

Executive Committee Report

CNA Planning and Priorities

February 26, 2020

PURPOSE

To seek board approval of the CNA's 2020 priorities and the proposal for a Canadian nuclear industry secretariat.

CONTEXT/RATIONALE

The executive committee convened on January 30, 2020 to, among other matters, consider Management's draft priorities and its proposal to create a Canadian nuclear industry secretariat.

A. Priorities

The committee reviewed Management's draft priorities, which are outlined and explained under item 5.1 of the board meeting package. It queried a number of related matters with Management, including:

- The nature and scope of an enhanced role for the CNA.
- Tangible ways for the CNA to further priorities.
- Developing a simple narrative explaining the size of transformation needed to achieve carbon neutrality by 2050 and how nuclear is an essential part of this transformation.
- Ministerial level meetings to influence the federal budget process and climate change policy framework, including the anticipated outcome of the funding ask related to SMRs.
- The importance of nuclear industry coordination and alignment given the many associations in the province and country.
- The weighting and/or ranking of each priority, and the bandwidth and resources needed to achieve the sub-priorities and initiatives.

Having considered the above matters, the committee unanimously agreed to recommend the CNA priorities for board approval.

B. Proposal to Create a Canadian Nuclear Industry Secretariat

In 2018, the CNA provided a secretariat (www.smrroadmap.ca) to support the SMR pan-Canadian roadmap project. The SMR roadmap was published in November 2018, and the secretariat was disbanded early in 2019. The SMR roadmap set out priority recommendations



for early action, as well as comprehensive recommendations for all essential enablers. It anticipated a Canadian SMR action plan in response.

Stakeholders, notably NRCan, have expressed a desire for a renewed secretariat to, at minimum, monitor progress to these ends and identify gaps. The CNA and CANDU Owners Group (COG) propose to create an SMR secretariat to coordinate and guide actions needed by governments, industry, and other nuclear stakeholders in implementing the recommendations of the SMR roadmap.

The committee has reviewed and discussed the proposal and, in particular, the secretariat's duration, budget, resourcing and project governance (as outlined in Appendix 1). It also considered actions taken and/or planned by Management to mitigate any financial risk to the Corporation. These actions include two-year funding commitments with participating members, and agreements to address funding shortfalls or surpluses. For budget purposes, the funding for the secretariat will only be recognized based on actual expenditures incurred and will be a nil impact on the financial results.

Having considered the function, structure and governance of the SMR secretariat, the committee unanimously agreed to recommend the proposal for board approval.

MOTIONS

A. Resolution to Approve Priorities

Resolved that the Board of Directors approve the CNA's priorities as presented by Management and recommended by the Executive Committee.

B. Resolution to Approve Canadian Nuclear Industry SMR Secretariat

Resolved that the Board of Directors approve the proposal to create a Canadian nuclear industry SMR secretariat as recommended by the Executive Committee.

APPENDICES

Appendix 1 - Proposal to create a Canadian nuclear industry SMR secretariat

Canadian Nuclear Industry SMR Secretariat

FUNCTIONS

The secretariat will monitor progress on all SMR roadmap recommendations and produce one or more summary reports; convene coordinating conversations, meetings, workshops as needed to facilitate advancement of recommendations and collect information needed to fulfill progress reporting; and identify gaps and lags, and facilitate the development of action plans for implementation.

DURATION AND RESOURCES

The secretariat will be created for an initial two-year term and will have one full-time equivalent employee (project manager), reporting to CNA, with provision for supporting work from COG and other sources of expertise as needed.

The proposed budget for 2020 is \$300,000. Five of CNA's member organizations (OPG, Bruce Power, SaskPower, NBPower and CNL) have each agreed to provide funding of \$60,000 per year for two years, in addition to their CNA membership contributions. CNA will have an agreement with the members who are funding the secretariat, and this agreement will make provisions for scenarios of a surplus or shortfall of funding.

Similar to the approach used for Ontario's Nuclear Advantage (ONA), the CNA will serve as the clearing-house for invoices, payments and budget reporting.

STRUCTURE

The secretariat will be a partnership between CNA and COG, with CNA in the leading role and COG providing support in certain areas where its strengths are complementary to CNA's. COG will invoice the CNA as it incurs actual costs in providing this support (COG-based costs are approximately 20% of 2020 budget). There is no expectation of a contractual relationship with the federal government, in which case there should be no need to distinguish this work from CNA's lobbying role.

The secretariat will report regularly to a SMRTF executive committee comprising of OPG, Bruce Power, NBPower, SaskPower, CNL, CNA and COG. Quarterly reports will be provided to the CNA executive committee and board.

Having applied key lessons learned, the CNA's administration has been materially strengthened, including improved internal controls and oversight.