CANDU[®] Plants for Oil Sands Application



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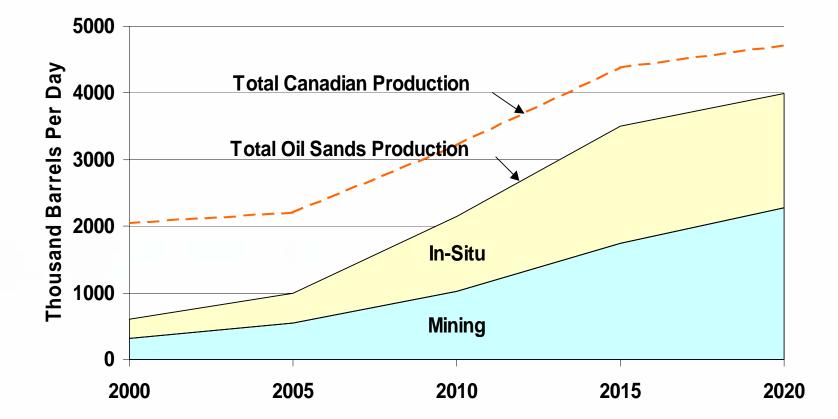


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Overview

- Major ongoing long term expansion of Alberta's oil sands production capability is underway.
- Extraction and upgrading are energy intensive. Oil Sands facilities require a 300% increase in energy supply by 2020.
- Depletion of natural gas reserves, green house gas (GHG) emissions and price escalation are major concerns.
- Nuclear reactors are proven large scale thermal energy producers.
- Nuclear plants provide a sustainable solution for oil sands industry energy requirements, and do not produce GHG emissions.

