

Canada nuclear power waits to take wing

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As Canada hosts energy leaders from across the globe at the World Energy Congress on Thursday, its own nuclear power business is in limbo.

When the federal government put the reactor division of Atomic Energy of Canada Limited (AECL) up for sale last year it signalled a desire to end more than 50 years of public funding for the commercial branch of the company.

While most agree that the Crown Corporation's reactor business needs better management, industry insiders fear the timing and nature of the privatisation process – meant to be completed by the end of this year – could mean Canada will miss out on renewed interest in nuclear power.

As a leader in nuclear science and one of few countries in the business of selling and refurbishing nuclear reactors, Canada is expected to benefit from an increase in demand.

There are 48 Canada Deuterium Uranium, or Candu, reactors worldwide, in countries including China, Korea, India and Romania.

Until a privatisation deal is reached, Candu technology and a highly skilled workforce are stranded on the auction block.

This state of uncertainty risks deterring investors, some fear.

"[The sale] is a deafening issue. This will define whether we're in the business of selling reactors to the world, which is the lifeblood of the industry," says Neil Alexander, president of the Organization of Candu Industries, which represents about 150 companies in the supply chain of the Canadian nuclear industry.

Mr Alexander says the restructuring process should have been tackled earlier.

There is much talk of a global nuclear renaissance. The [German government agreed this month to extend the life of its nuclear power plants](#) by between eight and 14 years.

Barack Obama, the US president, said this year that [\\$8.3bn in loan guarantees](#) would be earmarked for building two nuclear reactors. The UK coalition government has insisted that [nuclear power will be part of the energy mix](#).

The journal Science published a study last month by scientists from Cambridge university and Imperial College London that sketched out a "20-year master plan" for the renaissance of nuclear energy. It cited familiar concerns about climate change and energy security among driving factors.

However widespread the resurgence, Canada's role depends on who controls Candu and whether they continue to invest in existing technology.

Jan Carr, the former chief executive of the Ontario Power Authority, says the nature of Candu technology – chiefly its ability to function on natural uranium – makes it an appealing option to the world, avoiding the enrichment process and concerns about nuclear proliferation

He says Candu technology gives Canada geopolitical leverage and, "if we want a role in meeting the world's energy needs we need AECL's nuclear reactors, not just Alberta's oil sands".

It is uncertain whether the government will keep any stake in the business, which some see as vital to attracting international investors.

Stephen Harper's government is accused of conducting a "fire-sale" of the company to alleviate pressure

from the public deficit.

Michael Ivanco, a long-term scientist at AECL and head of the Society of Professional Engineers and Associates, says that the government appears to be trying to divest itself completely of the nuclear power file.

If it does not retain a stake, he worries, "it could be the end of us".

"AECL owns intellectual property . . . it's an auction of people. Virtually everyone has agreed the main asset [for sale] is a skilled labour force," he added.

Domestically, the AECL infrastructure employs about 30,000 highly skilled people and the nuclear industry generates more than C\$5bn (\$4.9bn) annually.

The move to break up the Crown Corporation comes after a 2008 report by the National Bank of Canada recommended that it sell at least 51 per cent of AECL.

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