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# Entergy proposes alternative to Cuomo's clean energy standard

By [Andrew Coffman Smith](#)

As an alternative to New York's proposed, multi-tier renewable and upstate nuclear subsidies, [Entergy Corp.](#) has put forward a single, market-based "clean energy credit" to compensate all generation for avoided emissions per megawatt-hour instead.

Entergy, the operator of [James A. FitzPatrick](#) and Indian Point nuclear plants, raised the idea of technology-neutral compensation for emission-free electricity in April 22 [comments](#) submitted to the New York Public Service Commission in response to a [cost-analysis report](#) by PSC Staff on Gov. Andrew Cuomo's clean energy standard proposal. The state regulators are currently considering the governor's initiative to subsidize renewables and existing upstate nuclear plants to ensure New York meets its goals of cutting carbon dioxide 40% from 1990 levels and generate 50% of its electricity from renewables by 2030.

"The long-lived character of CO2 in the atmosphere means that a ton of CO2 not emitted today is as important as the ton avoided tomorrow," said expert witness Susan Tierney on behalf of Entergy in her testimony. What matters is the carbon intensity of a megawatt per hour of electricity that is produced by an energy resource, continued Tierney who is an advisor at Analysis Group Inc. If the purpose of New York's clean energy standard is to cut emissions by 40% by 2030, then it should "focus like a laser on that outcome" by proportionally compensating energy resources at incremental levels, "whether through avoiding emissions by producing power with no CO2 emissions or reducing emissions at power plants that emit CO2," she said.

"Designing a technology-neutral CES program that compensates suppliers for the zero- or low-emission electricity they produce mitigates the existing failure in electricity markets to internalize the costs associated with CO2 emissions and climate change," Tierney said. This market-based approach of recognizing the incremental value of energy resources by the amount of carbon dioxide per MWh they produce would help New York meet its emissions cuts by 2030 more cost-effectively than the current proposal would, she said.

The Cuomo administration has been pushing to subsidize New York's [three upstate nuclear plants](#) at above-market energy prices to keep the uneconomic fleet online since Entergy announced in November 2015 that it is closing 851-MW FitzPatrick nuclear plant by early 2017. Entergy is however standing by its decision to retire FitzPatrick despite proposed emergency bailouts and subsidies to keep the plant running.

Tierney warned in her testimony that the reality that FitzPatrick and possibly other nuclear plants will be closing before their operating licenses expire will threaten to undo progress in statewide emissions cuts. According to state Department of Public Service staff, in order for New York to reach its goal of 40% cuts by 2030, the clean energy standard must both prevent this "blacksliding" by maintaining existing zero-emission generation and by adding an incremental 33,700 GWh of renewable.

However, not all emission-free energy resources are equal as capacity factors differ from 86% for nuclear to 51% for hydropower and 26% for wind in New York. That means the loss of 1 MW of nuclear power would require 1.6 MW of hydropower or 3.3 MW of wind to simply offset the emission-free MWhs lost, Tierney said. With natural gas making up two-thirds of [New York ISO's](#) interconnection queue as of April 2016 and 56% of the state's operating capacity in 2015, there is also a possibility that combined-cycle natural gas plants, which generate emissions of 935 lbs/MWh, would replace loss nuclear generation.

According to Tierney, the retirement of FitzPatrick in 2017 will lower the state's emission-free generation mix from 55% to 45%. Tierney recommended setting the clean energy standard's starting target at 38% for 2017 and growing the clean energy mix by 2.5 percentage points annually through 2030 to achieve both a 40% cut in emissions and a 50% of renewable electricity by 2030.

The only reactors to be excluded from Cuomo's proposed zero-emissions credits are Entergy's 1,031-MW [Indian Point 2](#) and 1,047-MW [Indian Point 3](#), which are about 50 miles north of New York City along the Hudson River. Cuomo's administration and environmentalists are adamant the dual-unit should not be relicensed over public safety concerns. The plant is currently at the center of several lawsuits and investigations following a series of incidents at the plant, including a low-level radioactive leak in February.

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SNL Financial LC, One SNL Plaza, PO Box 2124, Charlottesville, Virginia 22902 USA, (434) 977-1600