India - U.S. pact likely to miss deadline

India - U.S. pact likely to miss deadline

\n\n

Why in news?

\n\n

The India-U.S pact for buidling six reactors in A.P. by June 2017 is now facing uncertainty.

\n\n

What are the issues?

\n\n

\n
- The reason for the concern is that the Indo-U.S. nuclear arrangement hinged on two major factors.
\n
- **In the East:** The completion of the **India-Japan Nuclear Cooperation Agreement** (NCA), as Toshiba and other suppliers for reactor parts **are bound by Japanese laws** and by the actual contract to be negotiated by the U.S.-based Westinghouse.
\n
- While the NCA was signed in Tokyo in November 2016, it is yet to be ratified by the Japanese Diet (Parliament).
\n
- Japanese officials told The Hindu that the NCA was expected to have been ratified in early March 2017, but has been derailed by a controversy over accusations on Japanese PM.
\n
- Even after the India NCA is tabled, we can still expect to see some opposition in Parliament, as this is the first such agreement with a country that has not signed **the Non-Proliferation Treaty.**
\n
- **In the West:** The questions are growing over the impact of a **possible bankruptcy filing by Westinghouse** over massive $6.3 billion losses the

company incurred due to cost over-runs.
\n
- When asked, the U.S. Embassy declined to comment on how the bankruptcy issues would affect the deal.
\n

\n\n

What is the history?

\n\n

\n
- Following former U.S. President's visit to India in January 2015 and Indian Prime Minister's visit to Washington in June 2016, the two sides had agreed to **work toward finalising the contractual arrangements by June 2017** for six reactors to be built in Andhra Pradesh by Toshiba-owned Westinghouse and the Nuclear Power Corporation of India Ltd (NPCIL).
\n
- When completed, this was to be the first operationalisation of the Indo-U.S. civil nuclear deal, which was announced in 2008, and proof that both sides have effectively sorted out all their issues, including **over the liability** that suppliers must accept in the event of an accident.
\n

\n\n

What does the issue underscore?

\n\n

\n
- Westinghouse's near-bankruptcy is part of a larger pattern of worldwide cost overruns and delivery delays across the nuclear energy industry.
\n
- The cost of importing reactors, relative to those based on indigenous design, is another concern.
\n
- Land acquisition issues remain, along with the need for large water reservoirs for the reactors, which will only grow if the govt goes ahead with its **plans for 55 reactors of 63,000 MW in total by 2032.**
\n
- In addition, there are concerns about a possible tsunami scenario along the Andhra coast.
\n

- Thus, India had little control over the above mentioned delays. So, rather than seeing the delays as a setback, the government and officials should use this as an **opportunity to re-examine the country's engagement with nuclear energy** for future needs.
\n

\n\n

What is the way forward?

\n\n

\n
- With rapid progress in technology in other renewable energy sources such as wind and solar power, the collapse of oil prices and the expansion in gas projects as a viable and clean alternative, that **promise of nuclear power has thus dimmed.**
\n
- Unlike nuclear plants where nothing can be transmitted until the whole plant is complete and attains critical status, in renewable energy, it can be made available in smaller units.
\n
- This is the best time for India's energy planners and government to use the breathing space provided by the delays and take a long, hard look at the cost-benefit analysis on the nuclear power balance sheet.
\n

\n\n

\n\n

Source: The Hindu

\n