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# news release

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## CANADA APPROVES LOAN FOR COMPLETION OF ROMANIAN NUCLEAR POWER STATION

The Government of Canada, working through the Export Development Corporation (EDC), the Atomic Energy of Canada Ltd. (AECL), and private sector companies, will help Romania to complete and to operate its first nuclear power plant.

The Honourable Michael H. Wilson, Minister of Industry, Science and Technology, and Minister for International Trade, announced today that a Romanian application for financing support under commercial terms has been approved. A loan of up to C\$315 million will be used to complete Unit 1 of the CANDU generating station at Cernavoda, on the Danube River in eastern Romania. The money enables Romania to retain Canadian expertise to finish construction and to manage the early operation of the power plant.

Mr. Wilson said, "The Cernavoda power station is vitally important to Romania as that country works to build a new democracy and a competitive market economy. The generating station is urgently needed to help the country alleviate its severe electricity shortages and serious pollution problems caused by burning low-quality fossil fuels. Romania needs electricity for schools, homes and hospitals, as well as for industry. Recent reports on pollution in Eastern Europe show how severe the problem of atmospheric pollution is. The safe application of proven CANDU technology can help people attain a better life."

Mr. Wilson added that "Canada is fundamentally a trading nation, and this kind of trade, investment, and technology transfer strengthens Canada's role in a global marketplace."

The Cernavoda project consists of five 685-megawatt CANDU power reactors which, when finished, will supply more than one-third of Romania's electricity. "The country now has one of the lowest per capita electrical consumption rates in Europe," Jake Epp, Minister of Energy, Mines and Resources, said in making the announcement with Mr. Wilson. "To compare it with Canada, electricity available to Romanian households is just 4 per cent of the average used by Canadians in their homes every day. Just this past winter, a serious lack of electricity, coupled with extreme weather, forced a number of Romanian companies to close, throwing more than a quarter of a million people out of work. Romania desperately needs an additional electricity supply."

Mr. Epp also said he was satisfied with the safety aspect of the project. "The fact that Canadians will help Romanians commission and operate the reactor for the first 18 months is very important to me."

The CANDU nuclear power project, which is owned by Romania, began in 1979 and suffered a series of delays during the Ceausescu regime. Romania, which has managed the project to date, has asked AECL for greater involvement in the completion of Unit 1. AECL and its private-sector partner, Nuclear Construction Managers, have formed a consortium with the Italian firm Ansaldo, which is responsible for the turbine-generator portion of the plant, to complete the unit.

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## BACKGROUND NOTES

- \* The C\$315 million will pay for project management, engineering support, training, commissioning and plant operation as well as technical and quality assistance provided to the Romanian utility which owns the Cernavoda stations. Canadian companies and organizations with a commercial interest and involvement are:
  - AECL CANDU, the international nuclear engineering, project management and equipment procurement arm of AECL.
  - Nuclear Construction Managers, a nuclear project engineering and consulting firm located in Mississauga, jointly owned by CANATOM Inc. and Foundation Company of Canada Limited. CANATOM is a joint venture among SNC-Lavalin and Monenco Limited.
  - Manufacturing and consulting member companies of the Organization of CANDU Industries for limited component, parts and tool supply for Unit 1.
- \* Cernavoda Unit 1 is almost 50 per cent complete and is scheduled to begin producing power in 1995. The four other units are at various stages of completion.
- \* Through the new loan, Canadian engineers and technicians will provide management expertise and technical assistance on site; training in project management, construction, plant commissioning and operation; and technical assistance for Romanian-supplied equipment and construction.
- \* A new Romanian electrical utility formed last year, known as RENEL, owns the Cernavoda Nuclear Generating Station. RENEL is headed by Dr. Aureliu Leca who, earlier this year, visited nuclear power plants in Ontario, Quebec and New Brunswick. All construction work will be carried out in close co-operation with RENEL.
- \* Romania has a large pool of engineers and technicians highly skilled in nuclear power science and technology. The Romanian Institute of Atomic Physics has produced a team of researchers and engineers experienced in nuclear research, safety, management of radioactive facilities and the development of nuclear fuel.
- \* Romania has few sources of electricity. The country is considered to have good economic potential in the long term, but only if it has a stable and sufficient electricity supply to offset expensive energy imports and support the drive to a market economy. The new Romanian government considers completion of the Cernavoda project crucial to its economic and social future and has made completion of the station a national priority.