

Ironic Dependency: Russian Uranium and the US Energy Market

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Be careful who you condemn and ostracise. They just might be supplying you with a special need. While the United States security establishment deems Russia the devil incarnate helped along by aspiring, mischief-making China, that devil continues supplying the US energy market with enriched uranium.

This dependency has irked the self-sufficiency patriots in Washington, especially those keen to break Russia's firm hold in this field. That, more than any bleeding-heart sentimentality for Ukrainian suffering at the hands of the Russian Army, has taken precedence. For that reason, US lawmakers sought a ban on Russian uranium that would come into effect by January 1, 2028, by which time domestic uranium enrichment and conversion is meant to have reached sustainable levels.

The [May 2024 Prohibiting Russian Uranium Imports Act](#), signed by **President Joe Biden** as law H.R.1042, specifically bans unirradiated low-enriched uranium produced in Russia or by any Russian entity from being imported into the US. It also bars the importation of unirradiated low-enriched uranium that has been swapped for the banned uranium or otherwise obtained in circumstances designed to bypass the restrictions.

At the time, **Secretary of Energy Jennifer M. Granholm** [struck a note](#) of hollering triumphalism.

“Our nation’s clean energy future will not rely on Russian imports,” she declared. “We are making investments to build out a secure nuclear fuel supply chain here in the United States. That means American jobs supporting the Biden-Harris Administration’s commitment to a clean, safe, and secure energy economy.”

This does not get away from current circumstances, which see Russia's [provision](#) of some 27% of enrichment service purchases for US utilities. The Russian state-owned company Rosatom is [alone responsible](#) for arranging imports of low-enriched uranium into the US market at some 3 million SWU (Separative Work Units) annually. **Alexander Uranov**, who heads the Russian analytical service Atominfo Center, [puts this figure into perspective](#): that amount would be the equivalent of the annual uranium consumption rate of 20 large reactors.

Given this reliance, some leeway has been given to those in the industry by means of import waivers. H.R.1042 grants the Department of Energy the power to waive the ban in cases where there is no alternative viable source of low-enriched uranium available to enable the continued operation of a nuclear reactor or US nuclear energy company and in cases where importing the uranium would be in the national interest.

The utility Constellation, which is the largest operator of US nuclear reactors, along with the US enrichment trader, Centrus, [have received waivers](#). The latter also has on its book of supply, the Russian state-owned company Tenex, its largest provider of low-enriched uranium as part of a 2011 contract.

No doubt knowing such a state of play, Moscow [announced](#) this month that it would temporarily ban the export of low-enriched uranium to the US as an amendment to Government Decree No 313 (March 9, 2022). The decree covers imports “to the United States or under foreign trade contracts concluded with persons registered in the jurisdiction of the United States.”

According to the Russian government, such a decision [was made](#) “on the instructions of the President in response to the restriction imposed by the United States for 2024-2027, and from 2028 – a ban on the import of Russian uranium products.” Vladimir Putin had accordingly given instructions in September “to analyse the possibility of restricting supplies to foreign markets of strategic raw materials”. The Russian state nuclear corporation Rosatom [confirmed](#) that the ban was a “tit-for-tat response to actions of the US authorities” and would not affect the delivery of Russian uranium to other countries.

In a Russian government [post](#) on Telegram, the ban is qualified. To make matters less severe, there will be, for instance, one-time licenses issued by the Russian Federal Service for Technical and Export Control. This is of cold comfort to the likes of Centrus, given that most of its revenue is derived from importing the enriched uranium before then reselling it. On being notified by Tenex that its general license to export the uranium to the US [had been rescinded](#), the scramble was on to seek a specific export license for remaining shipments in 2024 and those scheduled to take place in 2025.

In a [filing](#) with the US Securities and Exchange Commission, Centrus warned that any failure by Tenex “to secure export licences for our pending or future orders [...] would affect our ability to meet our delivery obligations to our customers and would have a material adverse effect on our business, results in operations, and competitive position.” While Tenex had contacted Centrus of its plans to secure the required export licenses in a timely manner, a sense of pessimism was hard to dispel as “there is no certainty whether such licenses will be issued by the Russian authorities and if issued, whether they will be issued in a timely manner.” The sheer, sweet irony of it all.

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