

Utility and regulators push back on carbon cutting plan for Georgia

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By Mary Landers

As part of a nationwide effort to reduce carbon emissions and combat climate change, the Environmental Protection Agency wants Georgia — home to the single largest emitter in the country of carbon dioxide in Georgia Power's Plant Scherer — to clean up power production at existing plants.

The EPA released its Clean Power Plan in June, with individual targets for each state and suggested, though not mandated, ways to achieve that carbon reduction. The plan aims to reduce carbon pollution nationwide by 30 percent by 2030 compared to 2005.

For Georgia the goal is reducing from a baseline of 1,500 pounds of carbon dioxide per megawatt hour to 834. Each state is expected to develop its own plan to lower carbon emissions.

Georgia's proposed emissions rate reduction is the sixth highest target in the country at 44.4 percent. Comments on the draft rule are due Monday.

There will be plenty of comments pouring in from Georgia, where environmentalists have largely lauded the plan as a first step in addressing a warming world and its consequences in the Peach State.

"It's especially important in a place like Savannah where sea level rise and property values are a huge concern," said Jennette Gayer, director of Environment Georgia. "This is the biggest step forward so far in taking control of climate change."

But EPA is about to get an earful also from Georgia Power, the Georgia EPD and the elected Georgia Public Service Commission who have complained bitterly that the plan is unfair to Georgia, especially in the way it treats nuclear power. Nationwide only three states have new nuclear power plants under construction: Georgia, South Carolina and Tennessee. Because these states already have committed to the new nuclear, the EPA treats them all as if they are already operating, though none are, and calls for additional cuts above what will be achieved by zero-carbon emissions nuclear power.

"We feel like the guidelines unfairly penalize us for taking early action on constructing Vogtle," said Georgia Power spokesman Brian Green.

Meltdown over nuclear

Georgia Public Service Commissioner Tim Echols shares the utility's concern over the plan's treatment of Vogtle 3 and 4 at the nuclear plant on the Savannah River near Waynesboro.

"Most problematic in this plan is the failure to give Georgia credit for taking early action in building new nuclear reactors," he said. That concern is echoed in comments already submitted to the EPA from Georgia's Environmental Protection Division.

"EPA's proposed rule gives Georgia citizens no credit for the \$14 billion investment in Vogtle 3 and 4, and the subsequent operating costs, because the units were proposed and approved by the Nuclear Regulatory Commission and Georgia Public Service Commission before the Clean Power Plan was proposed," EPD writes in its comments.

The formula is complex, but essentially by acting as if Vogtle's new reactors are up and running, the EPA's methodology makes Georgia's current emission rate look lower than it really is, said EPD Air Protection Branch Chief Keith Bentley. So the goal is harder to achieve than it would be if new nuclear were only part of the fix. Vogtle's new units are expected to produce 2,250 megawatts of zero-emission power.

"We felt we should be able to take credit for those when they come on line in 2017 or 2018," Bentley said. "If for some reason they don't come on line, we have no way to make it up because it's such a huge number; that's over 30 percent of the reduction is from those plants. It becomes a penalty if they don't perform."

The Brookings Institution, a D.C.-based centrist think tank, also takes exception with this nuclear accounting. It concludes that "EPA should consider revising its treatment of (the under-construction reactors) in a way that would reward recent investments rather than, in effect, penalize them."

No nukes at all

Not everyone sees it the same way, however.

Arjun Makhijani is president of the nonprofit Institute for Energy and Environmental Research. With a Ph.D. in nuclear fusion from the University of California at Berkeley he's been doing technical work on environmental issues since 1970.

He agrees that new nuclear power should come out of EPA's clean power equation. Not because the calculations aren't fair to Georgia and other states, but because he believes there are better, cheaper ways to reduce carbon pollution.

"I'm also asking them to take it out," he said. "EPA should not be certifying nuclear as best."

Under the Clean Air Act, EPA must consider not just how a power plant is polluting the air, but other effects as well. Nuclear has plenty. It's water intensive, which is arguably a bigger problem in a warmer world with more frequent droughts predicted. There's nuclear waste, which "nobody knows what to do with," Makhijani said.

