

the energy association of n.y.state

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RULES AND DIRECTIVES
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Dear Mr. Pham:

The member companies of the Energy Association of New York State (EA) are the owners and operators of much of the state's electric and natural gas infrastructure, comprised of many hundreds of thousands of individual shareholders including a great many New Yorkers and retirees, employing over 28,000 New Yorkers, serving over 7 million New York customers and their families and businesses, annually paying over \$2.5 billion in state and local taxes and contributing tens of millions of dollars annually to community and charitable purposes.

The Energy Association firmly believes that the Indian Point nuclear facility is an essential asset to the State of New York and its millions of residents.

The New York Independent System Operator (NYISO), whose mission is to operate the state's electricity grid and wholesale electric markets, projects that, even assuming the continued operation of the Indian Point facility, the City of New York and the lower Hudson Valley (which encompass the 4 counties of Westchester, Rockland, Orange and Putnam that surround Indian Point) will need 1,250MW to 2,250MW of additional capacity between 2010 and 2015. How that additional capacity will be obtained is an issue currently presenting enormous challenges to the state of New York. It is daunting to contemplate how insurmountable those challenges would become without the continuing presence of the Indian Point facility.

First, Indian Point is a "base-load" power plant capable of providing 2000MW of electricity 24 hours a day, seven days a week, 365 days a year. Because it provides necessary voltage support at a critical juncture in the state's transmission system, it is favorably located to serve the vital down-state "load-pocket" and because the power it produces is relatively low cost, it is generally relied upon proportionally more than even other base-load facilities.

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Any suggestion that such an enormous and vital component of the state's energy infrastructure (Indian Point supplies 20-40% of the electricity to the New York City metropolitan area, depending on the time of year and other factors) could be replaced with, for example, renewable options such as wind, hydropower and solar, fails to account for the comparatively low capacity factors, high costs, intermittent nature, and distinct environmental impacts of those other options. Even if they could be sized, sited and built to generate 2000MW (in real terms, an extremely unlikely prospect), such alternatives could not provide the overall system capacity and reliability now provided by Indian Point. Replacing Indian Point with non-baseload renewable facilities is simply not a realistic or viable option. Even new fossil-fueled baseload facilities would take years to site and build in the region (if indeed that is feasible at all) and would inevitably have a "carbon footprint" that doesn't now exist at Indian Point. It is critically important to recognize that Indian Point supplies its 2000 megawatts electricity without producing the air emissions inherent to varying degrees in fossil fuel burning generating facilities. This air quality benefit cannot be overlooked in any discourse surrounding the future of the facility.

Another critical benefit of the facility is that it helps provide the state and region with a healthy, diversified fuel mix in the generation of electricity. Because a diverse portfolio of fuel alternatives avoids undue risk in the marketplace and to state and national security, a premium should be placed on a diversified energy mix to fuel our electric generation facilities. This is particularly true today where we are experiencing price volatility and significant increases in the fossil fuel marketplace.

Moreover, as owner and operator of Indian Point, the Entergy Corporation has been exemplary – winning numerous awards for its performance as a nuclear operator and community partner. Indian Point has seen significant improvement under Entergy's ownership and we look forward to seeing them at the helm for many years to come.

In conclusion, the Energy Association of New York State wholeheartedly supports and petitions for the relicensing of the Indian Point facility.

Respectfully Submitted,



Patrick J. Curran
Executive Director