

Former Calgary mayor drawn to new magnet



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For Calgary's former mayor Al Duerr life is approaching the sweet spot.

While many ex-politicians retire gradually to the backwater of glad-handing and corporate sinecures Duerr has relaunched his own life and, in the process, hopes to re-engineer part of the global energy business.

He believes the company he founded seven years ago, General Magnetic, is poised to prosper in a business increasingly affected by long-term lower energy prices and ever more stringent environmental controls and costs.

Certainly since the new provincial NDP government announced that carbon levies will double in the next two years up to \$30 a tonne Duerr's seen a huge spike in interest in his company's two main products.

General Magnetic, based in the city's Quarry Park with a sister manufacturing plant in southern China, uses permanent magnet technology to developing electric motors for use in the energy industry.

The first of those products — a top drive motor developed to power the pumping action in wells — uses permanent magnets to eliminate the belts, gears and pulleys of a traditional motor, thereby substantially reducing the risk of breakdowns and maintenance outages as well as cutting electricity costs.

The company's other key product is a solar powered electronic pump to inject chemicals into pipelines and wells not on the electricity grid. It's designed to replace pneumatically powered pumps using pipeline gas — methane — with every injection. With hundreds of thousands of such wells in Alberta alone those combined carbon emissions are huge.

“It is one of the largest carbon emission issues and it's one that the environmentalists are not that aware of because it is so dispersed. It is estimated that 12 million tonnes of carbon equivalent a year could be eliminated though the use of alternative methods,” added Duerr.

He said that although both developments originally had been well received many companies were reluctant to purchase because of short-term costs. However the recent change in both the global oil market and the provincial government is spiking interest.

“The industry is a very conservative one. When we started on this we thought there would be this burning need to improve efficiencies and reduce energy consumption. But that burning need wasn't there. The focus was on production, on volumes.

“When prices were over \$100 this was not top of mind. If your operating costs were \$40 and you were selling at \$100 a barrel then two or three dollars savings on costs were not going to make a huge difference. But if that drops to \$55 a barrel that can be a huge difference to your profit margin.

“One of the best propositions for a company like ours is a lower pricing regime that looks as though it is going to be sustained for a long period of time.

“I have never seen as much focus on operating cost reductions as I have seen lately in the industry. It dominates all the conversations. What is different is people are not looking at this as something that is just a short-term market hiccup. There is a new normal out there,” he said.

“Right now we are just entering the sweet spot,” added Duerr.

For a man who served as mayor of Calgary from 1989 to 2001 Duerr is reluctant to comment publicly on politics at any level. To do so, he believes, would be unfair.

“I made a deliberate decision when I stepped down that I was not going to pursue the traditional avenues that most politicians do.”

“I felt, while it was a wonderful privilege to serve and I had learned so much and made wonderful friendships and hopefully made a contribution, that when I made a decision to move on it was exactly that. It was important we allowed the next generation of politicians to step in and work through the complex issues facing people.

“I was asked many times to comment on issues of city council and I refrained from doing so because I felt it unfair. It is easy to have an opinion, it is very hard to have a knowledgeable opinion because you actually have to do the work,” said Duerr.

In some ways Duerr has come full circle. He was never an engineer but as a boy he grew up on a Saskatchewan farm, pulling things apart and rebuilding them alongside his dad. He still remembers those times and the lessons he learned.

“The things that you gain sitting helping your father take apart a tractor as a young boy and the independence attached to rural life were so important. Nothing is handed to you, that is what living on a farm is all about. Running a business and politics is the same in some ways. You rise and fall as an individual,” said Duerr.

At 64-years-old Duerr’s political days are done, though he does go door knocking on behalf of his son-in-law who is running for the Liberals in the next federal election.

But he is working hard — he visited his factory in China five times last year — and enjoying himself.

“I am here to make this business work and we are going to make it work. I don’t believe in not seeing things through.

“I think our time has come and that the groundwork has been laid. It is really exciting and yes, I’m having a lot of fun.”