

# Close the expensive Columbia Generating Station (opinion)



Steam rises from the Columbia Generating Station in Washington state. (AP Photo/Jackie Johnston)



By **Guest Columnist**

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**By Robert McCullough**

Over the past year, nuclear plant closures have been announced in California, Illinois, Massachusetts, Nebraska, New Jersey and New York. The closures have followed a trend that began four years ago when the Kewaunee Power Station in Wisconsin closed — citing the economic competition of renewables and natural gas. The Seattle City Council recently passed **a resolution** expressing "support for clean and safe electricity production and opposition to the use of fossil fuels and new nuclear energy in the generation of electricity."

Although the Pacific Northwest has the lowest bulk power prices in the U.S. and this nuclear plant has higher than average operating costs, we have not recognized the benefits from saving the hundreds of millions of dollars we spend per year on this antiquated power station.

In the 1950s, President Eisenhower ordered an end to plant acquisitions by the Bonneville Power Administration (BPA). A creative BPA executive in the 1960s figured out a "workaround" to evade the rule — and the five nuclear plant fiasco named "WPPSS" (Washington Public Power Supply System — pronounced "whoops") was born. In the mid-1980s, four of the five units were canceled. One nuclear plant was finished, WPPSS 2, now renamed the Columbia Generating Station (CGS), located on the Hanford Nuclear Reservation north of Richland, Washington.

Nuclear stations of this vintage are very expensive. The plant was designed when eight-track tape players were an exciting new technology. Today, the plant is an eight-track player in an iPhone world.

Over the past four years WPPSS 2 has cost \$541 million more to operate than what the power could be sold for on the market. In fact, it has been eight years since market prices were higher than the cost of operation. Falling future prices indicate that this state of affairs will continue to be true for the next four years. The cost to ratepayers during this period will increase to \$800 million. The losses attributable to CGS are borne by BPA and allocated to public and private utilities across the Pacific Northwest.

Reports from many unimpeachable sources now indicate that renewables will be less expensive than the operating costs of WPPSS 2. These include the recent reports from the U.S. National Renewable Energy Laboratory, Lazard's annual review of power costs, and the studies supporting the closure of California's Diablo Canyon nuclear power plant.

UBS, one of the world's largest banks, reported recently that "what's shifting in recent years with the latest (production tax credits) extension is the ability for utilities to opt for a yet cheaper resource than gas to supplant the nuclear generation — and one that is indeed carbon-free as well."

There is one other point that makes the closure of the plant especially interesting for Portland. Under the complex provisions of the 1979 Regional Power Act, Portland pays for CGS in its rates but does not actually receive energy from the plant.

The plant will be down for refueling in 2017. This would be an excellent time to replace our eight-track tape player with modern technology — cleaner, safer and less costly.

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*Robert McCullough is a Portland economist active in energy issues across the U.S. and Canada. He is best known for advising public power agencies in their case against Enron in the aftermath of the California energy crisis.*

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