



August 26, 2005

Mr. Amir Shalaby,
Vice President, Power System Planning,
Ontario Power Authority,
175 Bloor Street East
North Tower, Suite 606
Toronto, Ontario M4W 3R8

Email: supplymixsubmissions@powerauthority.on.ca

RE: Input to the Ontario Power Authority's Response to the Minister's Request for Advice on Electricity Supply Mix

Dear Mr. Shalaby,

On July 4, 2005, the Ontario Power Authority (OPA) published a Call for Written Submissions regarding its advice to the Minister of Energy on an appropriate electricity supply mix for Ontario. In response to this call, Atomic Energy of Canada Limited (AECL) is pleased to submit its observations on the condition of, and alternatives for, the supply of electricity in Ontario.

Ontario is facing a serious electricity supply shortage and a diversified mix of electricity sources – with CANDU nuclear generation as the cornerstone – is required to meet its requirements.

CANDU nuclear plants play a vital role in supplying affordable and environmentally responsible electricity around the clock in this province. CANDU nuclear energy is highly competitive with other forms of energy production and this Canadian solution is ideally suited to supply baseload power for Ontario's future needs while remaining an important option for meeting air quality and climate change objectives. With CANDU nuclear as a key component of Ontario's energy supply mix, consumers will enjoy more reliable electricity as well as lower and more stable prices.

With an energy crisis looming, the time for action in Ontario is now. It can take up to 10 years to plan, get approval for and build a major power project, all of which involves extensive public consultation. A full environmental assessment is a proven process for the open and public discussion we need to have about the nuclear option. We need to start an environmental assessment immediately, so that the CANDU option is available when Ontario needs it.

AECL has an impressive track record, having delivered its last six CANDU reactors to customers in Korea, China and Romania, on time and on budget. Similarly, the worldwide CANDU 6 fleet has an 88% average capacity factor since 2000, which is the highest in the world. Our submission draws on AECL's expertise as well as its familiarity with, and successes in, both domestic and international nuclear power markets.

Thank you for the opportunity to provide you with this submission.

Sincerely,

Mr. Dennis Galange,
Vice President, Ontario Market