

November 19, 2009  
Globe and Mail

## Ottawa boosting liability limit for nuclear companies

Claims will now top out at \$650-million, up from the previous \$75-million ceiling

*Martin Mittelstaedt*

If something goes terribly wrong at a nuclear power plant, how much liability should the operator bear?

The federal government is introducing a new limit of \$650-million for damages that can be claimed from nuclear companies after an accident at one of their stations. The amount represents a massive leap from the previous \$75-million ceiling, which anti-nuclear groups called a hidden subsidy.

Questions remain, however, as to whether the new amount would cover all the claims due to the psychological trauma of living through such a mishap, the health impacts of being showered with radiation and damage to property.

The compensation figure, contained in a bill now before Parliament, is much less than amounts in some other countries, including the United States, Japan and Germany. Reactors in the U.S. have a call on about \$10-billion to cover accidents, the Japanese have about \$1.4-billion and the Germans have unlimited liability.

Natural Resources Minister Lisa Raitt is defending the new limit, telling a parliamentary committee hearing on the proposal earlier this month that the figure is in line with international standards and is a fair compromise balancing "the needs of victims with society's interest in nuclear development."

Under the new legislation, once the \$650-million is exhausted, Parliament has the option, but not the obligation, to vote to give additional funds to compensate victims. If it did vote to give out money, it would potentially put taxpayers at risk of a huge bill for damages.

The limit, which applies to such companies as Ontario Power Generation, Hydro-Québec, and NB Power, has prompted controversy. Greenpeace issued a report this week estimating there would be about \$50-billion in health damages from a worst-case accident at just one of Ontario's Bruce stations, located on a relatively isolated section of Lake Huron.

Shawn-Patrick Stensil, a spokesman for the group, said the new compensation limit is "definitely not" adequate and would be quickly used up by those with claims from a major incident. He said accidents at the Pickering or Darlington stations, which are closer to the densely populated region around Toronto, could have even larger impacts.

He contended that because nuclear plant operators have a relatively low limit on the amount of insurance they need to cover accidents, they are able to sell power at rates that do not reflect the true costs of generating it. It is special treatment that isn't available to other industries. "This is a huge hidden subsidy," he said of the damage cap of \$650-million.

The current \$75-million compensation limit was established in 1976, before such nuclear accidents as the one at Chernobyl in the former Soviet Union in 1986 and at Three Mile Island in the U.S. in 1979.

But the nuclear industry and the federal government say such worst-case, catastrophic accidents are extremely unlikely. George Christidis, director of regulatory affairs for the Canadian Nuclear Association, says the industry's safety record has been exemplary, with no accident claims to date, justifying a cap on damages well below the levels of a severe incident.

"There has never been an injury, a radiation-based injury" due to a nuclear power plant mishap in Canada, he said.

Natural Resources Canada, in an e-mailed response to questions, said that it based the liability limit in part on its estimates of the effects of the “worst case foreseeable nuclear incidents” likely to occur in Canada.

Mr. Christidis rejected claims the cap on damages amounts to a handout to the nuclear industry, which he says plays a major role in promoting exports and in generating power. “In our view, it’s not seen as a subsidy,” he said.

Under the proposed legislation, nuclear plant operators wouldn't be liable for damages if their plants had accidents resulting from war, civil war or insurrection, according to the Library of Parliament's summary of its contents. However, payments will be made if a terrorist attack causes the damages.