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COMMENTARY

What does the Mirant plant's closing mean for D.C. consumers?

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By **ELIZABETH A. NOEL**

Recent news articles about the closure of Mirant's Potomac River Plant for "environmental reasons" have caused consumers to ask the District's Office of the People's Counsel (OPC-DC) for an honest and consumer-friendly answer to the question: "What could be the effect on electric reliability in the District if the Potomac River Power Plant stops operating?"

As always, OPC-DC is committed to responding to D.C. consumers in an open and honest way to address their concerns. In this instance, "Will our lights stay on?" OPC's honest answer is, "It depends."

To begin, the Potomac River Power Plant is the Alexandria coal-fired power plant, for years owned and successfully operated by Potomac Electric Power Co. (PEPCO). In 2000, the D.C. Public Service Commission granted PEPCO's request to sell the plant to Mirant, a firm now in bankruptcy proceedings in Texas. Since then, Mirant has owned and operated the plant, which produces approximately 482 megawatts of electricity per year. (Assuming average residential use, this is enough power to serve some 467,000 homes for one year.)

In meeting a share of the mid-Atlantic region's energy requirements, the plant's power is placed on the electric grid controlled by the "PJM Power Pool" serving Pennsylvania, Maryland, New Jersey, Delaware and the District, among others. PJM is regulated by the Federal Energy Regulatory Commission and has exclusive authority to ensure its grid has sufficient power to meet consumer demand. The PJM was praised for keeping our lights on in the August 2003 Northeast blackout.

So, you ask, "What is the problem, and what is at stake for D.C. residents?" Apparently, a recent study revealed the plant's emissions output may have violated Environmental Protection Agency standards. Failure to reach an agreement on addressing these problems led to the plant's shutdown on Aug. 24.

Now you ask: "Without the plant, will there be enough capacity to meet the region's, including the District's, electricity needs?"

The honest answer is, "It depends on two factors: normal weather conditions and PEPCO's transmission lines. Under "normal weather conditions" (i.e., no heat waves), there should be enough power, capable of being safely transmitted, to serve the needs of D.C. consumers. If there were a heat wave that taxed the system, the PJM says it could still meet approximately 95 percent of the D.C. load. The other 5 percent, however, would have to be "shed" according to PJM rules and guidelines. So, honestly, some

D.C. consumers would lose power.

Why are PEPCO's transmissions lines so important? Each transmission line can carry only so much energy. If a transmission line carrying energy from the plant to the substation "breaks down," from a system-engineering standpoint, there might not be enough energy to meet the District's needs.

What is the likelihood PEPCO's transmission lines will break down? Not very likely, although PEPCO reminds us twice in the 1990s that its 230 kilovolt lines tripped out, causing a loss of service to D.C. substations, which were served by the Potomac River substation. So....

The D.C. Public Service Commission has already ordered PEPCO to provide information on the impact of Mirant's bankruptcy on the District and its consumers, including PEPCO's plan for dealing with the potential impact of a shut down of the plant. As a party to that proceeding, OPC will continue to represent D.C. consumer interests.

So, what have we learned so far? The situation at the Potomac River Power Plant is unfortunate, but not necessarily detrimental. The plant closure serves to remind affected utilities, regulators, policymakers and consumers that the provision of electric power is an engineering dynamic in which each element plays an equally critical role. The Potomac River Plant is critical in ensuring safe, adequate and reliable electric service in this region.

We are also reminded of the need for regional cooperation. The needs of one part of the region, no matter how legitimate, should not and cannot jeopardize the provision of electricity to the rest of the region. Also, we are reminded, once again, of the PJM's critical role and the importance of regulators and this consumer advocate being part of the PJM stakeholder process.

Most important, we are reminded consumers can do their part by monitoring their electric usage to ensure that too much demand is not placed on the system until the summer months are over. Efficient consumption of energy is always prudent -- now more than ever.

The writer is the people's counsel for the District of Columbia, the public advocate for natural gas, electricity and telecommunications ratepayers in the District. The office represents the interests of consumers before the Public Service Commission, the D.C. Court of Appeals and federal regulatory agencies; assists consumers with consumer complaints; and conducts consumer education and outreach related to utility issues.

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