

December 15, 2013

Chalk Point, Dickerson plants plan to stop using coal

SOMDNews: Southern Maryland News Online

By Kate S. Alexander, Staff Writer

The owner of two coal-fired power plants in Maryland plans to stop using coal to generate electricity at those plants.

NRG Energy, owner of the Dickerson Generating Station in Montgomery County and the Chalk Point Generating Station in Prince George's County, just over the county line from Benedict, said it plans to "deactivate" the coal-fired units at both plants by June 2017.

Both plants produce electricity using a mix of coal, oil and natural gas.

NRG sent notice of its plans to regional grid operator PJM Interconnector on Dec. 2, ahead of a capacity auction scheduled for May, PJM spokesman Ray Dotter said. Each year PJM auctions the rates it will pay generators for being available if and when called on to produce power.

Dotter, unable to speak specifically about the notice given by NRG due to confidentiality, said a power company must notify PJM when it wants to retire or deactivate a plant.

Notices such as the one NRG gave typically indicate that the owner expects to and likely will shut down and not operate the plant, he said.

However, NRG could change its mind or even revise its plans to expedite closure, Dotter said.

NRG East Region spokesman David Gaier said looming state regulations for coal-fired plant emissions precipitated the company issuing the notice.

Gaier said the regulations likely will require NRG to install expensive upgrades for processing emissions.

"The significant capital investment required to install these systems can't be justified economically," he said.

The Dickerson plant is capable of generating about 849 net megawatts, according to the NRG website. Gaier said the plant, which employs about 200 people, produces 546 megawatts from coal.

Maryland Department of the Environment spokeswoman Samantha Kappalman said talks have only just begun on the regulations, which are part of Maryland's Healthy Air Act, the toughest power plant emission law on the East Coast. When the regulations will go into effect remains unknown, she said.

As the state drafts its regulations for emissions from power plants, it has joined with seven other states to call on the U.S. Environmental Protection Agency to crack down on pollution in states that are upwind.

About 70 percent of Maryland's air pollution comes from other states, Kappalman said.

On Monday, Maryland and seven other states in the Northeast and Mid-Atlantic petitioned the federal government to require upwind states — Illinois, Indiana, Kentucky, Michigan, North Carolina, Ohio, Tennessee, Virginia and West Virginia — to be good neighbors and reduce emissions.

Across the country, coal plants are shutting down, said Diana Dascalu-Joffe, senior attorney for the Chesapeake Climate Action Network.

Environmental advocates are confident that NRG will cease using coal at the two Maryland plants by its 2017 deadline and contribute to efforts to move Maryland to a cleaner energy portfolio.

"We are applauding NRG's commitment and intention," Dascalu-Joffe said. "By putting in the decommissioning proposal, they've basically said to PJM, 'Look, this is the direction we want to go in. We want to decommission coal. We want to move toward more clean energy.'"

But before NRG can stop using coal, the grid operator must study if the grid can handle the loss.

Dotter said PJM has 90 days to evaluate the effect the closure would have on the grid and determine if upgrades are necessary before the plant can shut down its coal units.

PJM can request that a plant remain open longer to ensure any necessary upgrades are made and the system avoids disruption, but because NRG has given about three years of notice, any upgrades will likely fit in their window for closure, Dotter said.

Dickerson, which first went online in 1959, is one of seven plants in Maryland that still use coal to produce energy, according to the Chesapeake Climate Action Network.

Gaier said any action that NRG takes could potentially affect jobs at the plants. But he said the company has not yet made a firm decision on ceasing coal operations and will continue to evaluate its options between now and May. Exactly how many of the 200 jobs would be effected he did not say.

Staff writer Sylvia Carignan contributed to this report. kalexander@gazette.net

<http://www.somdnews.com/article/20131225/NEWS/131229617/chalk-point-dickerson-plants-plan-to-stop-using-coal&template=southernMaryland>