



Energy future: Coal, nuclear

Utilities across the U.S. are raising power rates by up to 29%, mostly to pay for soaring fuel costs but also to build new plants and refurbish an aging power grid.

The *Financial Times* reports today that coal is set to overtake natural gas as the preferred fuel for power plants. The reasons: the price and reliability of gas supplies, and new pollution controls that make coal cleaner. The switch is likely to be most pronounced in the United Kingdom. The [FT](#) bases its reporting on forecasts by the top three turbine makers, including GE.

On the atomic front, federal loans and insurance protection are spurring the construction of up to 10 new nuclear plants from Maryland to Mississippi. The Associated Press reports that at least two utilities plan to announce their intended sites within a few weeks.

RALEIGH, North Carolina (AP) - With guaranteed federal loans and insurance protection promised to the first power companies to build a new wave of nuclear plants, the race is on for construction of up to 10 stations between Maryland and Mississippi.

At least two utilities plan to announce their intended sites within a few weeks. And some communities appear enthusiastic about luring the jobs and tax dollars the plants would bring. One South Carolina county looking to land a proposed Duke Energy Corp. plant has even offered a 50 percent break on property taxes.

But even with the nuclear power industry in an apparent resurgence in the fast-growing Southeast, one traditional participant in the debate over nuclear power has remained largely silent. Environmentalists, mostly mum so far about the potential dangers and pitfalls associated with this proposed round of reactors, say they're just taking a long view.

"The nuclear industry has tried to revitalize itself a number of times in the past," said Stephen Smith, executive director of the Southern Alliance for Clean Energy in Atlanta. "Just because the political climate is favorable for the next couple of years, these things take 10 years to build and the climate may not be favorable then."

No nuclear reactor has been ordered for construction since 1973, and the partial meltdown of the Three Mile Island nuclear plant in Pennsylvania in 1979 killed interest in anything beyond completing plants then under construction. The United States now gets 20 percent of its electricity from nuclear reactors.

In North Carolina, where Charlotte-based Duke Energy and Raleigh-based Progress Energy Inc. expect to announce their preferred sites for nuclear plants within weeks, environmentalists want to have a broader conversation before getting into a debate over new plants.

"We do not want to jump the gun and put out a bunch of incendiary comments," said Ivan Urlaub, executive director of the North Carolina Sustainable Energy Association, a nonprofit advocacy group. "We haven't done an honest evaluation of the role energy efficiency can play in our economic development and our energy future as a state. Until we do that we think it would be bad policy to approve any new nuclear or coal plants."

Urlaub's group is working with at least a half-dozen others in compiling data to support their argument _ that environmental and economic prudence dictates using existing energy supplies more efficiently rather than spending to increase supplies. Their report will be used to fight plant licensing efforts in hearings before state regulators across the Southeast, environmentalists said.

"The utilities have to demonstrate that the facilities are needed. The first step is assessing demand and what are the opportunities to meet it," said Molly Diggins, executive director of the Sierra Club's North Carolina chapter.

The Energy Department forecasts that the consumption of nuclear energy will increase 5.3 percent between this year and 2015 _ the earliest date when any of the proposed new plants might come on line _ and by almost 11 percent by 2030.

Renewable energy, excluding hydroelectric, now produces less than half as much power as U.S. nuclear plants. But that source is predicted to grow by 29 percent in 2015 and 76 percent in 2030, says the Energy Information Administration, the government's energy statistical agency.

In an environment where coal, oil and gas prices remain unstable following recent spikes, nuclear supporters say the world needs a variety of power sources that don't contribute to global warming.

"In a carbon-constrained world ... nuclear plants have got to be in that mix," said Andy White, the president and chief executive officer of Wilmington-based GE Energy, the nuclear engineering and consulting business of General Electric Corp.

White expects lots of business over the next decade until the first plants open and beyond the middle of the century as old plants are replaced. After 2015, White said the nuclear industry will need to build two plants a year to replace the power lost as aging, first-generation reactors go offline, translating to 60 or more new reactors. The U.S. has about 100 existing plants.

Progress Energy, which has almost 1.4 million customers in North Carolina and South Carolina, expects to announce a preferred site in one of the two states this month, spokesman Keith Poston said. A site for a second nuclear plant in Florida, where the company has an additional 1.5 million customers, should be announced by April, he said.

Before clearing the way for construction, state regulators are expected to investigate whether the utility can squeeze more production out its existing plants.

"Certainly conservation and energy efficiency has a role to play, as does the continuing exploration of renewable resources," Poston said.

Progress added 69,000 homes and businesses in its three states over the past year, Poston said, and expects to add 600,000 new customers over the next decade as the population boom continues in its service area.

The options for the heavy-duty plants needed to supply all those customers come down to natural gas, oil, coal and nuclear, he said.

"We think that nuclear may end up as the best option for a variety of reasons, but we're always going to have a mix of fuels to protect customers from volatility in supply and price," Poston said.

Duke Energy's utility division, Duke Power, is preparing to add up to 60,000 customers a year in its two-state service area of North Carolina and South Carolina, spokeswoman Rita Sipe said.

Duke will select a site in one of the states soon, but even that milestone isn't expected to draw much response from environmental watchdogs, said Jim Warren, executive director of the anti-nuclear North Carolina Waste Awareness & Reduction Network.

"There's a lot of organizing going on. I don't think as much of it will be geared around when they make an announcement. Most of the opposition will come in a phased type of way," he said. "It will especially be geared toward the need for a full-blown public debate."