

Clean Energy for Jamestown

Alliance for Clean Energy New York + American Lung Association in New York + Campus Climate Challenge, SUNY Fredonia + Catholic Care for Creation Committee of Buffalo + Citizens Campaign for the Environment + Clean Air Coalition of Western New York + Earthjustice + Environmental Advocates of New York + Global Warming Action Network, Syracuse + Great Lakes United + Jamestown Area Concerned Citizens + Natural Resources Defense Council + New York Interfaith Power & Light + New York Public Interest Research Group + Northeast Sustainable Energy Association + Physicians for Social Responsibility, Washington, D.C. + Sierra Club, National Beyond Coal Campaign, Atlantic Chapter, and Niagara Group + UB Environmental Network + WNY Climate Action Coalition + WNY Sustainable Energy Association

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NEW REPORT: POWER FROM “CLEAN” JAMESTOWN COAL PLANT COULD COST 10 TIMES NYPA RATE

Environmental Groups Release “Plan B,” Recommend Cheaper Alternatives, Including Energy Efficiency, Clean Energy

(BUFFALO, NY)—Over twenty environmental groups today released a study that reveals the likely high cost of electricity from Jamestown, New York’s proposed new \$400 to 500 million 50 megawatt (MW) coal-fired power plant and compares that cost to those from alternative means of meeting ratepayer electric needs. Part of the Clean Energy for Jamestown Campaign, the groups released their own “Plan B” for Jamestown, an alternative strategy for meeting ratepayer electric needs at significantly lower economic and environmental costs.

“The proposed 50 MW Jamestown coal plant has been problematic from the start because of its indefensible economics, now documented by this cost of power study,” said Ashok Gupta, Senior Energy Economist for Natural Resources Defense Council. “The good news is that Jamestown can easily meet its electricity needs and do so inexpensively by investing in all cost-effective energy efficiency and renewable energy—an approach which is also best for the environment.”

The report, “Cost of Power for Jamestown Board of Public Utilities Electricity Supply Options: Proposed Coal-Fired Power Plant Is Most Expensive Option Even with Federal Subsidies,” reveals that electricity produced by the proposed coal plant could be as costly as \$0.27/kilowatt hour with carbon capture and storage (CCS). Even if all costs associated with CCS were covered by others (through federal and state subsidies), the report concludes that the cost of electrical power from the proposed plant would be as much as

\$0.19/kWh or nearly 10 times more costly than New York Power Authority (NYPA) hydropower (Jamestown's primary source of electricity), five times more costly than meeting electric needs with energy efficiency, and two to three times more costly than generating it with wind power. The full report is available at: http://www.eany.org/issues/reports/costofpower_09172009.pdf and <http://www.cleanenergyforjamestown.com/>

“Proponents of the Jamestown coal plant have based their support for this project on unsubstantiated claims that it will produce low cost power while nothing could be further from the truth,” said coalition leader Walter Simpson. “Our report shows that this project will produce very expensive electricity—much more expensive than the clean energy alternatives that the Jamestown Board of Public Utilities has been ignoring all along. Instead of economic development, the new coal plant would be an economic disaster.”

Critics of the coal plant, who believe energy efficiency and wind energy can easily and more cheaply meet Jamestown's electric needs, have pressed the Jamestown Board of Public Utilities (JBPU) to publicly release its own cost of power figures for the proposed coal plant but the JBPU has refused to do so, claiming that it is too early to know what those costs would be. Clean Energy for Jamestown then commissioned its own study funded by the national Sierra Club's Beyond Coal Campaign. Research for the study was provided by Lake Effect Energy, a Buffalo-based environmental consulting firm.

"This study reveals what we are seeing across the country. Coal is simply a poor investment," said Bruce Nilles, Director of the Sierra Club's Beyond Coal Campaign. "In these tough economic times we should be investing wisely, putting resources into cleaner options like energy efficiency and renewables that can meet energy needs without the risks-- financial, health and environmental-- of coal."

The cost of power study uses information provided by a JBPU study (obtained earlier this year through a Freedom of Information Act request) as the basis for the range of costs projected for electricity from the proposed coal plant. The chart below, taken from the report, shows cost of power estimates for various energy supply options. The lowest cost option is NYPA hydropower (\$0.022/kWh delivered), which is already the JBPU's primary source of electricity. The JBPU could access more low-cost hydropower by reducing peak demand. Among the next lowest cost sources of power are energy efficiency (\$0.03/kWh), purchases off the grid (\$0.06/kWh), and wind energy (\$0.08 - \$0.093/kWh)—all options readily available but dismissed by the Jamestown's municipal power authority.

“It's time for the City of Jamestown and its Board of Public Utilities to recognize reality. The proposed new coal plant is not needed and would break the back of ratepayers and damage our local economy by producing very expensive electricity at a time when much cheaper alternatives are readily available,” said Ron Melquist, a leader of the Jamestown Area Concerned Citizens.

“This study confirms what we’ve known all along. This coal plant is bad for the environment and prohibitively expensive for New York ratepayers,” said Jackson Morris, Air & Energy Program Director, Environmental Advocates of New York. “Energy efficiency and clean energy are both cheaper and cleaner than this big ticket boondoggle. These cost comparisons should be the final nail in the coffin for Jamestown’s dirty coal experiment.”

