

Midwest utilities delay plant retirements to offset reliability, cost concerns

Friday, August 19, 2022 12:35 PM CT

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CenterPoint Energy Inc. and the Omaha Public Power District have joined the list of U.S. utilities delaying the retirement of fossil-fueled power plants to alleviate near-term reliability and cost concerns.

On Aug. 18, the board of directors for the Omaha Public Power District, or OPPD, approved the utility's request to postpone the transition of the nearly 579-MW North Omaha power station in Douglas County, Neb.

In June, the OPPD recommended delaying the retirement of three gas-fired units and the conversion of two coal units to gas at the North Omaha plant. The gas units have been operating since the mid-1950s and the coal units since the mid-1960s.

The "temporary postponement" is only until its new 161.5-MW Standing Bear Lake Station and 450-MW Turtle Creek Station gas-fired power plants are expected to come online, the OPPD said in an Aug. 18 news release.

"OPPD had planned to have these plants up and running by the end of 2023," the Nebraska municipal utility said. "However, we are experiencing unexpected delays in this process due to a backlog facing our regional transmission organization, Southwest Power Pool, with the large number of new projects requesting to come online within its footprint."

The OPPD said it now expects the regional grid interconnection process to be completed by 2026.

The utility added that it has "experienced challenges, including generation interconnection and supply chain issues" at its natural gas and solar generation projects.

CenterPoint delays retirement of small coal unit in Indiana

CenterPoint, in an Aug. 18 presentation and public stakeholder meeting tied to its integrated resource plan, outlined plans to delay the retirement of the 90-MW F.B. Culley coal unit 2 in Indiana to December 2025.

CenterPoint utility subsidiary Southern Indiana Gas and Electric Co. previously forecast the retirement of its 490-MW A.B. Brown coal-fired plant and the Culley unit in 2023.

Federal environmental regulations and high commodities prices have prompted CenterPoint to reevaluate the Culley 2 retirement plan.

A spokesperson for CenterPoint said the U.S. Environmental Protection Agency's Coal Combustion Residuals rule "requires the company to make an investment in a lined [coal ash] pond with or without Culley 2 being operational."

"Because the new pond will allow Culley 2 to operate through 2025 without any further investments, it will reduce the amount and cost of required capacity that will need to be purchased from [the Midcontinent ISO's] high-priced capacity market," CenterPoint spokesperson Erin Merris said in an Aug. 19 email. "Continuing to operate Culley 2 will allow CenterPoint Energy to hold the capacity without any significant investments, which will, in turn, save its customers money."

Retirement delays grow

Reliability concerns and supply chain issues have forced other U.S. utilities to delay planned power plant retirements.

Alliant Energy Corp. and WEC Energy Group Inc. utility subsidiaries said in late June that they are postponing the shutdown of coal-fired power plants in Wisconsin to alleviate short-term reliability concerns in the MISO region.

WEC subsidiary Wisconsin Electric Power Co., which does business as We Energies, said the 1,118-MW South Oak Creek power plant will operate through 2025. Oak Creek units 5 and 6 will shut down a year later than previously planned, now in May 2024. Units 7 and 8 will run an additional 18 months until late 2025.

Alliant said it will delay the retirement of its 417-MW Edgewater plant by six months to June 2025, while the operation of the 1,160-MW Columbia Energy Center will be extended from the end of 2024 to June 2026.

NiSource Inc. executives on an Aug. 3 earnings call reiterated plans to postpone the retirement of the last two units at its coal-fired R.M. Schahfer power plant in Jasper County, Ind., to the end of 2025 because of anticipated solar project delays. NiSource utility subsidiary Northern Indiana Public Service Co. shut down two units at R.M. Schahfer in October 2021 and had planned to retire the remaining 722 MW of capacity around 2023.

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