

## Who is Constellation Energy Consorting With? Get to know Electricite de France (EdF) and AREVA.

As the Maryland Public Service Commission reviews the transaction between Constellation Energy Group and Electricite de France (EdF) – a deal that would transfer half of Constellation Energy’s nuclear assets to EdF, might wonder:

**What is EdF?** *EdF is the largest nuclear developer in the world. It is a French-state controlled conglomerate. The French government owns 85% of EDF.*

**What is EdF’s role in shaping Maryland’s energy future?** *In 2005, EdF and Constellation Energy launched a 50-50 joint venture, Unistar Nuclear, with the express purpose of marketing and constructing the French-designed US Evolutionary Power Reactor (EPR) by Areva in the United States. The reactor proposed for Maryland is intended to be Unistar’s demonstration project. The \$15 billion reactor would undermine renewable energy development and serve as a disincentive to implement robust energy efficiency measures.*

Perhaps the best way to get to know Constellation Energy’s nuclear development partners –EdF and Areva - is to examine their record at home and abroad.

### **EdF at Home and Abroad**

**Plays Dirty:** On March 11, 2009, European Union regulators raided EdF offices reportedly because *"the commission (European) has reason to believe that EDF may have violated (EU) antitrust rules that prohibit the abuse of a dominant market position" and "the suspected illegal conduct may include actions to raise prices on the French wholesale electricity market."* The

European Union officials are charging that its price-fixing may be undermining competition throughout the continent.<sup>i</sup>

**Repeat Offender:** Since July 2007, EDF has been involved in an ongoing investigation on charges associated with locking industrial clients into long-term contracts, possibly preventing competitors from emerging.<sup>ii</sup>

**Poor Investment:** EdF's shares have dropped by more than 40% during the past six months alone. The EdF share now stands 12% below the value when it was first introduced to the stock market in November 2005.<sup>iii</sup>

**Mismanagement:** The construction of the EPR in France, at Flamanville on the Normandy coast, was halted after the French Security Agency (ASN) issued an order concerning the pouring of concrete at the building site and criticized the operator – EdF – for lack of rigorous oversight.<sup>iv</sup>

**Undermines Renewable Energy:** EdF has warned the [British] government to scale back its targets for wind power production in favor of EdF’s plans to build a new generation of nuclear power plants. *"The UK is the windiest country in Europe with the best wave and tidal resources," said Andy Atkins, executive director of Friends of the Earth, "We should be maximizing renewables and harnessing as much of that clean, safe energy as we possibly can – not propping up the French nuclear industry."*<sup>v</sup>

## **Birds of a Feather Flock Together?**

**What is AREVA?** Areva is a French state-owned corporation involved in several aspects of nuclear reactor development, from uranium mining and fuel production to reactor design and reactor component manufacturing.

### **AREVA at Home and Abroad** **Mismanagement and Plummeting**

**Financial Security:** After only the first year of construction, Areva's EPR in France is already more than \$1 billion over its initial estimate.

Delays and cost overruns continue to plague Areva's EPR reactor construction project in Finland. Now, with the project more than three years behind schedule, Areva has admitted to a \$2.2 billion, or 55%, cost increase in the Finnish building site. Areva may now be forced to pony up billions more in penalties from delays and overruns to its Finnish partner, nuclear plant operator TVO.

Areva shares have plunged by more than 60% since June 2008, twice as much as the CAC40, the standard indicator of the 40 largest French companies on the stock market. Areva is currently seeking \$4 billion in short-term bailout money from French taxpayers.<sup>vi</sup>

**Partners Bailing Out:** On January 26, 2009, the German company Siemens withdrew from its nuclear partnership with Areva. The dissolution of the partnership forces Areva to pay more than €2 billion (about \$3 billion) to Siemens under an arrangement negotiated early this decade.<sup>vii</sup>

**Gross Negligence:** On July 8, 2008, the Areva subsidiary-operated Tricastin nuclear facility in France spilled uranium into two rivers that provided drinking and irrigation water to the local communities. Later that month, on July 23, at least 100 workers were contaminated during an accident at one of the four reactors at the Tricastin site. Shortly after, on August 6, the French nuclear security agency (ASN) announced the same facility had also emitted unacceptable levels of Carbon-14 radioactive gas throughout June and July of the year.<sup>viii</sup>

**Environmental Injustice and Human Rights Abuses:** Areva-owned and operated uranium mines and mills in Niger, Africa, have been the source of recent investigation by the French laboratory—CRIIRAD (*Commission for Independent Research and Information on Radioactivity*), which found local water supplies to be radiologically contaminated at 10 times the World Health Organization's level for safe drinking water. Subsequent findings also uncovered rocks outside an Areva-owned hospital to be 100 times more radioactive than normal background levels.<sup>ix</sup>

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<sup>i</sup> *EDF in Antitrust Spotlight*. World Nuclear News. March 12, 2009. [http://www.world-nuclear-news.org/C\\_EdF\\_in\\_antitrust\\_spotlight\\_1203091.html?jmid=1201](http://www.world-nuclear-news.org/C_EdF_in_antitrust_spotlight_1203091.html?jmid=1201)

<sup>ii</sup> *Ibid.* And at: *EU raids offices of French energy company EDF*. <http://www.google.com/hostednews/afp/article/ALeqM5hPn3BsgZ0bq6kuCAxI5Gma1AbsxA>

<sup>iii</sup> *France's Nuke Power Poster Child Has a Money Melt-Down*. Harvey Wasserman. FreePress.org. March 17, 2009.

<http://www.freepress.org/columns/display/7/2009/1732>

<sup>iv</sup> Letter from French Nuclear Safety Authority to Flamanville site director regarding safety flaws at the site.

<http://www.greenpeace.org/raw/content/international/press/reports/asn-nuclear-safety-authority-3.pdf>.

Retrieved from

[http://beyondnuclear.org/images/documents/fs\\_france.pdf](http://beyondnuclear.org/images/documents/fs_france.pdf). March 20, 2009.

<sup>v</sup> *Green lobby and nuclear groups clash over role of renewable energy*. Terry Macalister. Guardian.co.uk. March 16, 2009.

<http://www.guardian.co.uk/business/2009/mar/16/nuclear-power-renewables-edf>

<sup>vi</sup> *France's Nuke Power Poster Child Has a Money Melt-Down*.

Harvey Wasserman. FreePress.org. March 17, 2009.

<http://www.freepress.org/columns/display/7/2009/1732>

<sup>vii</sup> *Siemens pulls out of nuclear venture with Areva*. James Kanter. International Herald Tribune. January 26, 2009.

<http://www.iht.com/articles/2009/01/26/business/nuclear-4-416280.php>

<sup>viii</sup> Compiled by Beyond Nuclear in: *A Cascade of Nuclear Accidents in 2008 in France*.

<http://beyondnuclear.org/images/documents/accident%20lists.pdf>

<sup>ix</sup> Atomic Genocide. *The Thunderbird*, Volume 1, Issue 1, Spring 2009. Electronic version retrieved from

[http://beyondnuclear.org/images/documents/thunderbird\\_spring09.pdf](http://beyondnuclear.org/images/documents/thunderbird_spring09.pdf)