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Greenbacks or Green Cred?

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As Kermit the Frog once famously put it, “It’s not easy being green”. Just ask Shell — it had a little local difficulty in Europe with its Brent Spar oil platform. BP Amoco annoyed Greenpeace just by painting all its petrol stations bright green — but there was a spin-off. Chief Executive John Browne opened up a dialogue with them, becoming the first major company boss to speak at a green conference. He also appointed a board director in charge of corporate reputation.

British Energy has joined with BP Amoco and Shell to back a significant environmental initiative — an international project funded as part of the United Nations Environment Programme, looking at global warming and climate change issues.

But I am getting ahead of myself. Some people think nuclear energy is in bad shape as we go into the next millennium. But things are not that bad. Let me focus on the real issues facing us today. Whenever nuclear people gather in conference, you can be sure they will end up debating six questions:

- How can we ensure a future?
- How do we get to build new reactors?
- How do we make the most of environmental arguments?
- How do we get the politicians on our side?
- How do we answer the Greens?
- How do we deal with the media?

It does not take a genius to see that the last four are actually about communications — that is my area. There are two key principles — communicate more effectively to the audiences that really matter; but first earn the right to be heard by operating safely, commercially and reliably.

The nuclear industry operates against a background of accelerating international change. Politics in Eastern Europe and economics in the West are producing radical changes in energy markets. US utilities have bought into the UK — and now the trend is going the other way too; around Europe and in North America electricity liberalisation is gaining strength.

In the case of my own company British Energy, our involvement in AmerGen in the USA has hit the headlines. But one name which did not — astonishingly — was Three Mile Island, our first deal. The Financial Times covered its purchase as a straightforward good business story. What is in a name? TMI has been followed by Clinton (among others).

Why are we so interested in America? It is the land of opportunity — the share prices of nuclear generators have lagged behind the main US stock market indicators for most of the 1990s. There is a clear commercial priority. Nobody wants to be left behind.

In North America, British Energy certainly has not been. After AmerGen's initial success, we went for another new market opportunity — on the other side of the Great Lakes — and Bruce Power was born. This is the largest single nuclear utility transaction yet.

What is next? Expect more developments in the USA as companies change shape and nuclear specialists seize opportunities. Expect developments in Western Europe, with markets opening and structures changing. Expect commercial companies to form more partnerships. Increasingly, expect organisations to take on O&M contracts, and to seek to deal in carbon permits as environmental opportunities grow.

In all this, beware the strength — and communications capabilities — of the environmental lobby — the killer Greens. Be in no doubt of the scale of the challenge — and the nature of the opportunity, because a constructive approach to the environment can be very good for business, as BP Amoco has found. In the case of nuclear power, it is about combating climate change.

There is a range of potential mechanisms which might be used to combat climate change, including (in order of increasing effectiveness):

- energy taxes,
- carbon taxes,
- negotiated agreements,
- national trading systems,
- international carbon trading systems.

However, the more effective the mechanism, the more difficult it is to actually achieve it. But the nuclear power industry needs to aim high. British Energy's Chief Executive, Peter Hollins, will say more about this in his paper to this Symposium. In environmental terms, it is vital we get it right — nature has a way of hitting back!

As we enter the next millennium the world is changing ever faster. If electronic communication is the key, electricity itself will increasingly be the single most vital energy source — in a world where environmental issues have never been more important.

This Symposium has given us a clearer understanding of the role of nuclear power. We know what the challenges are:

- Recognising the industry will be different.
- Getting more involved in leading the process.
- Thinking out of the box.

In PR terms, British Energy is certainly doing that. This has led to a rational decision to phase out last century's visitor information centres — while retaining hands-on reactor tours — and a complete change in our communications structures and strategy. The communications team which I lead is set up as an in-house full service agency, selling its professionalism and expertise.

Today, e-communications is everything. The British Energy homepage can be found at www.british-energy.com. If there is anyone who has not yet visited it, or who has not got a similar product to display, please get it sorted. This is the real area of front line communication.

For example, our full Safety, Health and Environment Report can only be found on the web; we have published only a summary in paper form. The public can see how our power stations performed against last year's openly published targets. Later in 2000 full details of our five yearly review of decommissioning strategy and provisions will be available on our website.

What about the children who cannot use the 1980s interactive games at our visitors' centres any more? They will shortly be able to play a much better game on our website — a site recording over 5 million hits a year, with around half a million staying for extended visits. Like other companies, in the future we will trade electronically, we will webcast, and we will run similar internal communications systems.

But in the end the thing that makes it all work — and I make no apology for the oldest cliché in the PR book — is our greatest asset, our people. High quality people who really can make a difference — that is the only real guarantee of future success in business and the wider environment.

Like most companies we have a set of values which sum up our whole approach to the business of running the world's largest nuclear quoted company:

- Safety first — anything else does not really work (for example, Tokai Mura).
- Profit through progress — which does not mean cutting costs to the extent that you run risks.
- Openness — telling it like it is. It is not rocket science.
- Respect and recognition — respecting everyone's ability and recognising who can do what.
- Professionalism and personal integrity — for example, sharing vital information to help a colleague achieve his goals.

Finally, do not forget — we have some powerful allies. Let me end with a couple of quotes:

- “To achieve the EU target of an 8% reduction in carbon dioxide emissions we either include nuclear energy or we fail” — Pablo Benavides, Director General, Energy, European Commission.
- “Nuclear power, designed well, regulated properly, cared for meticulously has a place in the world's energy supply” — US Vice President Al Gore.