



Remarks by
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The future is NU. Le nucléaire, voie de l'avenir.

Introduction

Good afternoon everyone.

My name is Denise Carpenter, President and CEO of the Canadian Nuclear Association, and the Moderator for this panel discussion on the financing of nuclear energy.

My colleagues, Mr. Patrick Lamarre of SNC-Lavalin and Mr. Jean-Francois Beland of Areva Canada are also here to talk with us about this important topic.

A lot of us in this room have a great deal of experience with budgeting and finance. We gained this experience as we progressed in our careers. We gained it in our personal lives with mortgages and investments.

But the nuclear industry involves challenges and magnitudes that few of us experience.

Consider what goes into the average nuclear plant:

- 10 million parts
- 10 years
- 10 billion dollars
- 50 million hours
- 20-thousand drawings
- 100 thousand design submissions
- 100 years from start up to decommissioning

There may be new approaches and technology developed during construction, and no one who worked on the plant's construction will be alive when it's decommissioned.

A nuclear plant is closer to NASA's Apollo program than it is to the construction of the world's tallest building.

Some people who are not familiar with the industry could be forgiven for wondering if there's enough recent experience in the financing of nuclear plants to spark discussion. But here are some facts:

- There are 104 operating plants in the US;
- The US has 25 plants in the licensing process;
- Korea has signed an agreement to build 4 to 6 units for the United Arab Emirates;
- Vietnam is planning 2 to 4 units;
- China is bringing 4 to 6 units on stream per year; and
- Major refurbishments are underway at facilities here in Canada (Bruce Power, Point Lepreau), and refurbishments and new builds are being planned at Darlington Station.

Since financing always comes months or years ahead of construction, we know there must be a lot of work being done on the deals that are going to be required to make this all happen.

Today we'll be asking our panelists to discuss:

- the financing opportunities in nuclear today,
- perceptions of Canada's nuclear sector,
- the role of government, and
- opportunities for independent producers.

Financing Opportunities

Nuclear power plants produce a stable amount of electricity affordably, and fuel costs are a low proportion of total cost, so variations in fuel price have little effect on final costs.

That's why nuclear has been chosen for base load power at one time or another in every one of the world's large, developed economies. Most of these countries are planning new investments in nuclear. So are many large and medium-sized emerging economies.

As a price is put on carbon emissions, nuclear becomes more and more attractive. In a “carbon-constrained world,” nuclear energy will play an important role. Ontarians have been sensitized to the issue of electric power affordability recently. We are realizing that we are very fortunate to have nuclear. It gives us clean air, price stability, and reliability, while costing less than what we pay for wind power or biogas or solar.

So what are the opportunities in nuclear? And what can we learn from the “rush to renewables”?

Perceptions of nuclear

Our second question is about lenders’ perceptions of Canada’s nuclear sector. Worldwide, risk perceptions are high right now for a few reasons.

- Terrorism and unstable governments pose risks;
- We still have a recovering financial system in Europe and the US;
- There’s some uncertainty for growth in North America,
- And we’re still getting over the lingering negative publicity after events experienced at Japan’s Fukushima Station in March 2011.

In Canada, the situation is much more dynamic than it was the last time a new plant was built.

Governments and state-owned corporations do not have the field to themselves, and in many cases governments are looking to control and reduce their risks, not to launch new enterprises. On the positive side, this may mean an increased opportunity for partnerships.

Panel Introductions

I would now like to introduce our speakers to shed more light on these interesting topics from their perspectives. Does Canada look good in the global context - or do investors see all nuclear sectors pretty much the same way? On the role of government, generally



publicly owned utilities have done most nuclear projects in past decades. More recently there has been some attention to the issue of energy technology and how it can support high-quality jobs.

We'll also be asking our panelists how they see the role of the public sector evolving in nuclear projects going forward. Please hold all questions until both presentations are complete.

Our first speaker is **Mr. Patrick Lamarre**, the President and CEO of SNC-Lavalin Nuclear Inc. Mr. Lamarre joined the company in 1995, and has worked on projects in Chile, Cuba, Venezuela and Australia as well as in Montreal and Toronto. His experience covers project financing, operation management, project design, engineering and participation in large projects.

Of notable interest, as a result of an agreement with the Government of Canada announced last June, SNC-Lavalin Group Inc. has acquired the CANDU Reactor Division of Atomic Energy of Canada Limited (AECL). That agreement was finalized on October 1, 2011 that formalized the new company, Candu Energy Inc.

Welcome, Patrick Lamarre.

(Patrick presents).

Thank you Patrick.

Our next speaker is Mr. **Jean-François Béland**; Executive Vice-President at AREVA Canada Inc. Mr. Béland joined AREVA Canada in August 2008 after spending a year at AREVA's global headquarters in Paris. Prior to that time, he worked in the Canadian public service and in the Office of the Prime Minister, where he served as Policy Advisor on Treasury Board and Governance issues.

Welcome, Jean-François Béland.



(JF Beland presents).

Thank you gentlemen. We can now open up the floor to questions.