

## Energy Matters

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### [Strike Threat Looms at Indian Point](#)

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**By Roger Witherspoon**

Representatives of Entergy Nuclear and the union representing control room operators and other technical workers are preparing for around the clock bargaining sessions beginning Wednesday to avoid a strike at the two Indian Point nuclear plants on the banks of the Hudson River some 25 miles north of Manhattan.

John Melia, spokesman for the Utility Workers Union of America, Local 1-2 said the two sides will be sequestered at the Rye Hilton beginning at noon and enter unbroken talks to hammer out a replacement to the current three-year contract, which expires at midnight, Friday.

Last week, the union overwhelmingly voted to authorize Local President James Slevin to call a strike if no contract was reached. And Thursday, some 50 workers marched on practice picket lines in front of the Buchanan plants as a final step in preparation for a strike.

“They had signs and union paraphernalia,” said Melia. “It was an exercise showing that the unionized workers are serious about obtaining a fair contract. We authorize strikes because that is one of the few tools left to us, and we use it to show that we are serious.

“That said, no one ever wants a strike. No one wins in a strike.”

The negotiating teams of the Utility Workers and Entergy will be joined by Commissioners Peter Donatello and Martin Callaghan of the Federal Mediation and Conciliation Service

(FMCS) who seek to facilitate discussions and avert a strike. The Service is an independent government agency which provides mediating service when requested.

Agency spokesman John Arnold said “we are responding to a joint request from the parties involved.” The actual mediation process is secret, he added, and the commissioners will not be providing status reports to the public. Entergy declined to comment.

Melia said there were no particular sticking points, but the company and union differed on wages and benefits, particularly the level of employee contributions to health care.

“It’s been a pattern in collective bargaining the last few years,” Melia said, “that big corporations like to throw their weight around. They seek an increase in member contributions to health care spending. They seem to think that the costs are going through the roof and it’s another thing that employers seize upon to nickel and dime the workers.”

But a strike would be hard on the workers. There were some 1,500 union workers in 2001 when Entergy bought Indian Point 2 from Consolidated Edison, and Indian Point 3 from the New York Power Authority. As the plants were consolidated Entergy eliminated many positions and others were converted over time to non-union positions.

With membership at about 375 – just 25% of what it was before Entergy bought the plants – Local 1-2 does not have the numbers and income to maintain a strike fund. In 1978, when Melia was a reporter at the New York Daily News, the strike fund of the New York Newspaper Guild paid each member a small stipend for the duration of the four-month strike.

But with the utility union’s diminished numbers, Melia said, “We are not in a position to provide benefits to our members. We have funds to carry out our day to day functions as a union, but we do not have a strike fund to service the members.”

It is also a tough economic period for Entergy. The talks with its unionized workers take place at a time when the nuclear industry is facing severe financial challenges due to competition from low-priced natural gas. The huge amounts of gas produced in recent years by hydraulic fracturing have altered the dynamics of the electricity marketplace. Entergy Nuclear Northeast is closing its Vermont Yankee plant – which received a 20-year license extension in 2011 – because it is no longer profitable.

And an analysis of operations at Entergy’s James A. FitzPatrick plant by the Union of Concerned Scientists found the plant is having serious problems with degrading older equipment, particularly in its critical condenser. The UCS analysis, submitted to the NRC in July, found that 30% of all condenser tube breaks in throughout the nation’s 104 reactors

during the past decade occurred at FitzPatrick.

“More troubling is the recent trend that strongly suggests the bad situation at FitzPatrick is getting worse,” the analysis states.

Entergy has also spent millions of dollars fighting a series of challenges from the State of New York and various environmental groups, particularly Riverkeeper, and Clearwater. It is seeking to extend the operating licenses of the twin plants another 20 years – a process that normally takes less than two years but has so far extended for six years. The Nuclear Regulatory Commission has granted 20-year extensions to more than 70 plants, including four in New Jersey, and those legal proceedings lasted an average of 18 months.

The initial 40-year license for Indian Point 2 expired last Sept. 28 and it is being allowed to continue operating without a valid license until the license fight is concluded ( <http://bit.ly/14THids> ). The license for Indian Point 3 expires at the end of 2015.

In addition to the license fight, the Department of Environmental Conservation has denied Entergy a water discharge permit unless they shift from “once-through cooling,” in which the plant uses Hudson River water to cool their equipment and returns heated water to the river. The process kills some two billion juvenile and adult fish annually, and some 300 million baby fish that are literally vacuumed from the estuary’s spawning grounds. The plant’s 40-foot-wide intake sucks in 2.5 billion gallons of river water daily – more than twice the water used by the 9 million residents and visitors.

The DEC insists that Indian Point install a mechanical draft system – which resembles a four-story radiator – or shut down. In addition, the New York Department of State has yet to certify if the plants’ operations are in compliance with the state Coastal Management Plan. If not, it would have to shut down.

The uncertainty about the plants’ future viability and the availability of alternative electricity generator sources has made it difficult for Entergy to secure business. The New York Independent System Operator, which operates the state’s grid and deregulated electrical marketplace, stated in its 2013 projection that if Indian Point 2 shut down it would not be missed. If Indian Point 3 shuts down in 2015, however, there could be a shortfall of some 750 megawatts during the ensuing five years. That shortfall would need to be made up by new generation, additional transmission, increased conservation, or any combination of those improvements.

Customers, meanwhile, have been fleeing to other providers.

The New York Power Authority, which provides the electricity for municipal governments in

New York City and Westchester County – including government buildings, schools, street lights, the airports, the subways and Metro North – no longer buys *any* electricity from Indian Point. NYPA reduced its contracted amount from 1,000 megawatts in 2007 to just 200 MW last year, and did not renew the agreement when it expired in September.

ConEd, which sold Indian Point 2 to Entergy, reduced its contracted daily purchase from 1,000 MW to just 560 MW. ConEd transmits all the electricity used in this market, and has some 4 million residential and 200,000 business clients.

Entergy sells the remaining 75% of its electricity to clients elsewhere, primarily in New England through the low-margin spot markets. It now provides only 5% of the winter daily peak load of 9,000 MW and the summer load of 13,000 MW to NYC and Westchester County.

According to Justin McCann, senior industry analyst with Standard & Poor's Equity, Entergy had contracts covering 95% of its electrical output in 2011. That has dropped to 25% this year and just 15% for 2015.

“There is a hostile political environment,” said McCann, “so there is going to be tension here and how it is going to play out, I have no idea. How they are going to operate, who they are going to sell it to, and at what price – I’m not even sure they are sure of that.”