

## **Federal Budget Funding for New Nuclear Reactors a ‘Climate Throwaway’**

**Toronto (April 11 2022)** - The 2022 [federal budget](#)'s investment in unproven nuclear reactor designs, dubbed Small Modular Reactors (SMRs), is being called a "climate throwaway" by civil society groups. Just days after the Intergovernmental Panel on Climate Change released its starkest report yet urging aggressive climate action, the federal government is choosing to invest in yet-to-be proven technologies that miss the mark for [halving emissions by 2030](#).

SMRs refer to a set of proposed nuclear technologies, designed to produce up to 300 megawatts of electricity. They are promoted for both the electric grid and for remote, off-grid communities to replace diesel reliance and to power resource extraction projects.

[120+ civil society groups](#) from coast to coast to coast including the [Green Budget Coalition](#) have asked the federal government to reallocate funds for SMRs into cost-effective, socially responsible, renewable energy solutions available now.

### **The budget dedicates \$120 million over five years for SMRs:**

- **Approximately \$70 million of the budget is for research, geared to waste minimization.**

This could include the reprocessing of used nuclear fuel, a chemical process for extracting plutonium from used radioactive fuel waste. Reprocessing is not currently used in Canada and it raises many proliferation and security concerns. Plutonium is a dangerous material not found in nature. Reprocessing is in no way a solution to reducing radioactive waste, it simply redistributes the highly radioactive fission products into different waste streams. With the fission products removed, the remaining materials are much more susceptible to being stolen or used in nuclear weapons.

- **Approximately \$50 million to build capacity within Canada's nuclear regulator to regulate SMRs.**

Investment in regulatory processes will not remedy the fact that SMRs have been removed from the federal impact (environmental assessment) process. SMR projects are only required to undergo a narrow licensing process, conducted by Canada's nuclear regulator. Their expertise and regulatory framework is not equivalent with impact assessment law, which requires an upfront examination of ecological, socio-economic and sustainability impacts spanning the duration of the project.

The budget also includes two other provisions potentially applicable to SMR projects:

- A new **tax credit of up to 30% for net zero technologies** such as battery storage and clean hydrogen. Nuclear projects should be ineligible for this tax credit as they are not [cost-competitive with](#) renewables and as has been previously pointed out, nuclear-powered hydrogen is not [renewable hydrogen](#). [Any](#) application for this tax credit must also be required to transparently demonstrate the project's economic viability.
- Continuing the \$8 billion **Net Zero Accelerator** [initiative for projects](#) with the potential to substantially reduce emissions by 2030 and support the goal of net-zero by 2050. SMRs are in the earliest of planning phases and anticipated dates for operation are well into the 2030s. This, coupled with the nuclear sector's [trend of construction delays and cost overruns, should](#) make SMR projects ineligible as they cannot contribute to meeting the most urgent of climate targets, which requires halving emissions by 2030.

– 30 –

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