Other findings of the cost of power report include:

- The JBPU could suffer \$22.7 million in annual losses trying to sell 80 percent of the proposed power plant’s costly electricity¹ to the New York Independent System Operator (NYISO) grid whose prices now average below \$0.06/kWh
- Ongoing annual losses of this magnitude could bankrupt the JBPU
- The proposed coal plant could increase average ratepayer electricity costs by more than \$1,000 per year and increase the cost of each kilowatt hour of electricity purchased by ratepayers by four cents compared to the least-cost alternatives advocated by environmental groups

“This ‘clean coal’ project was never anything more than a wolf in sheep’s clothing, and this report exposes it’s true, excessive costs and dangerous implications,” said Brian Smith, WNY Program Director, Citizens Campaign for the Environment. “It’s time to drop this ill-conceived proposal and start implementing cleaner, cheaper and sustainable solutions. The facts are clear, and the JBPU needs to listen.”

Clean Energy for Jamestown’s “Plan B” outlines an alternative lowest-cost energy solution for Jamestown. Plan B, available at <http://www.cleanenergyforjamestown.com/>, recommends:

1. Permanently shuttering the existing coal-burning facility.
2. Meeting the 10 percent of the JBPU’s ratepayer electric load not now met by low cost NYPA hydropower with a combination of:
 - Energy efficiency
 - Wind energy (only a few turbines would be required)
 - Occasional purchases off the NYISO Western Zone grid if necessary
3. Providing heat to Jamestown’s district heating loop by alternative means, e.g. the existing natural gas turbine operated with single or combined cycle heat recovery, one or more natural gas package boilers, or a small biomass boiler or cogenerator utilizing regionally sourced scrap wood that would otherwise be landfilled.

“Subsidies to fossil fuels must be redirected towards energy efficiency and renewable energy projects,” said Annie Wilson, Energy Committee Chair of the statewide Atlantic

¹ The proposed 50 MW plant’s capacity is far in excess of the JBPU’s 5.8 MW ratepayer load not already being met by NYPA power – hence JBPU’s need to sell most of the power plant’s output to non-ratepayers and the NYISO grid.

Chapter of Sierra Club. “Ratepayers, taxpayers, and our environmental and social health can not afford the costs of imprudent decision-making by utilities and our elected officials.”

“The Jamestown project is an example of how dirty so-called ‘clean coal’ can be,” said Nicola Coddington, Executive Director of New York Interfaith Power & Light. “Even with carbon capture and storage, this plant will spew greenhouse gas emissions equal to 35,000 cars and trucks and cause significant environmental destruction through the mining of coal the plant will consume, an impact which Jamestown is not addressing in any way.”

The Jamestown coal plant project has been under fire from environmental groups for more than four years. Initially, the JBPU planned to build a conventional coal plant without any control on its carbon dioxide emissions that cause global climate change. In response to criticism, the project evolved into a carbon capture and storage demonstration project in 2007, and garnered Governor David Paterson’s support in 2008.

The CCS project is opposed by environmental groups because the power plant is not needed, is too costly, would produce prohibitively expensive electricity (and thus is not a prudent investment for ratepayers or an effective engine for regional economic development), and would be environmentally dirtier than the recommended alternatives. The groups have repeatedly pointed out that Jamestown ratepayer electric needs can be met more economically through energy efficiency and clean energy. Jamestown already receives 90 percent of its electricity from NYPA. The remaining small increment of ratepayer load can be easily met by efficiency and renewables—energy alternatives that the JBPU has refused to evaluate or consider.

The project suffered a series of setbacks this summer. In June, environmentalists prevented project-enabling state legislation drafted by the Paterson Administration from being passed in the State Assembly. In August, it was reported that the U.S. Department of Energy rejected the project’s grant application for \$200 to 300 million in “clean coal” stimulus money, causing the project’s principal corporate backer, Praxair, Inc., to pull its support for the project.

See next page for Electrical Production Cost Comparison chart

Electrical Production Cost Comparison for JBPU Supply Options

Electricity Source	Cost	Comments
	\$/kWh	
Low Cost NYPA	\$0.022 (delivered)	In 2008, an average of 55.2 MW was purchased by the JBPU. Up to 72.28 MW is available to the JBPU, depending on JBPU load factor
Energy Efficiency	\$0.030	Based on the national experience for efficiency programs which provide incentives to ratepayers
NYISO Grid	\$0.06	Off-the-grid purchase of electricity from the New York Independent System Operator (NYISO) system; average less than \$0.060/kWh in 2007 and 2008
Biomass	\$0.070 to \$0.090	Based on national averages
Wind Energy	\$0.080 to \$0.093	Based on various assumptions explained in report
Natural Gas	\$0.110 to \$0.160	Using existing gas turbine; wide variation in cost due to volatile natural gas pricing and expected CO ₂ regulation
Coal (Base Plant)	\$0.140 to \$0.190	Proposed new coal facility; wide variation in cost due to fluctuating coal prices
Coal with CCS	\$0.220 to \$0.270	Additional design, construction and operating costs add significantly to power cost; see discussion in report