

## Midlands adapt to clean-air rules differently

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[http://www.omaha.com/news/metro/oppd-plans-to-retire-all-north-omaha-station-s-coal/article\\_2218822c-f7d0-11e3-a070-0017a43b2370.html](http://www.omaha.com/news/metro/oppd-plans-to-retire-all-north-omaha-station-s-coal/article_2218822c-f7d0-11e3-a070-0017a43b2370.html)

By Cody Winchester / World-Herald staff writer

Coal-fired power plants in Nebraska and Iowa are adapting to tightened clean-air rules.

Some are shutting down. Others are installing pollution controls or refueling with natural gas. Still others are holding off on major decisions until a new rule limiting carbon dioxide emissions is made final.

The Omaha Public Power District, for its part, isn't waiting.

Thursday, the OPPD board [approved a 20-year generation plan](#) that will retire three coal-burning units at the North Omaha Station in 2016, offsetting the loss of power generation with new and expanded efficiency programs.

Emissions controls will be installed on the remaining two units, and in 2023 they will be refueled with natural gas.

That will be key to complying with new limits on carbon dioxide, haze, mercury and other pollutants.

“This, to me, is a historic moment,” board member Del Weber said. “It’s a transformational time.”

Board member John Green said “it’s more than time” to stop burning coal in north Omaha — in fact, he would prefer that the two remaining units be converted to natural gas sooner than 2023.

The plan calls for reducing demand for electricity by 300 megawatts over 20 years with new and expanded energy- efficiency measures — for example, a program that gives the utility control of air- conditioning units during peak usage times.

OPPD spent months gathering feedback from stakeholders, narrowing the generation options to five. District managers ultimately recommended a hybrid option that incorporated more savings by managing demand.

Among other things, OPPD is looking at rebates for customers who buy energy- efficient appliances, said Tim Burke, vice president of customer service and public affairs.

Also in 2016, when new federal limits on mercury emissions kick in, OPPD will retrofit one of two coal-fired units at its Nebraska City Station with emissions controls.

The 638-megawatt North Omaha Station came online in 1954. The district's shift away from coal is a win for environmental and community groups that have ratcheted up pressure on the utility to stop burning fossil fuels.

The Rev. Eric Elnes, senior minister at Countryside Community Church, praised the OPPD leadership.

"You've listened to the community, and you've acted on it," Elnes said.

The vote on the plan was unanimous.

Board member Tim Gay was absent from Thursday's meeting; he attended [the dedication of the Steele Flats wind farm](#) in southeast Nebraska. Afterward, he said he's happy with how the utility is positioning itself. As for the 50-year-old coal-fired technology, he said, "We won't miss it."

The 20-year increased cost of pursuing this option, compared with the "business- as-usual" scenario, which assumes no change, is estimated at \$53 million, according to consultant Black & Veatch.

OPPD estimates a rate increase of up to about 2 percent to pay for the work. A more detailed rate study is needed to determine the actual impact.

Retiring the three units at the North Omaha Station will affect about 50 employees, said Jon Hansen, OPPD's vice president of energy production and marketing. He said the district will try to avoid layoffs, relying instead on attrition, retraining and reassignment.

With 600 megawatts of new wind power, one-third of OPPD's energy production will come from renewable sources by 2018 and remain at that level through 2033.

Elsewhere in Nebraska and Iowa, utilities are exploring a number of strategies to comply with the new regulations.

The Nebraska Public Power District is upgrading emissions controls at the Gerald Gentleman and Sheldon coal-fired plants to meet existing rules. But the district will wait to chart a more specific course until the new carbon dioxide limits are complete, spokesman Mark Becker said.

At the City of Fremont's 160-megawatt Lon D. Wright Power Plant, built in the late 1950s, workers already have begun retrofitting coal-fired units with emissions controls, said Troy Schaben, assistant general manager of utilities. The upgrades will cost around \$48 million.

Despite the cost, Schaben said, coal will play a big role in Fremont for years to come.

“The cheapest option for us, even with all the guidelines in place, is still coal,” he said.

In Grand Island, the 100-megawatt Platte Generating Station also is getting new emissions controls. Other strategies such as converting to natural gas simply weren’t feasible, and customers’ No. 1 concern is cost, said Lynn Mayhew, assistant utilities director.

“They rely on us to provide them with the most economical power we can produce,” he said. “Coal is (still) the cheapest source.”

Officials of MidAmerican Energy, which operates the Walter Scott Jr. Energy Center in Council Bluffs, the largest coal plant in Nebraska and Iowa, could not be reached for comment.

In Ames, Iowa, the municipal utility is converting two coal-fired units to natural gas.

For officials there, it was a tossup between coal and natural gas, said Donald Kom, the city’s director of electric services.

But the specter of future regulation pushed the city to choose the \$25 million conversion plan, plus the cost to build a supply pipeline.

In November, the Central Iowa Power Cooperative shut down the 50-year-old Fair Station coal-fired plant in Muscatine County.

“The reality is, the plant is no longer efficient to operate given today’s energy markets and federal environmental regulations,” Dennis Murdock, the utility’s executive vice president and CEO, said in a statement on the utility’s website.

*World-Herald staff writer Jourdyn Kaarre contributed to this report.*