And there's nuclear's enormous price tag, which also comes up in EPD's comments, though as a reason Georgia should be given credit for the under-construction reactors: "These new units are not an inexpensive opportunity to reduce carbon emissions from existing fossil fuel units but are in fact quite costly."

That's exactly the argument against nuclear that some environmentalists have continually made.

"It helped make my point that nuclear is very expensive," said Sara Barczak of the Southern Alliance for Clean Energy.

Environmental groups argue that the Clean Power Plan should be beefed up with greater emphasis on renewable energy and energy efficiency, which will save money and produce jobs. That's the opposite of how Georgia Power sees energy efficiency in particular.

"The (Clean Power Plan) guidelines will prevent us from operating our fleet in a manner that minimizes cost to customers," Green said. "The guidelines are so aggressive that certain requirements will cause us to be more dependent on natural gas than in the past. We feel they make us implement energy efficiency measures that could cost customers \$4-\$5 billion in higher rates over the time of the required implementation period."

Makhijani isn't buying the supposed high cost of efficiency. Efficiency is widely accepted as the low hanging fruit in the clean power equation. It's cheaper to implement measures such as insulation and efficient appliances rather than build new nuclear plants, Makhijani said. It can even be cheaper to go the efficiency route rather than completing under-construction nuclear, he said.

"At the \$54 per megawatt hour value for efficiency costs (including utility and participant costs) estimated by the American Council for an Energy-Efficient Economy, Georgia should consider canceling at least Vogtle 4 and replacing it with efficiency," he wrote in an email.

Climate change doubt

At the heart of the Clean Power Plan is the imperative to address climate change. Its effects are already evident on the Georgia coast, Barczak said.

"The plan gets the country on track to reduce the worst effects of it," she said. "Savannah in particular has seen salt water intrusion that's exacerbated by sea level rise. The plan may seem removed from that but the goal is carbon emission reduction. It's sort of the atonement that needs to be done. And one area that would benefit would be coastal communities."

Environmentalists accept climate change as fact, as do 61 percent of Americans who agreed there is "solid evidence the earth is warming" in a Pew Research Center poll released in September.

Georgia Power, however, is still on the fence.

"We respect all sides of that issue," spokesman Brian Green said. But the utility does recognize that another climate — the regulatory one — is changing.

"We are finding solutions for a carbon-constrained future with a diverse portfolio," Green said. "The way to do that is with nuclear, 21st-century coal and ramping up renewables and natural gas as well."

EPD doesn't need to take a stand, Bentley said.

"There's not an EPD position (on climate change)," he said. "You know I doubt there will be one. Like with all the states, really, EPA makes these determinations for federal rules — even ozone rules are based on health-related impacts — and we figure out how to implement it. We don't generally get into the discussion of whether the target is the right target or not. In reality it doesn't matter what we think of climate change, we have to implement the rule."

And it's tough to say exactly where PSC Commissioner Echols stands.

"As an evangelical Christian, I believe God created and sustains this planet," he emailed. "My job is to be a good steward of the resources, and to make wise decisions that will lead to the prosperity of the people in my state. In this case, I am pushing back against President Obama's policy that cannot deliver what it promises."

His priorities are elsewhere, not with a warming world.

"We have much larger problems than carbon dioxide to tackle — like toxic nuclear waste sitting on our plant sites here in Georgia," Echols wrote in an email. "After the federal government keeps its promise about picking up our waste, I'll be more open to talking about less pressing issues like climate change."

The Clean Power Plan rule is expected to be finalized in June and states will submit their plans the following year — June 30, 2016 — if they work individually and don't receive an extension.

Makhijani welcomes the rule.

"The critical thing is for the EPA to set carbon dioxide standards," he said. "We have entered a new phase of the climate crisis — action is crucial and so this action by the EPA is much appreciated."

"We (my colleagues and I) will work to make the rule stronger and the implementation by the states as economical as possible — which would be very economical. The gains can be achieved at low to modest cost, but states and utilities must apply themselves to the rule in a positive spirit."



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