

Dozens answer call for public-private partnership at Chalk River nuclear site

By Ian MACLEOD, OTTAWA CITIZEN July 23, 2013



OTTAWA — Almost four dozen organizations have signalled an interest in the future of the restructured federal nuclear laboratories at Chalk River.

Forty-six parties responded to a government call for feedback on the merits and requirements of a federal proposal to reorganize the operation of Atomic Energy of Canada Ltd. (AECL) into a public-private partnership, the government disclosed this week.

Non-binding expressions of interest and other input came from private-sector organizations, academic institutions, local governments and industry associations. None have been publicly named.

But previous reporting has identified potential interest from CRNL Partners, comprising EnergySolutions Canada, SNC Lavalin, AMEC NSS, Kinectric and Wardrop; and a team from CH2M Hill Canada, Babcock and Wilcox and the U.S.-based Battelle Memorial Institute.

The Government-owned and Contractor-operated (GoCo) arrangement is already popular in the U.S. Battelle, for example, manages or co-manage six national laboratories for the U.S. Department of Energy (DOE) and a nuclear energy lab in the United Kingdom. A Lockheed Martin subsidiary has managed the DOE's Sandia National Laboratories for two decades.

AECL's CANDU reactor division sold in 2011 to Candu Energy Inc., a wholly owned subsidiary of SNC Lavalin Group.

Now, the proposed GoCo for the remaining research and technology division at Chalk River is intended to introduce private-sector rigour to reduce taxpayers' liability and to refocus the mission at Canada's largest scientific establishment, where 2,700 people work.

Chalk River has a lengthy and distinguished record for achievements in advance nuclear science. It is perhaps best known for the National Research Universal (NRU) nuclear research reactor, one of the world's leading producers of medical isotopes. NRU also is a major facility for neutron physics research and provides engineering research and development support for CANDU power reactors.

But the iconic Crown corporation has been beset in recent years by expensive and embarrassing troubles and liabilities. There was the 2008 operational failure of two brand new MAPLE reactors, which were to take over isotope production from the 56-year-old NRU. That was followed by unplanned shutdowns of the NRU, which upended the global supply of medical isotopes and shook market confidence in Canada's future ability to supply the market.

Now, AECL is in the midst of a multi-billion dollar cleanup of "legacy" nuclear waste at Chalk River, as well as substantial costs to restore its aging infrastructure.

A 2009 review found the primary issue surrounding AECL's future, "is not whether it can become a profitable, commercially viable enterprise, but whether its activities are focused, driven by innovation and managed optimally."

It recommended the government, "seek an operating and management partner with the capacity to contribute risk capital, build new export markets, while sharing in the benefits of any gains."

Natural Resources Minister Joe Oliver in February said a competitive bidding process for the AECL GoCo was expected to start "shortly" and the changeover will take about two years to complete. He could not say how much money the government expects to save by taking a step back from ownership.

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