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### **123 agreement from different angle**

What is more important - a strong government or the new form of 123 Agreement?" The importance of nuclear deal is greatly hyped.

The 123 Agreement is being hotly debated at present. Power plants are of many types with each having its own different characteristics. The economics of any particular generating plant depends on big number of variables at any particular place and time, such as price of fuel at plant site, cost of money, ie the interest rate at which money is available to build the plant at any particular time, labour rate especially in the case of hydro plants.

The availability of fuel in the country is also important for this strategic subject. Power from gas turbine plants may be high, if it is to operate at base load and gas price is high. But the power from the same plant will be cheaper, if operated as peaking plant.

A bland statement that nuclear power is cheaper or more costly is meaningless. Cost will depend on location of the plant and its place in the load curve.

On September 7, 2007, Pranab Mukherji said that financial viability or total cost benefit of the deal could not be calculated, as it is not a commercial deal. This is not correct. The choice of type of plant depends mainly on economics. As money needed for expansion of generating capacity has been one of the factors for the present power famine in the country (and a brake on economic growth), cost is an important factor for GNP growth.

The example of US may be cited to illustrate the point. The choice of type of plant in the US depends strictly on economics. From mid 1960s to 1978, big expansion of nuclear power generating capacity took place in the US. The result was the USA had biggest nuclear power generating capacity, about equal to all nuclear power generating capacity of all the other countries combined. Yet nuclear power was only 20% of total power generation of the USA. Since 1978 till now, no new nuclear plant was ordered, as power from other fossil fuel plants was found to be cheaper. There is talk of nuclear power renaissance in the world. This fact is not true for entire world, but mainly for US, which for almost past 30 years did not install any new nuclear power plant.

As far as India is concerned, we have been always from 1947 for nuclear power and use of nuclear energy for peaceful purposes. When the US stopped new orders for nuclear power plant from 1978, we started building our own indigenous nuclear power plants, and we have not only continued to build them, but also made them better and made more progress in the field. We were pursuing 3-stage nuclear power development made by Bhabha in

1947. France and Japan also continued to build more nuclear power stations. Manmohan Singh and Bush agreement of July 2005 was very good for all concerned. Everyone in India was for it. But the trouble started when, to use Jaswant Singh's phrase, the US started changing the goal posts. Since then the agreement has been widely debated. The present position is that there is talk of government falling. Fall of government is a serious matter. As things stand now, we have a big number of parties in the country. We adopted parliamentary form of government based on the example of England. England is a small country. It can afford to go for election, when there is serious difference of opinion on any issue. But the case of India is different. It is a big country with big number of parties. A parliamentary election is expensive and should not be lightly considered. Otherwise we may find ourselves in the position of France in 1950s, when the governments changed like trains in Penn Central Station of New York. This resulted in weak governments. Such a situation is not good in the formative stage of our nation. The best thing will be if the nuclear deal is decided unanimously by all parties. Otherwise, the matter of light water reactors should be dropped for next ten years. The world situation will be very different in this dynamic world. Then the US may be more amenable to accept the deal as agreed in July 2005. Thus the question boils down to: what is more important - a strong government or the new form of 123 Agreement?" The importance of nuclear deal is greatly hyped. China's GDP has grown to nine trillion dollars based on PPP. It is second only to the U.S. This was achieved with practically no nuclear power worth the name. China started building its own nuclear power plants ten years behind us.

**PK Nigam**