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# Making the case for nuclear
# French reactor firm presses New Brunswick to invest in its technology

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France's nuclear power giant is describing a potential partnership with the New Brunswick government as "win-win" as it pitches Areva's new light-water reactor, additional transmission capacity and exportable knowledge in the growing sector.

Armand Laferrère, president and chief executive officer of Areva Canada Inc., said in an interview on Wednesday his company is keen on making a serious offer to the provincial government that will see Areva build its first Canadian reactor in New Brunswick.

"I think it would be typically the good example of a win-win situation because nuclear demand the world over is shooting - Areva needs more skills, Areva needs more contractors, more engineers," Laferrère said.

"So if some of the talent that exists in Canada can be used from Canada in that technology it is good for us - and, at the same time, for the Canadian nuclear industry by diversifying its skills, getting to know not only the domestic homegrown heavy-water technology but also the light-water technology which is most of the world demand right now. I think it is good for this industry to be able to work in both."

The Liberal government will soon start a feasibility study on building a second nuclear reactor and Energy Minister Jack Keir has indicated if that examination shows there is enough demand in the New England market it's possible a third reactor could be built.

A key hurdle that would need to be overcome is the transmission bottlenecks that exist in Maine, which block New Brunswick from selling into the lucrative New England market. Keir has said the additional transmission capacity could come in the form of an undersea connection into New England or the traditional land-based grid system.

State-controlled Areva is the world's largest nuclear company but it is also the third biggest transmission and distribution player, so Laferrère said part of the bid could include the necessary connections to the United States.

Keir has also let it be known that he believes Atomic Energy of Canada Ltd.'s Advanced Canada Reactor is the leading choice right now if the province forges ahead with a new nuclear reactor. Despite the minister's statements, Laferrère said Areva is still willing to negotiate with the government.

"The Areva offer for New Brunswick is still pending and we are still interested," he said. "We hope we could convince them that we have a good product and the advantage of having a product that is already ready."

Laferrère has met with Premier Shawn Graham where he outlined the company's proposal. When Graham travelled to France recently he also met with the company's global president for a similar presentation.

The Areva Canada president has also been outlining the firm's desire to get involved in this country's growing nuclear industry.

Ontario and Alberta are also expressing interest in new nuclear reactors and Laferrère told a Toronto Board of Trade breakfast last month that Areva is ready to be a partner in future developments. He also said building a light-water reactor would help offer security to the Canadian industry.

AECL's new ACR model has not been built and there have been no cost estimates given yet. The other key difference between AECL and Areva is that the Canadian company specializes in heavy-water reactors compared to the French light-water model.

Laferrère said light-water reactors tend to last longer, roughly 60 years, without the need for refurbishment, such as is now being undertaken at Point Lepreau with AECL's Candu-6 model.

The Areva reactors are in the range of $5 billion but the company's president said the final cost depends on the site. The French nuclear powerhouse, which currently boasts 98 reactors worldwide, is constructing its first Generation 3 reactors in Finland and France.

Laferrère admits that Finnish project is 18 months behind schedule, but he said that is because it is a first-of-its-kind initiative and that it is still coming on line faster than the industry average. The Areva executive said the company has a solid track record for delivering projects on time and on budget.

The Liberal government has made it clear that it wants to secure a centre of nuclear excellence with any new reactor, so once the construction phase is done that an industry is left behind that the province can market around the globe. Laferrère said the company has done something similar in Finland, which can now boast about its light-water nuclear technology.

Laferrère praised the New Brunswick nuclear industry and said his company could add to that given the chance to build one of its reactors in the province.

"Getting them involved in the light-water technology, which is currently more than 90 per cent of worldwide demand, I think would bring them useful new skills especially if they want them to work outside of New Brunswick and on the export market," he said.

"If the Canadian industry, which is an excellent industry, wants to have more opportunities to go abroad and to sell its skills abroad then it could get a foothold in the technology that is selling abroad."

Laferrère told the Toronto business audience that the company would rely on as much Canadian content as possible and that in time it might make sense that some specific equipment be built solely in Canada and shipped worldwide. An internal Areva study suggested that 70 per cent of an Areva reactor could be built in Canada.

Areva already has a solid presence in Canada, despite the lack of reactors. It has operated in Canada for 40 years and employs 1,100 people in Saskatchewan, Quebec and Ontario. The company is involved in mining and exploration of uranium, power transmission and distribution and manufacturers radiation measurement equipment.