

Entergy to shutter two nuclear plants in US, laying off 1,200

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The energy company Entergy, based in Louisiana, announced last month the decision to close the Fitzpatrick nuclear plant by 2017, resulting in the layoff of over 600 workers. The plant is located near the small city of Oswego, New York, on the shore of Lake Ontario. The company has said that it will save up to \$275 million within five years if the plant is shut down.

In October, the company said they would be closing down the Pilgrim nuclear power station in Plymouth, Massachusetts, 40 miles southeast of Boston. Entergy also owns the Vermont Yankee nuclear plant, which is in the process of decommissioning. It takes several years to close and fully decommission a nuclear power plant.

The upsurge in closures is largely being driven by lower energy prices due to the glut in the supply of oil and natural gas from the recent boom in hydraulic fracturing of shale, alongside reduced demand caused by stagnant economic conditions.

Natural gas-fired electric plants are, for the time being, producing lower priced power than the single reactor power plants with their higher overhead and costly repairs. The three plants being closed are all single reactor power plants and, due to their advanced age, are prone to significant costly repairs.

New York's Democratic Governor Andrew Cuomo is in closed-door negotiations with Entergy to keep the Fitzpatrick plant open. In the past, Cuomo has offered companies millions in tax credits and other incentives to keep plants open.

It is likely that discussions included the topic of the 20-year extension for the operating license from the Nuclear Regulatory Commission (NRC) for the lucrative Entergy-owned Indian Point reactors.

Entergy operates two of the three reactors at Indian Point Energy Center, 25 miles north of New York City.

The plants are near a seismic fault zone. Entergy acquired the Indian Point 2 plant for \$528 million from Con Edison in 2001, and purchased the Indian Point 3 plant the previous year from the public utility, New York Power Authority (NYPA). In total, Entergy has acquired nine nuclear plants and is eliminating single reactor plants that are less profitable from its holdings.

The downstate region has some of the highest costs for electricity in the nation. In an effort to replace the power generated at Indian Point, Cuomo has promoted the building of the Champlain-Hudson 1,000 megawatt transmission line from a hydroelectric project in Canada to supply New York City by 2018, with an expected 3 percent savings on utility bills.

While the project was held up for years by objections from environmental groups such as Scenic Hudson and Riverkeeper, they are all now supporting it after the establishment of a \$117.5 million mitigation fund that the environmental groups will help administer.

The International Brotherhood of Electrical Workers (IBEW) contends that the Fitzpatrick plant is still viable and that another owner should be found. Rather than mount a struggle against the closures, the IBEW seeks to divert workers' attention with the hope that the plant can be sold to other owners.

They have suggested possible buyers, which include the prior owner, the NYPA or their competitor Exelon, which owns the nearby Nine Mile Point One and Two nuclear generating station and Ginna Nuclear Power Plant, near Rochester.

The US Department of Labor's 2014 annual report for IBEW Local 97 lists 34 employees, with nine pulling down six-figure salaries, including \$145,472 raked in by local President Ted Skerpon.

Last year, Exelon announced the planned closure and decommissioning of the Ginna plant. A recent study

into the effects of Ginna's closing found that it would leave the power grid unstable, leading to probable blackouts. The closings have been averted for the time being through the imposition of a 2 percent surcharge on consumers' utility bills in the area.

It is expected to take up to 2019 for the installation of the upgrades to provide an alternative energy supply for Rochester Gas and Electric utility customers. (See:

“Proposed New York reactor closing puts 700 jobs at risk”)

In a lawsuit, Entergy is also seeking to stop a deal struck by the Cuomo administration with the NRG company, which owns two coal-fired plants near Buffalo. Those plants were slated to be shuttered, but gained new life with the state granting financial aid for their conversion to natural gas.

Entergy claimed state involvement would be unfair because it would force prices for energy lower. The shortfall in energy represented by the loss of power from these plants is expected to be made up by coal-fired generators in Pennsylvania and from the Canadian portion of the Niagara Project.

The Pilgrim Nuclear Power Station, also a single reactor plant, is scheduled to be shuttered by 2019, axing over 600 full-time workers. It is estimated that \$60 million in upgrades would keep the plant running. The plant provides from 5 to 10 percent of the region's power, a significant enough shortfall that is expected to cause energy price rises with the closure.

Like at the Fitzpatrick power plant, the union representing workers at the Pilgrim plant has made it clear it will do nothing to oppose the shutdown of the plant and loss of jobs.

Acting Utility Workers Union of America Local 369 President Craig A. Pinkham released a statement saying, “[Massachusetts] Gov. [Charlie] Baker, officials at the New England power grid, ISO-NE, and our state and federal legislative delegations need to tell Entergy to work harder to find a way to keep this resource up and running, safely and economically.”



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