Nuclear plant owners look to more states for rescue

Printed in the Sacramento Bee 4-10-17

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MARK DUNCAN Associated Press file
Steam drifts from a tower at the Perry Nuclear Power Plant along Lake Erie in North Perry, Ohio.

HARRISBURG, PA.

The natural gas boom that has hammered coal mines and driven down utility bills is hitting nuclear power plants, sending multi-billion-dollar energy companies in search of a financial rescue in states where competitive electricity markets have compounded the effect.

Fresh off victories in Illinois and New York, the nuclear power industry is now pressing lawmakers in Connecticut, New Jersey, Ohio and Pennsylvania for action. Lobbying efforts are bubbling up into proposals, even as court battles in Illinois and New York crank up over the billions of dollars that ratepayers will otherwise foot in the coming decade to keep nuclear plants open longer.

Perhaps nuclear power’s biggest nemesis is the cheap natural gas flooding the market from the northeast’s Marcellus Shale reservoir, the nation’s most prolific gas field. Meanwhile, electricity consumption hit a wall after the recession, while states have emphasized renewable energies and efficiency.

“You put all of this together and it’s a perfect storm,” said John Keeley, a spokesman for the Nuclear Energy Institute, an industry group.

Opposition to a so-called nuclear bailout is uniting rivals and the natural gas exploration industry. The potential for a hit to utility bills is drawing pushback from the AARP and manufacturers.

Subsidizing nuclear power could chill investment in lower-cost energy sources and erode competitive markets, critics say, and, with natural gas prices expected to stay low for some time, shutting down nuclear plants may have no impact on electricity bills.
For steel companies, paper companies, food processors and pharmaceutical makers whose electric bill might be their biggest expense, “a mil of an increase in a kilowatt hour turns into a lot of money,” said David Kleppinger of the Industrial Energy Consumers of Pennsylvania.

In Pennsylvania, the nation’s No. 2 nuclear power state after Illinois, it could mean propping up five nuclear plants to help feed the sprawling mid-Atlantic power grid that stretches from New Jersey to Illinois.

The owners of the 11 nuclear plants in Connecticut, New Jersey, Ohio and Pennsylvania are no small potatoes: Exelon, PSEG, FirstEnergy and Dominion, among them.

The plant owners’ strategy is similar to that in Illinois and New York: give nuclear power megawatts the kind of preferential treatment and premium payments that are given to renewable energies, such as wind and solar.

The industry’s pitch is part economic, part environmental. A plant shutting down would devastate a local economy, they say. And, nuclear waste and water consumption issues aside, zero-carbon nuclear plants are better suited than natural gas or coal to fight climate change, they say.

The claim to environmental credentials has drawn jeers from nuclear power’s traditional critics. “When did highly carcinogenic toxic waste become green?” asked Eric Epstein, a longtime nuclear power watchdog in Pennsylvania.

The most vulnerable nuclear plants are those with just one unit – such as Exelon’s Three Mile Island in Pennsylvania, where a second unit was destroyed in a partial meltdown in 1979 – or those in need of expensive upgrades, analysts say.

FirstEnergy says it could decide next year to sell or close its three nuclear plants – Davis-Besse and Perry in Ohio and Beaver Valley in Pennsylvania – unless states make them more competitive.

Exelon is warning that it could close Three Mile Island and PSEG says it won’t operate nuclear plants – it owns all or parts of all three in New Jersey and part of Peach Bottom station in Pennsylvania – that are long-term money losers.

Should nuclear power disappear, it can be replaced.

“The question is, at what cost and whether or not you can find other resources that have the same emission characteristics,” said Joe Dominguez, an Exelon executive vice president.

In the mid-Atlantic grid, it likely would be natural gas. Some 190 natural gas power projects comprising roughly 59,000 megawatts are being studied or built, according to PJM Interconnection, the grid operator. That dwarfs the grid’s nuclear capacity.

CaliforniaGeo Responds—

The common statement of some these days is that “The government should not be picking winners and losers.” Perhaps that should be amended to say that the government should not be propping up losers, either. As recently as we fought the effects of the 2008 recession where (failed) private investment risk was followed by public bailout—perhaps Investor-owned utilities willing to gamble on long-term nuclear power should not coax us to repeat the mistake of 2008!
Until there is a clear price placed on carbon in this nation, the nuclear industry cannot claim greenhouse gas savings by the fission of their uranium fuel. But to remain fair, shouldn’t there be a price attached to the escape risk of radioactive waste that must be protected for 200,000 years? And to continue fairness and clarity, we should remember that all the fossil industries are still receiving decades-old federal subsidies to promote the survival of their industries.

Renewables are the logical choice to save the planet and our futures. Government political and financial support for business models that threaten our future with toxics, greenhouse gas, and damage to human and environmental health should end.

—Bill Martin