TVA Closing 8 Coal Plants In AL & KY

TRAVIS LOLLER, Associated Press

The nation's largest public utility is shuttering eight coal-fired boilers at plants in Alabama and Kentucky and more reductions could be in store over the next few years.

The Tennessee Valley Authority relied on coal to generate a majority of its electricity for decades, but at a Thursday board meeting in Oxford, Miss., CEO Bill Johnson said he hopes to reduce coal to just 20 percent of the utility's portfolio over the next decade. It currently stands at 38 percent.

Johnson said the change is needed because power demand is down and environmental regulations are becoming stricter.

The board voted unanimously to shut down all five coal-burning units at the Colbert plant in Tuscumbia, Ala., one of two remaining units at the Widows Creek plant in Stevenson, Ala., and two of three units at the Paradise plant in Drakesboro, Ky. The Kentucky units will be replaced by a natural gas plant, but more than 200 of the 400 jobs there will be affected.

Colbert employs about 150 people, and Widows Creek employs about 175. Johnson said it was not immediately clear how many jobs would be lost at those two plants.

More closures could be coming over the next few years. Johnson said at a news conference after the meeting that the final unit at Widows Creek is still under evaluation as are the Allen plant in Memphis, Tenn., and the Shawnee plant near Paducah, Ky.

Stephen Smith is executive director of the Southern Alliance for Clean Energy and a member of TVA's Regional Energy Resource Council. He said that if TVA were planning to keep the coal-burning units at Allen, Shawnee and Widows Creek open, he would expect the utility to be preparing to upgrade them.

"If they are not taking measures to retrofit these plants, you can deduce that they will retire them," he said.

"TVA is in coal country, yet it's moving away from coal as a fuel source because it's the right thing to do economically and environmentally."

TVA board members from Kentucky and Alabama said voting in favor of the closures was a tough call because they will cost jobs in their communities.

"This is a personal nightmare for me," said Peter Mahurin, a board member from Bowling Green, Ky. "But I must support what I believe to be in the best interest of

TVA's customers."

Senate Republican Leader Mitch McConnell met with Johnson last month in an effort to get TVA to continue operating all three coal-burning units at Paradise. The board had previously approved upgrading the two oldest units with environmental controls. But on Thursday, Chief Operating Officer Chip Pardee recommended building a gas plant instead.

He said the third unit at Paradise is newer and has sufficient environmental controls to continue operating on coal.

In a news release after the vote, McConnell blamed the Obama administration for the unit closures.

"I fought hard to prevent these changes and fortunately one of the units will continue to burn coal, saving hundreds of jobs," he said.

Rick Newman is the top elected official in Muhlenberg County, where the Paradise plant is located. His father was a coal miner for 32 years, and he was upset by the decision to shut down two units there.

"I am sort of sick to my stomach," he said. "Coal really is our legacy, for generations here. It seems to be disappearing and disappearing as days go by."

Newman said that about half the coal burned at Paradise is mined there in the county, so the closure could affect mining jobs as well.

"This is going to be a blow, and I feel sorry for all those connected to coal," he said. "But they could've closed the whole plant down. We're thankful for that."

TVA board member Joe Ritch, of Huntsville, Ala., said it was a difficult decision to close units.

"As painful as it is, it's the right thing to do."

He said saving a few jobs now would reduce TVA's competitiveness for years to come.

Daryl Dewberry, the United Mine Workers' international vice president for the Southeast, said the decision was not a surprise because federal regulations are making it harder to burn coal. He also predicted that the move would increase the cost of energy.

"President Obama's war on coal is going to put us in worse economic shape," he said.

But TVA is not abandoning coal entirely. The utility is spending about $1 billion to upgrade a coal-fired plant in Gallatin, Tenn., and other units remain open.

In addition to reducing energy from coal, Johnson said he hopes to increase the percentage of nuclear power in the utility's portfolio from about 32 percent to 40 percent.

He told the board that the utility is on track to complete a second reactor at the Watts Bar Nuclear Plant in Spring City, Tenn., by the end of 2015. But there are no immediate plans to complete a reactor at the mothballed Bellefonte Nuclear Power Station northeast of Scottsboro, Ala. Johnson said the estimated cost of completion has risen from $4.9 billion to between $7.4 and $8.7 billion.

Johnson said there is no short-term need for the plant, but the utility intends to maintain it as a viable option for the future.

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