain our nuclear advantage.

As Ontario continues to build its nuclear capacity, so too does it enhance the ability of our businesses to export nuclear technology and expertise around the world. With a shift away from GHG-emitting fuels and the transition to a low-carbon global economy, nuclear energy is part of the future. Nuclear is a safe and reliable energy source that contributes to climate commitments, while helping to improve the health of people around the world. With Ontario's nuclear expertise, unlocking global nuclear potential unlocks Canadian economic opportunity.

The OCC recognizes the opportunity presented by continued Canadian leadership in nuclear innovation and is therefore calling on the federal government to take three important steps:

- 1. Establish a joint government-industry nuclear science, technology and innovation council.** Since 2009, the OCC, together with the Canadian Chamber of Commerce, has supported the creation of a joint government-industry nuclear science, technology and innovation council to address nuclear industry issues and act as a liaison between government and relevant industry representatives. Through innovative partnerships that facilitate risk-sharing and funding arrangements, public and private leaders would be better positioned to develop new technologies, products and services. Co-ordinated support for the Canadian nuclear industry from all levels of government is ever more necessary, due to increased demand for nuclear production as well as increased competition within the market.
- 2. Leverage Ontario's nuclear technology and expertise domestically and abroad.** The provincial government's strong, ongoing support of Ontario's nuclear operations and supply chain through assured investment in our domestic technology and knowledge-base is essential to establishing confidence in Canada's nuclear products and services internationally. Ontario's nuclear industry has already been quite successful in exporting CANDU technology and expertise around the world to countries such as China, South Korea, Romania, India and Argentina. Coupled with a global market that could reach more than 500 reactors by 2030 as high-growth countries seek clean power on a large scale, the case for increased federal support in nuclear technology is clear.
- 3. Provide greater certainty and clarity to the nuclear regulatory review process.** Several key nuclear projects are currently undergoing review within the current regulatory framework established by the Canadian Nuclear Safety Commission. However, potential changes to the Canadian Environmental Assessment Act (CEAA) have created uncertainty. A lack of predictability in the environmental assessment process could have unintended consequences for the industry, ultimately delaying investment in new projects and limiting Canadian nuclear leadership capacity. While it is important to continue to update Canada's regulatory framework to incorporate new technologies without compromising safety, or the environment, greater certainty and clarity about how the proposed changes will impact the nuclear regulatory review process is necessary.

Taking advantage of Canadian nuclear expertise supports both our economy and the global transition to a low-carbon future. Thanks to investments in Ontario, we are not starting from zero but are already leaders. The objective must be to continue to lead through capitalizing on emerging opportunities. The OCC and its members would welcome the opportunity to meet with your office to discuss the policy recommendations presented in this letter.

Sincerely,



Richard Koroscil
Interim President & CEO
Ontario Chamber of Commerce

CC:

The Right Honourable Justin Trudeau
Prime Minister of Canada

Hon. Jim Carr
Minister of Natural Resources

Hon. Kristy Duncan
Minister of Science

Hon. Catherine McKenna
Minister of Environment and Climate Change

Allison Farrand
Director, National Energy Board

Hon. Kathleen Wynne
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Hon. Brad Duguid
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Steve Orsini,
Secretary of the Cabinet

Perrin Beatty
President, Canadian Chamber of Commerce