

Issues Management Plan

FAO REPORT ON NUCLEAR REFURB

Issue: *FAO releasing Report on Financial Risk of Nuclear Refurbishment*

Ministry: *Energy*

Theme: *Electricity System Planning*

Other ministries: *Identify ministries that need to be informed/consulted on this plan*

Key Date: November 24, 2017 (TBD)

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Issue Description

- The Financial Accountability Officer (FAO) is expected to issue a report in late November examining the financial risks of the province's nuclear fleet refurbishment.

Strategic Considerations – Media/Research

The refurbishment of the government's nuclear fleet has been a consistently controversial issue for the better part of a decade, since the government made the decision to proceed with the Darlington and Bruce refurbishments.

Opposition to nuclear power is a priority issue for environmental groups, who are against it on the grounds that it creates hazardous waste that must be stored over the long term, and that the cost estimates are artificially low:

“Greenpeace fights nuclear power because it poses a serious threat to the environment and humanity. The expansion of nuclear power must be halted and nuclear plants shut down so that we can develop a clean energy future. That's why we are working to stop Darlington in Ontario and protect electricity consumers from a new round of nuclear debt.” – Greenpeace website Oct 31, 2017

In addition, the Darlington refurbishment was the subject of a Global News story in early October alleging that cost increases were being hidden:

“A Global News investigation has uncovered documents that allege Ontario Power Generation—a provincially owned company—told contractors to ignore potential risks and enter artificially low cost estimates for work at the massive \$12.8-billion Darlington nuclear refurbishment project. “– Oct 11, 2017

For the general public, concerns about nuclear tend to be about safety and waste disposal. However, since the government instituted the Ontario Fair Hydro Plan earlier this year there has been much public discussion about factors that may cause consumer prices to rise again. Therefore the public may pay more attention to a discussion about the financial risks of refurbishment and potential cost overruns that could result in higher electricity prices.

Strategic Considerations – Stakeholder Reaction

Audience & Stakeholders	Reaction
Stakeholders	• Anti-Nuclear groups – opposed. They want to replace nuclear with renewables, clean imports (e.g hydroelectric power from Quebec) and create more distributed generation/local microgrids. • Nuclear industry/Supply chain – positive. • Electricity Sector Unions – positive.
Public Officials	• NDP MPPs – opposed. They want to replace nuclear with renewables, clean imports (e.g hydroelectric power from Quebec) and create more distributed generation/local microgrids. • PC MPPs – generally in favour of nuclear but do not trust government to manage costs. May allege government is hiding cost overruns.
Public	• May be concerned about rising costs • May have concerns about safety and waste disposal

Communications Objective

Our objective is to reinforce our basic messages that:

- Nuclear power has been an integral part of Ontario's electricity supply for decades;*
- Nuclear power is a cost-effective, emissions-free source of generation that currently provides about 60 percent of Ontario's electricity;*
- The refurbishments will create jobs and economic value for Ontario;*
- The costs of the nuclear refurbishments are being carefully and prudently managed.*

Ministry Action Plan

Date	Action
<i>Week of report release</i>	<i>Touch base with OPG to coordinate response/share messaging</i>
<i>Nov 10</i>	<i>Have approved QAs ready for Minister's use</i>

Key Messages

- **We thank the Financial Accountability Office (FAO) for providing this analysis.**
- **We believe the FAO report confirms that we have fully considered the financial risks of the refurbishment and have built in robust protection and oversight to prevent cost overruns.**
- **The FAO also notes in its analysis that there is currently no portfolio of alternative low-emissions generation which could replace nuclear generation at a comparable cost.**
- **Nuclear power is reliable, cost-effective, emissions-free and it currently supplies about 60 per cent of the power used by Ontarians every day.**
- **The government is committed to nuclear power and is making important investments in nuclear generation.**

Strategy/Tactical Plan

The branch's media response strategy will be reactive.

- *We will be supportive of the FAO report's analysis.*
- *We will refer to Ontario Power Generation's (OPG) success keeping the Darlington Unit 2 refurbishment on time and on budget to date.*
- *We will emphasize that the financial risks have been carefully considered and that there are multiple levels of oversight and off-ramps built in to control costs and protect against budget overruns.*
- *We will reiterate that nuclear generation is a cost-effective, emissions-free source of baseload power.*
- *We will reiterate that the refurbishments contribute to Ontario's economy*
- *We will direct people to OPG for details, OPG publishes regular reports on the Darlington refurbishment on its website and does public outreach.*