

N.Y. / REGION

# Indian Point Nuclear Power Plant Could Close by 2021

By VIVIAN YEE and PATRICK McGEEHAN JAN. 6, 2017

Indian Point, the nuclear power plant closest to New York City, could be shut as soon as April 2021 under an agreement New York state officials reached this week with Entergy, the utility company that owns the plant, according to a person with direct knowledge of the deal.

Under the agreement, one of the two nuclear reactors at Indian Point will permanently cease operations by April 2020, while the other must be closed a year later. The shutdown has long been a priority for Gov. Andrew M. Cuomo, who — though supportive of upstate nuclear plants — has repeatedly called for shutting Indian Point. He has said it poses too great a risk to New York City, less than 30 miles to the south.

“Why you would allow Indian Point to continue to operate defies common sense, planning and basic sanity,” Mr. Cuomo, a Democrat, told reporters in June.

Despite the political opposition to Indian Point, which is perched at the edge of the Hudson River in Buchanan, N.Y., the plant is an important supplier of inexpensive power to the metropolitan area. It can generate more than 2,000 megawatts, or about one-fourth of the power consumed in New York City and Westchester County. The prospects for replacing that power are unclear, but potential options include hydropower from Quebec and power from wind farms that already operate or could open across New York, according to the person.

State officials believe the Entergy agreement will help convince renewable energy providers that the state is serious about looking for new sources of energy, the person said. But without a viable replacement source, ratepayers in New York City could be burdened with higher energy prices for years.

Entergy has agreed to make repairs and safety upgrades, including transferring spent fuel to what the state says is a safer storage system. The company will also allow safety inspections starting this year, bowing to longtime demands from the Cuomo administration, the office of the state attorney general, Eric T. Schneiderman, and Riverkeeper, the nonprofit environmental group, all of which participated in the deal.

“For years, my office has been fighting to address the serious risks posed by Indian Point to the surrounding communities and the environment,” Mr. Schneiderman said on Friday. “If we can shut down Indian Point under an agreement that enhances public safety and kick-starts investment into safer and more reliable renewable energy sources, that will be a major victory for the millions of New Yorkers who live in the region.”

In exchange, the state and Riverkeeper will drop safety and environmental claims against Indian Point they had filed with federal regulatory agencies.

In 2011, a report commissioned under then-Mayor Michael R. Bloomberg concluded that if Indian Point were shut within five years, there would not be enough reliable substitutes to meet the city’s needs. Michael Clendenin, a spokesman for Consolidated Edison, said that utilities and state regulators had worked since then to develop a contingency plan.

“Steps have been taken to replace that power in the event it does close,” Mr. Clendenin said. “Still more needs to be done, but there’s more transmission and supply expected in the next few years.”

He said he could not estimate what effect the proposed shutdown would have on the electric bills of Con Edison customers in the city and Westchester County, which already are among the highest in the nation. Con Ed has a contract to buy 500

megawatts of electricity from Indian Point, or nearly one-fourth of the plant's capacity.

Entergy, which is based in New Orleans, has been seeking a 20-year renewal of its licenses for the reactors from the federal Nuclear Regulatory Commission since 2007. But New York State officials have challenged that renewal on several fronts and have not granted permits that they say the plant needs to continue operating.

Jerry Nappi, a spokesman for Entergy in Westchester County, declined to comment on the proposed shutdown. He said that Indian Point has nearly 1,000 workers, about 550 of whom are union members.

John Melia, a spokesman for the Utility Workers Union of America, said Entergy had not informed the union of the plan, which he called a "headstrong, headlong rush into nowhere." He asked, "Did Governor Cuomo think about the people who are going to lose their jobs?"

Negotiations between the company and the Cuomo administration began in early December, according to the person with direct knowledge of the deal.

The attorney general's office and Entergy have each signed off on the agreement, but the governor's office has indicated to the other parties that the administration will wait until Monday to sign it, the person said. The deal has shifted several times during negotiations, but the person said all that remained to complete it was an administration signature.

Nonetheless, Richard Azzopardi, a spokesman for Mr. Cuomo, said that nothing was final. "There is no agreement — Governor Cuomo has been working on a possible agreement for 15 years and until it's done, it's not done," he said. "Close only counts for horseshoes, not for nuclear plants."

Mr. Schneiderman's office has opposed Entergy's relicensing bid in the courts, arguing that the plant poses safety and environmental hazards to the surrounding area. The agreement calls for Mr. Schneiderman to drop that challenge.

Under the agreement with the state, the person with knowledge of it said, Entergy has committed to applying for a six-year renewal of the licenses, which were

scheduled to expire in 2013 and 2015. The agreement may help clear the way for approval.

But a six-year renewal would be a first, a spokesman for the Nuclear Regulatory Commission said. He said no nuclear plant license had ever been renewed for less than 20 years.

The agreement would also require Entergy to establish an emergency operations center in Fishkill, in Dutchess County, and to create a \$15 million fund to finance projects related to environmental protection and other community benefits. Entergy would be obligated to consult regularly with Riverkeeper and other local groups.

The agreement also provides for flexibility if the state cannot find a replacement for Indian Point's energy: The deadlines in 2020 and 2021 can be delayed to 2024 and 2025 if the state and Entergy agree.

The agreement is reminiscent of one arranged by Mr. Cuomo's father, Gov. Mario M. Cuomo, in 1989. Mario Cuomo negotiated a decommissioning of the Shoreham nuclear power plant on Long Island, which was never put into service. Its owner, the Long Island Lighting Company, sold the plant to the state for \$1, but Long Island ratepayers bore the cost of building that plant in the form of higher utility bills for many years.

Nuclear power has posed a dilemma for Mr. Cuomo. Since long before he was governor, as early as 1992, he has called for closing Indian Point. As the state's attorney general, he took legal action to try to do so.

But while he has characterized nuclear reactors as dangerous downstate, he has said they are critical upstate.

When Entergy announced in late 2015 that it planned to shut a nuclear plant on Lake Ontario in Oswego County, Mr. Cuomo objected. He argued that the plant was vital to the local economy and to his goal of having half of the state's power produced by renewable sources.

To avert the shutdown of Entergy's James A. FitzPatrick Nuclear Power Plant and a nearby plant that was also scheduled for closing, Mr. Cuomo offered huge subsidies to the operators to keep them open.

Critics of Mr. Cuomo's proposal to subsidize nuclear power plants upstate wondered why he would demand the closing of Indian Point, but insist on keeping the others open.

"We happen to think people upstate deserve the same protections as New Yorkers who happen to live downstate do," said Alex Beauchamp, the northeast regional director for Food & Water Watch, a consumer protection watchdog. "To me, it makes no sense why the governor thinks nuclear power's unsafe downstate, but it is safe upstate."

Citing various leaks and delayed repairs at the three upstate plants, Mr. Beauchamp said that they had problems similar to those at Indian Point, and pose similar risks to local residents.

***Correction: January 6, 2017***

*An earlier version of this article misstated the county where Fishkill, N.Y., is located. It is Dutchess County, not Westchester.*

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