



BRIEF

TVA proposes to close Paradise, Bull Run coal units despite Trump tweet

By Gavin Bade

Updated Feb. 12 2019, 11:23 a.m. EST • Published Feb. 12, 2019

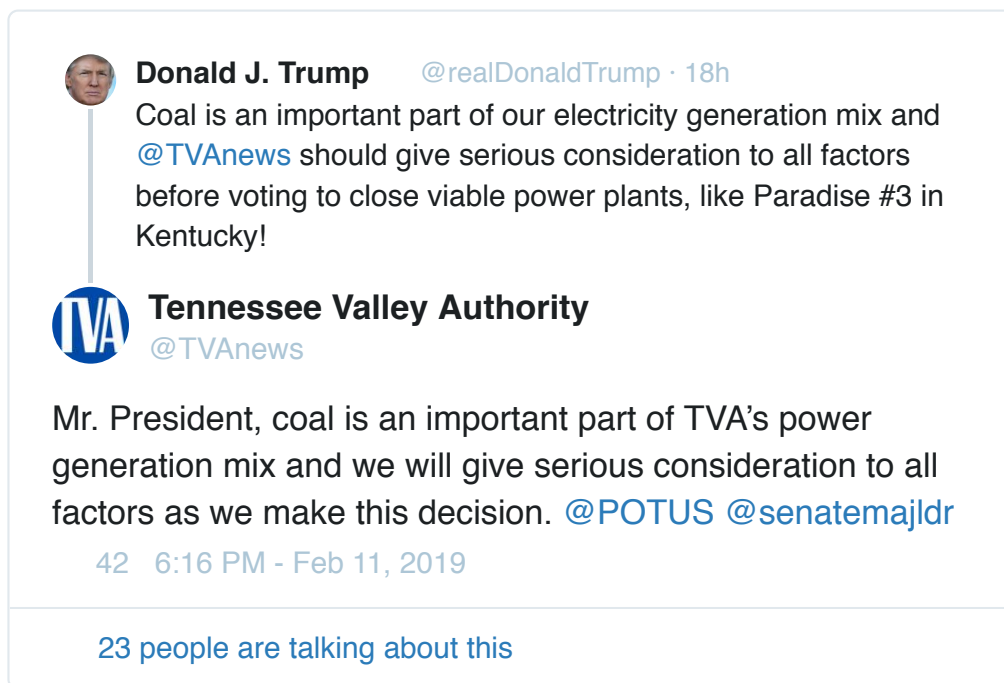
Dive Brief:

- President Donald Trump and Senate Majority Leader Mitch McConnell, R-Ky., on Monday night pressured the Tennessee Valley Authority to keep its Paradise coal plant in Kentucky open, the same day that the federally owned utility announced proposals to close the facility and its Bull Run coal plant in Tennessee.
- Trump tweeted that TVA should "give serious consideration to all factors" before closing unit 3 of the Paradise plant, a sentiment echoed by McConnell in a tweet minutes later. TVA responded, saying coal is an important part of its generation mix, but said the Paradise and Bull Run plants do not fit its system needs in final environmental assessments released Monday.
- The president's tweet comes as his administration seeks an avenue to prop up struggling coal and nuclear plants more than a year after the Federal Energy Regulatory Commission rejected its original bailout proposal. The final decision on whether to keep the TVA plants open lies with the federal utility's board of directors, which will meet Thursday.

Dive Insight:

Trump's public spat with TVA illustrates the administration's struggle to support coal power plants as competition from cheaper energy sources pushes utilities to shut ever more of the aging generators down.

In a tweet Monday night, Trump called out not only TVA's Paradise plant, but its third unit, the only one to still burn coal after its two other units were converted to gas in 2017. TVA responded about an hour later, saying it gave "serious consideration to all factors" in its decision.



Donald J. Trump @realDonaldTrump · 18h
Coal is an important part of our electricity generation mix and @TVAnews should give serious consideration to all factors before voting to close viable power plants, like Paradise #3 in Kentucky!

Tennessee Valley Authority @TVAnews
Mr. President, coal is an important part of TVA's power generation mix and we will give serious consideration to all factors as we make this decision. @POTUS @senatemajldr
42 6:16 PM - Feb 11, 2019

23 people are talking about this

TVA's proposal to shut down the Paradise and Bull Run units reflects the changing dynamics of its power grid. Describing Paradise and Bull Run as "large coal unit[s] with medium operating costs and a high forced outage rate," TVA said they do not "fit current and likely future portfolio needs."

"[Paradise] Unit 3 was designed to produce 1,000 megawatts of steady power generation," TVA wrote in its environmental assessment of the plant. "With increased volatility in energy

consumption and increased nuclear generation that provides lower cost, steady generation, [Paradise] Unit 3 is challenged to adjust in order to respond to these changes in consumption."

Retiring the Paradise unit and Bull Run plant in the early 2020s will "facilitate TVA's statutory mission to provide reliable power at the lowest system cost," the utility added in its two similar environmental assessments.

Bull Run's two units can produce about 880 MW of power and came online in the mid-1960s. Paradise Unit 3 has a capacity of 971 MW and came online in 1970.

TVA's announcement comes on the heels of a tough year for U.S. coal generators. In 2018, S&P estimates 16.9 GW of coal generation retired, more than double the year before. Even so, analysts estimate U.S. power emissions rose last year as utilities burned more natural gas to meet increased power demand.

Correction: This post has been updated to reflect that TVA is proposing to close the Paradise and Bull Run units, but a final decision has not been made.