



ENERGY: SECURING A SUSTAINABLE FUTURE

Moving Saskatchewan's Energy Potential Forward

July 13, 2006

As many countries face the reality of soaring energy costs, shortages, and insecurity; Saskatchewan maintains a very unique and potentially prosperous position. From wind energy to natural gas to uranium resources, Saskatchewan is endowed with many natural advantages that could be key to leading energy development in Canada, and the world.

In light of worldwide energy constraints, nuclear power is considered one of the world's most efficient sources beyond our conventional fossil fuel means. Because of this, it is expected that nuclear energy will begin to play a major role in many national energy plans. For instance, China is set to increase its nuclear power capacity by five fold over the next fifteen years; France says it may build thirty more reactors, and the approval rate for nuclear energy in the US has soared to 70%.

With prospects like these, Saskatchewan's policy makers, industry, and public should be very interested in the coming opportunities to expand our value-added role and overall energy policy platform. The increase of worldwide demand for our energy resources places us at a crossroads between business as usual and advancement into a prosperous energy future. And the time has come to choose our direction.

To begin, let's consider our uranium industry. Saskatchewan's participation in the front end of the nuclear fuel cycle effects energy generation on a global scale. We are the world's largest producer of uranium, shipping over 80% of this resource to international markets. We are directly related to powering 60% of France's population and 20 % of the United States.

However, our ample supply of uranium is not the only attraction. Saskatchewan's stable economy, secure supply and environmental stewardship represents comfort to countries who are seeking a long term solution to their energy needs. Furthermore, Saskatchewan hosts two of the world's leading nuclear companies and numerous juniors involved in various stages of the nuclear fuel cycle. So what impact does this current and anticipated demand for uranium have on our industry and future energy policy?

With worldwide uranium prices and demand increasing, uranium producers have begun to implement key activities to respond; through increased exploration, new mines, and expanding mill operations. In-province processing and refining of uranium would be the next stepping stone that would add more value to our resource before shipping it out to the rest of the world.

Nuclear energy generation has also been posed as another option, both for powering our province and the Alberta oil sands. Due to the current infrastructure in place and power needs, nuclear energy may not be an economical option for the province today; however, as our province and economy grows, it will be a source that we could utilize in the future. There is also the option of storing used fuel. Northern Saskatchewan has been mentioned as a potential location because of its ideal geography; as well as the environmental stewardship and proven safety standards of the industry.

No matter what part of the value-added cycle we choose, advancement of this industry will drive innovation and wealth creation for the province. Jobs will be created, spin-off industries started, R&D set in motion improving safety and efficiency. Not only would young people stay, we could also attract people from other parts of the country and world. Saskatchewan could become a global leader not only in uranium mining, but also in value-added supply, environmental standards, technological performance; which would lead to the development of other energy sources, such as solar, hydro-power, and biofuels.

To secure this potential for advancement, we need to begin planning and educating today. By aligning energy policy that reflects our short, mid and long term goals, with positive policy for growth, we can be certain that these opportunities will not be missed. The wealth creation of this province is directly linked to creating more competitive tax, investment and regulatory advantages for industry. But this is not enough. We also need to be pro-active about our future energy initiatives, as

we head into direct competition with the rest of the world for capital investment and qualified workers. And most importantly we need to begin informing our people about energy options, the industry, and the opportunities.

The current barrier to forward thinking energy initiatives is not the lack of information or technology, but rather the lack of public awareness and support. This is why a Saskatchewan-wide energy education campaign that offers a factual and consistent message is a necessary endeavor. It must address all the people of Saskatchewan and be jointly initiated by industry, educational institutions, Aboriginal and First Nations groups, municipalities, associations, and media.

And the energy discussion must go beyond Saskatchewan's leadership in developing its uranium resources. In fully realizing our long term potential in the energy sector, we must build a well-balanced energy policy that supports all energy options needed to secure a sustainable future.

It is hard to imagine what will unfold within the next fifty years, however it is inconceivable to envision a new era without major changes to how we currently generate energy. As many countries seek the use of nuclear energy to fuel their future, Saskatchewan faces a prime opportunity to not only maintain its position as a leader in uranium production, but also to move its own energy policy forward. Endowed with many energy options that will be needed in the future, Saskatchewan must adopt a balanced energy policy involving significant investment in diversified supply over the long term framework.

The energy future begins now by educating the people of Saskatchewan, because a well-informed public means better energy choices will be made for themselves and their province. Are we ready to take the lead?

Dara Hrytzak-Lieffers

Dara is the Energy Strategy Project Manager at the Prairie Policy Centre.



2229 Ave. C. N.
Saskatoon, Sask. S7L 5Z2
ph: 306-242-2981
fx: 306-242-1329
www.prairiecentre.com
info@prairiecentre.com

The Prairie Policy Centre is an independent public policy think tank whose mission is "to advance ideas on wealth creation in order to enhance the economic and social well being of the prairie region.

The opinions expressed in this forum are those of the writer and do not necessarily represent the views of the Prairie Centre.