

Nuclear option can assist net zero: BHP

Australian Financial Review (AFR)

Tuesday 12th October 2021

833 words

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Energy

Peter Ker

BHP says Australia will not have the luxury of ignoring nuclear power's potential to deliver reliable, carbon-free electricity as experts said last month's submarine pact had welded the nation's future to the radioactive fuel.

Fiona Wild, BHP's vice-president of sustainability and climate, said Australia had "great opportunities" to tap into the world's largest known resource of

uranium, the raw feedstock for nuclear power generation.

"We don't have time to choose our favourite technologies any more. We need to take an 'all of the above' approach because the challenge is so great and the pace at which we need to move is so fast that you want to make sure you have all options available," Dr Wild told The Australian Financial Review Energy and Climate Summit.

"Nuclear power can play a significant role in providing low greenhouse gas emissions power but there are issues associated with it.

"I do think there are great opportunities there and obviously we have great [uranium] resources in Australia. So it should be on the table as one of a range of options we need to think through."

While BHP's Olympic Dam mine in South Australia is best known for its copper, it is also a large uranium producer for export and is one of the world's biggest uranium deposits.

Engineering giant Worley works on nuclear reactors in nations such as Egypt and chief executive Chris Ashton said the industry would play a role in

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decarbonising the world's energy mix.

"There is a role for nuclear in the future and one of the most exciting spaces is the small modular reactor space. Increasingly, we are seeing interest in what role small modular reactors can play," he said.

Despite Australia's large natural endowment, the local uranium mining industry has shrunk in the decade since the 2011 Fukushima nuclear disaster, with the closure of the Ranger mine in the Northern Territory and an ongoing ban on nuclear power generation for domestic consumption.

The ban on domestic nuclear power generation had been made redundant by the embrace of nuclear-powered submarines in the AUKUS defence pact with the US and the UK, said energy entrepreneur Trevor St Baker.

"It makes the national ban on nuclear power generation ridiculous," he said. "There should be this removal of the ban."

Mr St Baker said the submarine pact would require regulatory and technical competencies in Australia that would be capable of extending to domestic nuclear power generation.

Small, modular nuclear reactors could be located at "the end of transmission lines, they are not put in the middle of cities", he added.

Mr St Baker is a director of a company established to provide advice on the adoption of small modular nuclear reactors in Australia.

The adoption of nuclear-powered submarines had changed the landscape for nuclear power generation in Australia, said Gilbert + Tobin partner Alexander Danne.

"Do we want to be, in 30 years time,

with our critical defence assets needing to be serviced offshore by a country on the other side of the world – the US, France, or whoever it is we have got these critical defence assets from? The answer must surely be no, we need to be self-sufficient in that respect," said Mr Danne, who runs the law firm's energy and infrastructure division.

"So many of our competitor countries use this safely.

"There is a role for the government to be facilitating that debate."

However, Prime Minister Scott Morrison has made it clear the submarine pact was not a precursor to a domestic nuclear power industry, said Australian Conservation Foundation spokesman Dave Sweeney.

"Apart from the obvious links to nuclear disasters, multi-generational radioactive waste, nuclear weapons proliferation and unresolved security concerns, existing nuclear reactor technology is slow, expensive and uncompetitive," he said.

"The much-promised, so-called, small, modular reactor technology is simply unproven."

Daily market prices for uranium have rallied this year, mostly on the back of a speculative trend where investors have purchased physical uranium and hoarded it in a bid to trigger a rise in the commodity price.

While the trend was started several years ago by investment houses such as London-listed Yellow Cake, it has been joined this year by uranium miners such as Australia's Boss Energy, which have preferred to spend money buying the uranium other people have already mined, rather than invest in restarting their mines.

Daily market prices for uranium have rallied from less than \$US30 per tonne to more than \$US40 per tonne over the past three months, although most nuclear power generators buy their uranium on longer-term contracts.

Uranium bulls are closely watching energy policy in Japan, which idled almost 50 nuclear power stations in the wake of the 2011 Fukushima disaster.

A five-year plan published by the Chinese government earlier this year also flagged the ongoing construction of new nuclear power stations.



Remove the ban:
Trevor St Baker.