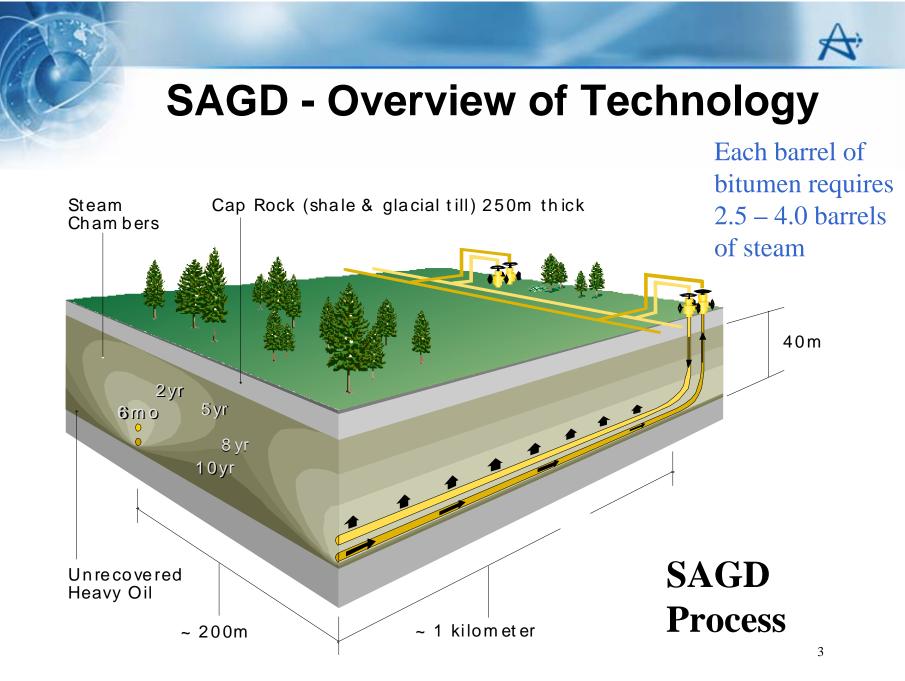
Canadian Crude Oil Production

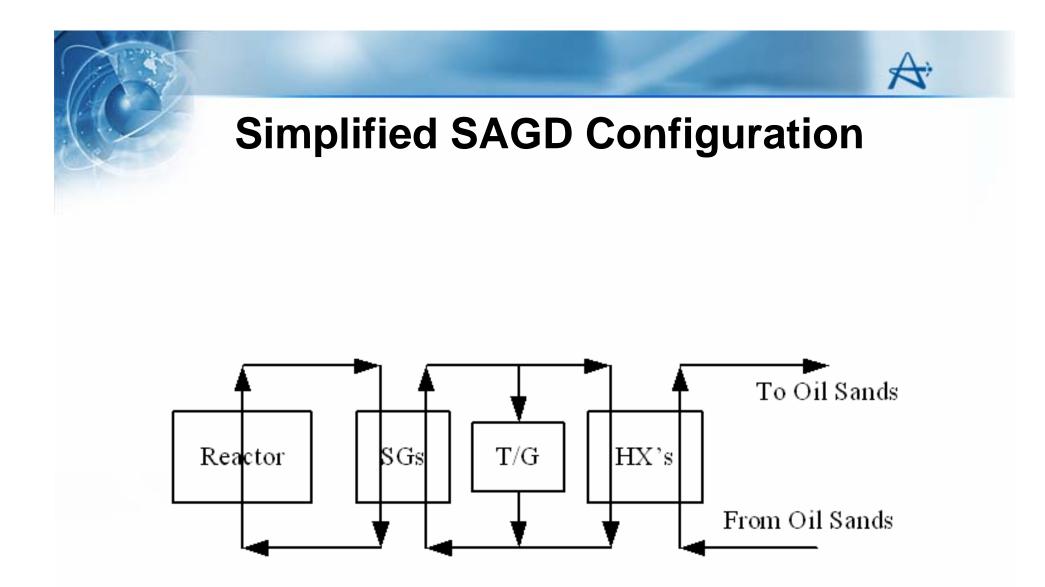


Areas of Opportunity

- Bitumen/Oil Extraction
 - Steam Assisted Gravity Drainage (SAGD)
 - Carbonate
 - Mining
- Upgrading/Processing
 - Hydrogen
 - Electricity

(Projects could be combinations of above)

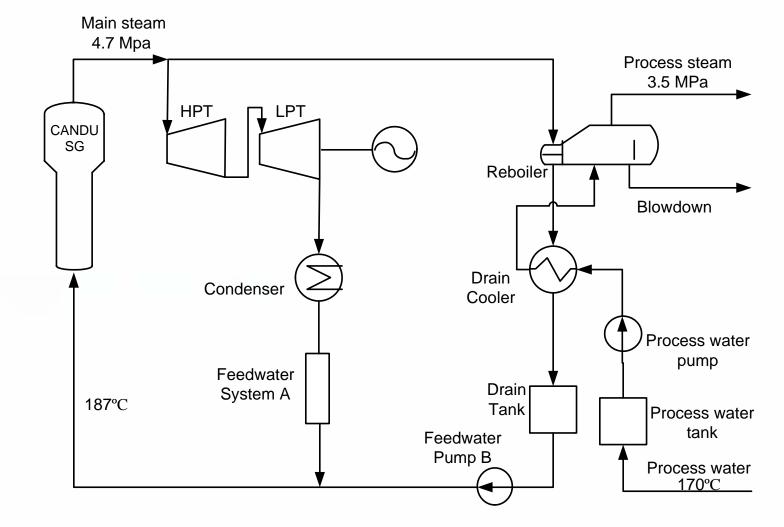




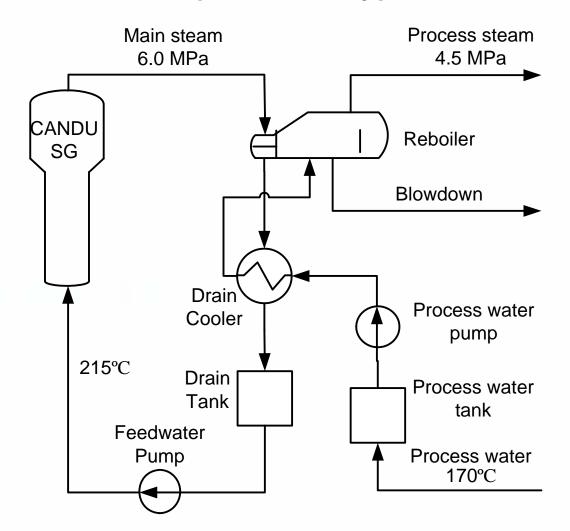
SAGD - Potential Configurations

- <u>Option 1</u>: Limited amount of electricity (150-200MWe), the remainder steam
 - Hybrid design
 - Flexible in energy product delivery (steam/electricity ratio)
- <u>Option 2</u>: No electricity generation, all steam
 - Simpler design
 - Reduced water requirement
 - Favorable thermodynamics (best economics)

SAGD Design Concept for CANDU 6 (Steam and Electricity)



SAGD Design Concept for ACR 1000 (Steam Only)



Design Challenges(1)

- Coexistence with Oil Sands Operator
 - Energy demand dependant on oil sands operations
 - Process steam/ return water link
 - SAGD complexity
- Steam Transport
 - Distance, delta P, pipe size and isolation etc.
- Reboilers
 - Detailed design, fouling and cleaning etc.
 - Heat sink for upset conditions and isolation requirements
- Cooling Water
 - Distance and availability
 - Water return temperature

