

# The First Year

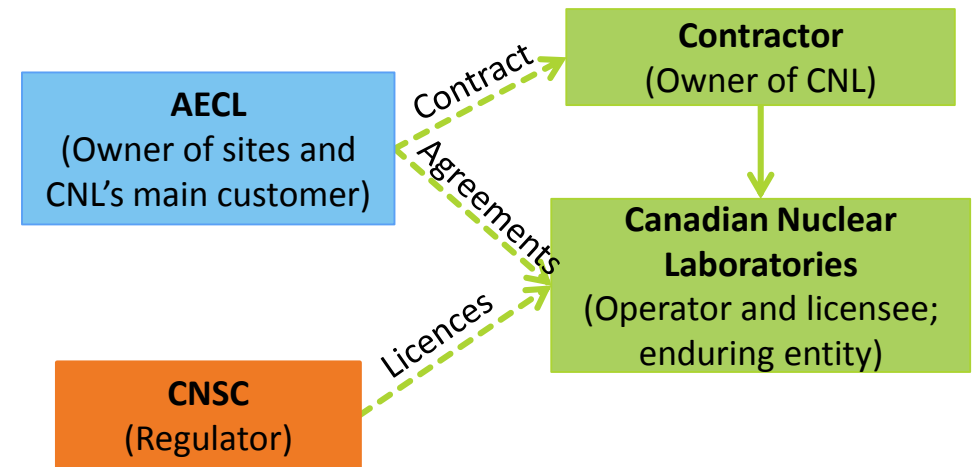
## Canada's Nuclear Laboratories New Government-owned, Contractor-operated (GoCo) Model

PRESENTATION TO THE WASTE MANAGEMENT SYMPOSIUM

RICHARD SEXTON, PRESIDENT & CHIEF EXECUTIVE OFFICER, AECL

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- ▶ Canada's GoCo model is akin to the UK's:
  - ▶ **AECL (Crown corporation):** Owns all facilities, assets, land, liabilities and IP; sets priorities; oversees performance
  - ▶ **Contractor - Canadian Nuclear Energy Alliance (Parent-Body Organization):** Brings international expertise, experience and reach back
  - ▶ **Canadian Nuclear Laboratories (Site Operating Company / Site Licence Company):** Operates and manages ALL of AECL's sites and facilities to achieve AECL mandate and priorities





## CANADIAN NUCLEAR LABORATORIES (Site Licence Company)

- ▶ ~ 3,000 employees
- ▶ ~ \$800M (CAD) / year budget
- ▶ Three areas of focus:
  1. Decommissioning and Waste Management- \$9.9B (CAD) liability
    - ▶ Renewed focus to advance DWM through the GoCo - \$350M (CAD) + budget per year
  2. Nuclear science and technology
    - ▶ In support of Government of Canada
    - ▶ Offering services to third parties on a commercial basis
  3. Revitalization of the Chalk River infrastructure and facilities
    - ▶ New facilities to support the Science and Technology mission



