

Minister
of Natural Resources



Ministre
des Ressources naturelles

Ottawa, Canada K1A 0E4

AECL - 7 2009

Mr. Ken Nash
President
Nuclear Waste Management Organization
22 St. Clair Avenue East
Toronto, Ontario M4T 2S3

Dear Mr. Nash:

After careful review and consideration, I am pleased to inform you that I have approved the Nuclear Waste Management Organization's (NWMO) proposed funding formula and the amount of the deposits required to be paid by each of the nuclear energy corporations (i.e. Ontario Power Generation, Hydro-Québec, New Brunswick Power) and Atomic Energy of Canada Limited (AECL) for the year 2008, as proposed in the NWMO's 2007 Annual Report. As you know, the purpose of the funding formula is to ensure that enough money will be available to pay for the costs of managing Canada's nuclear fuel waste over the long term.

I am aware that the nuclear energy corporations and AECL have made contributions in trust for 2008 in the amounts set out in subsection 10(2) of the *Nuclear Fuel Waste Act* (NFWA). However, as a consequence of my decision to approve the funding formula, each of these organizations will be required to make additional deposits to their trust accounts as indicated in the NWMO proposed funding formula in order to meet their obligation under section 17 of the NFWA. These deposits must be made within 30 days of the date of this letter. As you know, payments for 2009 must be made within 30 days of the date on which the NWMO submits its 2008 Annual Report.

There is a renewed interest in nuclear as an important clean energy source that produces virtually no greenhouse gas emissions. Consequently, a number of provinces and electricity generators are considering the possibility of new builds in Canada and this would lead to the creation of wastes from not only a new fleet of nuclear reactors but also from new waste producers. With this in mind, I would like to remind you that the NFWA requires the NWMO to provide its services to new waste owners for managing nuclear fuel waste over the long term at a fair and reasonable cost. Although, it will be several years before these wastes

Canada

begin to be generated, it would be prudent for the NWMO to take into consideration how it might adjust the funding formula to accommodate these new waste owners and these new wastes. I encourage the NWMO to report on its progress regarding this important matter.

I look forward to reviewing the NWMO's annual reports recognizing that the funding formula will evolve over time. I also look forward to monitoring the NWMO's progress towards implementing the Adaptive Phased Management approach.

Yours sincerely,

A handwritten signature in black ink that reads "Lisa Raitt". The signature is written in a cursive style with a large initial "L".

The Honourable Lisa Raitt, P.C., M.P.