Design Challenges(2)

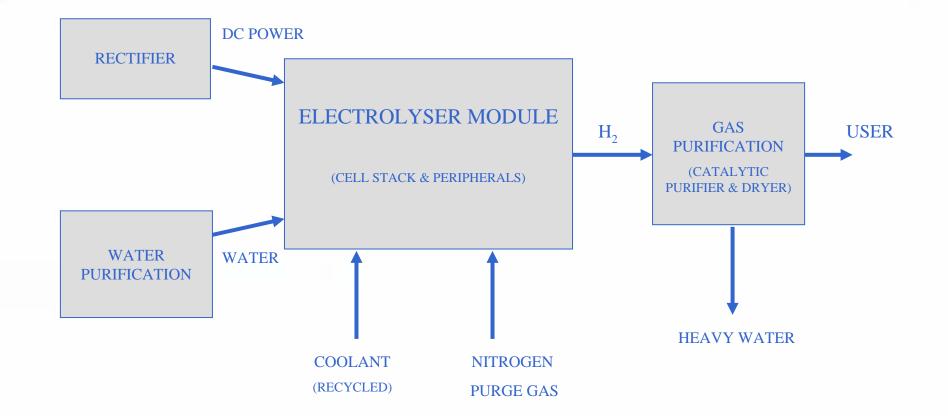
- Electrical Power
 - Grid reliability
 - Plant operational stability

STUDIES INDICATE THE NPP APPROACH IS TECHNICALY AND ECONOMICALY FEASIBLE

Carbonates - Background

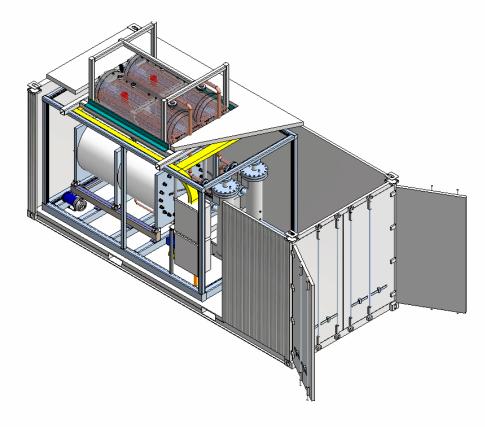
- Carbonate zones have bitumen locked in rocklike formations similar to Colorado oil shales
- Significant development effort over the last 30 years
- Extraction Technology is highly protected
 - Use of electrical heaters in 1000 feet long vertical tubes to heat rock formations
 - Takes up to three years of heating up to 600 C to separate gas and light oil from the rock (so-called in-situ conversion)
- Requires large amounts of base-load electricity
- Oil extracted by conventional oil pumps

Simplified Flow Diagram of H₂ Production System

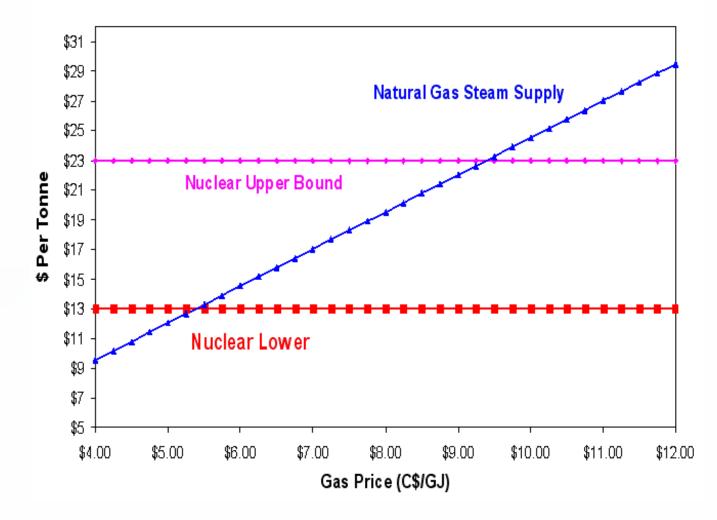




• Standard electrolysis modules simplify shipment, installation and servicing



Cost Comparison – Natural Gas and Nuclear Power for Steam Generation



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Summary

- Each oil sands project is somewhat unique.
- Secondary side design adaptation for specific projects will be needed.
- Nuclear power plants are competitive and reliable. They have no CO₂ emissions and therefore offer a sustainable long term solution for oil sands energy requirements.