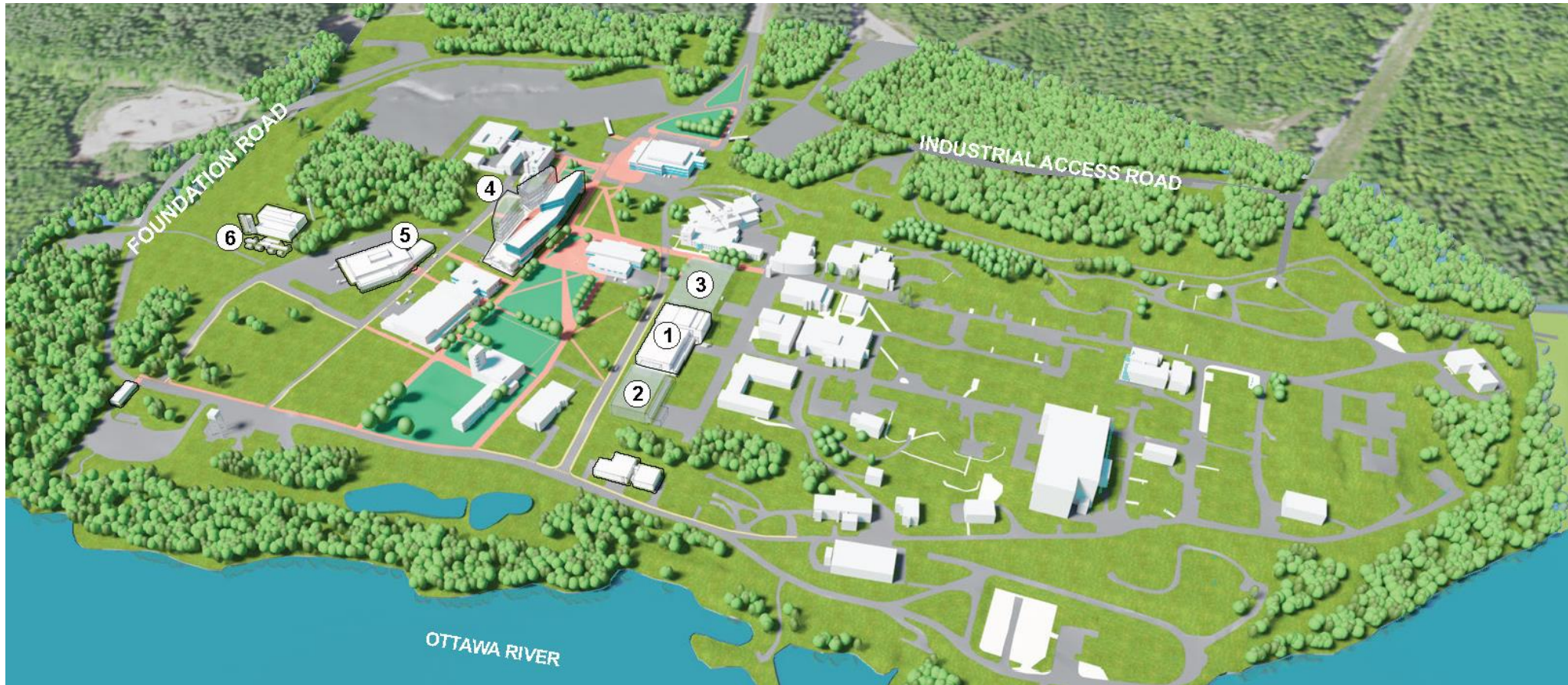
# Lab Revitalization: The Long-Term Vision

## CHALK RIVER LABORATORIES TODAY





## CHALK RIVER LABORATORIES IN 2026







## TAKING STOCK:

- ▶ Transformation has begun but changing a 60-year old culture will take time
- ▶ Contract is working: simpler from a transaction point of view (as based on best practices/lessons learned from US and UK)
- ▶ Flexible contractual incentives are proving effective
  - ▶ Based on performance
  - ▶ Includes both award fee and performance-based incentives (PBIs)
  - ▶ Multi-year to achieve transformation
- ▶ A positive relationship from the outset has been established and further refinements are being pursued
- ▶ Stable, 10-year funding has allowed for long-term, strategic planning

## OPPORTUNITIES:

- ▶ Need to adjust expectations based on each player's assumptions:
  - ▶ AECL new at GoCo
  - ▶ 'Unique' contract
  - ▶ Contractor assumption as to how client/contract may play out
  - ▶ CNL (site licence company) used to operate in GoGo environment

## NEAR-TERM

- ▶ Long-term plans finalized
- ▶ Business plans for major capital projects accepted
- ▶ Enhanced performance reporting and EVMS
- ▶ Integrated and strategic approach to decommissioning and waste management
- ▶ AECL/CNL Partnering Agreement

## LONG TERM

- ▶ Accelerated D&WM program leads to a significant reduction in AECL's liabilities
- ▶ The Chalk River Laboratories is a world class, sustainable national nuclear laboratory delivering science and technology nationally and internationally
  - ▶ Renewal of the Chalk River Laboratories' infrastructure: Capital projects delivered on time, on budget
  - ▶ Increased efficiency and reduction of cost in management and operations
  - ▶ Growth of commercial science and technology business



