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SUSTAINABLE ENERGY STUDY #11

Environmentalists Release Clean Energy Strategy to Replace Nuclear Plants in New Jersey

On April 9, 2007 - the eve of critical decisions about New Jersey's Energy Master Plan and a proposed license extension for the Oyster Creek nuclear power plant - Environment New Jersey joined public safety and environmental groups to release "Powering New Jersey's Future: A Clean Energy Strategy for Replacing the Oyster Creek and Salem Nuclear Plants."

The report details a step-by-step plan to replace the Oyster Creek, Salem 1 and 2 nuclear power plants at the end of their current operating licenses with renewable energy and energy efficiency.

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"Powering New Jersey's Future - A Clean Energy Strategy for Replacing the Oyster Creek and Salem Nuclear Plants"

On March 31st, the Corzine Administration's Energy Master Plan committee released draft computer modeling assumptions for the state's electricity sector. These assumptions are critical because they include expectations about power plant operation, transmission lines, clean energy generation and energy efficiency measures until the year 2020. Currently, the draft assumptions include twenty-year license extensions for all of the state's nuclear plants and dramatic increases of in-state conventional power plant generation and electricity imports from out-of-state.

The Oyster Creek, Salem 1 and 2 plants, which pose environmental, health and safety concerns, are currently scheduled to retire between 2009 and 2020. Cumulatively, the three plants account for about 17 percent of New Jersey's electricity generation capacity. In the next few months, the federal Nuclear Regulatory Commission is expected to decide on Exelon Corp.'s proposed twenty-year license extension for Oyster Creek, which, if granted, would make New Jersey home to the oldest operating nuclear power plant in the world. Although he has yet to employ them, Governor Corzine can use several regulatory tools that could necessitate the plant's closure at the end of its current operating license in 2009.

This report shows that New Jersey can retire the Oyster Creek, Salem 1 and 2 nuclear power plants without sacrificing the reliability of the state's electricity system, without investing in significant new fossil fuel or nuclear power plant capacity, or relying on additional electricity imports from out-of-state. Specifically, the report outlines the following clean energy strategies that have the potential to fill the gap left by the Oyster Creek and Salem plant closures:

** Energy efficiency improvements are the cheapest and fastest way to meet New Jersey's escalating power needs. Taking full advantage of cost-effective efficiency improvements would reduce peak electricity demand by approximately 4,186 MW by 2020.

** Combined heat and power – which maximizes energy efficiency by using the waste heat from electricity generators to provide useful heat to industrial and commercial buildings – has the potential to alleviate up to 2,100 MW of peak electricity demand.

** Achieving the solar power goals of New Jersey's renewable portfolio standard would result in 1,500 MW of solar power coming online by 2020 – enough to reduce peak electricity demand by 750 MW.

** Wind power, particularly off the Jersey Shore, has the potential to supply more than 1,750 MW of power by 2020, enough to offset at least 350 MW of conventional power plant capacity.

** Demand response programs – which can use a variety of mechanisms to encourage consumers to reduce power demand during peak periods – can account for 850 MW of peak demand reductions by 2020.

Achieving the targets in the study would account for approximately 8,200 MW of electricity capacity through reduced demand and new efficient and renewable resources – enough to replace capacity from Oyster Creek, Salem 1 and 2.

New Jersey's existing Clean Energy Program has been a beacon for change. The state's energy efficiency programs have reduced electricity use by 450 megawatts—the same amount of electricity generated by a mid-sized power plant. New Jersey's first coastal wind farm in Atlantic City is up and running, and New Jersey has emerged as the fastest growing solar market in the nation, having gone from 6 solar installations to nearly 2,000 today.

New Jerseyans also understand the benefits of these programs. A June 2006 poll found that 87% of New Jerseyans think the state should be doing more to encourage energy efficiency and conservation and 88% think the state should be doing more to encourage the use of renewable energy sources. 81% pointed to Governor Corzine specifically as someone who should be doing more.

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The full 27-page report "Powering New Jersey's Future: A Clean Energy Strategy for Replacing the Oyster Creek and Salem Nuclear Plants" can be found at: http://www.uspirg.org/uploads/Av/q1/Avq1GL-oeZ2onCiwhjzlhw/Powering-New-Jerseys-Future-A-Clean-Energy-Strategy-for-Replacing-the-Oyster-Creek-and-Salem-Nuclear-Plants.Apr2007.pdf

A news release summarizing the study can be found at: http://www.uspirg.org/news-releases/new-energy-future/new-energy-future/environmentalists-release-clean-energy-strategy-to-replace-nuclear-plants