

Energy Matters

[When the Nuclear Fission Stops: PSC Seeks Future Without Indian Point](#)

Posted: 30 Nov 2012 02:17 PM PST



By Roger Witherspoon

The two utilities providing electricity to New York City and Westchester County have been ordered by the State Public Service Commission to plan for a future without electricity from the Indian Point nuclear power plants.

In the first concrete action taken by a state agency to move towards a non-nuclear energy future in the lower Hudson River Valley, the PSC ordered Consolidated Edison and the New York Power Authority “to develop and file a contingency plan to address the needs that would arise in the event the Indian Point units shut down.”

The order from the state’s regulatory body is a major step towards implementing a series of recommendations generated by state agencies under direction of Gov. Cuomo, who is seeking to close those nuclear plants, as well as assessments from independent agencies about the feasibility of closing the plants.

With this order, the PSC is following through on recommendations in the Governor’s New York Energy Highway Blueprint to push for development of upgrades in transmission capabilities to add 1,000 megawatts of electricity to the NYC/Westchester County portion of the state’s electric grid. That would more than cover any possible shortfalls in electricity needed in the region by providing access to large amounts of electricity generated in the northern and western portions of the state.

The Blueprint recommends the Department of Public Service “invite developers and transmission owners to file notices of intent to construct projects that would increase the capacity for transfer of electric power between upstate and Central New York and the lower Hudson Valley and New York City, thus relieving existing bottlenecks.”



In a statement following the PSC action, Commission Chairman Garry Brown said “a growing, vibrant economy requires an energy production and delivery system that provides a stable foundation companies need to invest in their facilities and workforce, to expand operations and hire new workers.

“In addition to strengthening the economy, the Energy Highway will enhance New York State’s investment in clean energy production.”

A byproduct of improving the state’s electricity transmission network is that it would encourage development of wind farms in the rural Great Lakes region at the state’s western edge, with the power being sold to the thirsty, New York City region in the southeastern tip of the state.

In addition, closing Indian Point would end the damage to the Hudson River caused by using billions of gallons of river water daily to cool its equipment – a process which kills billions of fish annually and violates the Clean Water Act.

ConEd transmits all the electricity used in the NYC/Westchester County service area of the state’s electric grid. The company has some 3.1 million residential customers and 200,000 commercial and industrial customers of its own. Prior to the deregulation of the electricity market in 1999, ConEd owned Indian Point 2, which produces a maximum of 1026 megawatts and whose license expires September 28, 2013.

NYPA, a state agency which owns and operates several upstate hydro plants, owned Indian Point 3, which can generate a maximum of 1040 MW and whose license expires December 12, 2015. NYPA provides electricity – using its own power plants and electricity purchased under contract – to municipal customers. It is NYPA that is responsible for providing about 1,900 megawatts of electricity that keeps the MTA’s trains running, the street lights on, the schools and public housing lit, and LaGuardia and Westchester Airports operating. JFK Airport has its own power plant.

The plants were sold to Entergy in 2000. At that time, since deregulation was new and it was not known how effective the marketplace would be in ensuring a supply of affordable electricity, the sale required Entergy to sell the full output of the two nuclear plants to NYPA and ConEd for seven years. The ensuing contracts, however, reduced the role of Indian Point in powering the region since both utilities found cheaper electricity supplies elsewhere, and Entergy sought customers in an integrated grid stretching from Maine to Ohio.

Indian Point now provides less than 5 percent of the electricity used daily in the NYC/Westchester County region. ConEd’s current contract with Entergy calls for only 350 megawatts and NYPA’s contract calls for just 200 MW. The region uses about 13,000 MW during a summer day and 9,000 MW daily in winter. NYPA has already announced that when its current contract with Entergy expires next year, it will not be renewed.

“The current contract won’t be extended,” NYPA spokesman Paul DiMichelle said last month. “Energy prices are so low that we would go into the marketplace and purchase power as needed. There is an excess supply out there, and that would be the most cost effective way to handle power needs on behalf of our customers.”



NYPA's conclusion that the nuclear plants on the Hudson River are not necessary are in line with the latest Reliability Needs Assessment (<http://bit.ly/TD5rSf>) from the ISO that there is more than enough electricity available in the near future . While the plants' contribution to the daily electrical needs of the NYC/Westchester County portion of the grid are small, the loss of the full 2,000 MW could affect pressure in the electrical system and overall reliability if not balanced in some way.

"If Indian Point 2 closed at the end of 2012 (when its license expires) it would not be a problem," said ISO vice president Tom Rumsey in an interview last month. "Between 2013 and 2016 if one reactor went away we don't foresee a megawatt shortage. We believe there would be adequate resources. Beginning in 2017 there would be a gap of 250 megawatts and that gap would continue to increase by 250 megawatts annually thereafter."

The ISO analysis stated that any shortfall in power needs could be made up by a combination of new generation, electricity conservation, and new or expanded transmission capabilities. This week's action by the PSC is directly aimed at addressing the increased transmission issue. Increasing access to 1,000 megawatts of electricity would more than offset the deficit created by the shutdown of the two plants.

The decision by the PSC commissioners, which is to be released in a formal order this week, directs the two utilities to solicit actual proposals from companies which have submitted letters of interest to the state to build or upgrade transmission facilities benefitting the lower Hudson River Valley region. According to the Energy Highway Blueprint, companies have contacted the state with preliminary plants for some 6,000 MW of new generation or upgrades to Alternating Current transmission lines, and another 5,700 MW to 7,000 MW of Direct Current, high power transmission lines "to terminate in the Hudson Valley or New York City.

"These responses demonstrate that the private sector is positioned to support proposed potential Reliability Contingency Plan for the Indian Point Energy Center."

ConEd and NYPA are to look for projects which could begin construction in 2013 or 2014 and be completed by 2016, when both plants could be shut down. Entergy has applied to the federal Nuclear Regulatory Commission to extend the operating licenses of the twin reactors for an additional 20 years each. The license extension is being challenged by NY Attorney General Eric Schneiderman, as well as the environmental groups Riverkeeper and Clearwater. These challenges, called "contentions", are currently being heard before a three-judge panel of the Atomic Safety and Licensing Board in a series of hearings set to resume December 10 in Tarrytown.