

# **The Emerging Big Picture: The External Factors Affecting the Outlook for the Canadian Nuclear Industry**

Mike McCracken  
Chief Executive Officer  
Informetrica Limited

At the present time, no new nuclear capacity is being planned in North America, and much of the policy attention is directed towards the problem of "stranded assets" as the electricity generation industry deregulates.

A number of "driving forces" are at work: low inflation, high real interest rates, slow economic growth, deregulation, and rising environmental concerns. Within the energy sector there are also uncertainties regarding the demand for electricity, alternative supplies, the costs of energy, privatization, safety factors, and specific moves to deregulate. How will these play out over the next twenty-five years?

One approach to dealing with such uncertainties is to consider a number of alternative scenarios - equally plausible - that help to highlight the uncertainties. Four such scenarios are adumbrated in this paper, along with a discussion of the necessary actions to develop a preferred scenario.

The scenarios examined include:

- (1) The "Swedish" Process - active decommissioning of existing plants in response to public demands for non-nuclear generation of electricity.
- (2) Muddle - Do Nothing Until? - A scenario with no new nuclear capacity, but a continuation of existing capacity as long as possible. New capacity needs are met by non-nuclear generation.
- (3) Expansion of nuclear capacity for Canadian needs as part of an orderly development of new capacity.
- (4) More aggressive expansion of nuclear facilities, to serve the North American market and to reduce GHG emissions.