

NRG delays planned deactivations for five Maryland coal units for another year

The new deactivation target date for all five units is now in May 2019

05/01/2015 by Barry Cassell

NRG Energy (NYSE: NRG) has asked **PJM Interconnection** for a one-year delay, to May 2019, in the deactivation dates for the coal-fired Dickerson Units 1-3 and Chalk Point Units 1-2 in Maryland.

PJM on May 1 released the latest update of its pending power plant deactivation list, and said in an identical notation for all five of these units: "On 4/30/2015 PJM received an updated deactivation notice with a new deactivation date of 5/31/2019. New reliability analysis underway."

The list doesn't actually give the names of any power plant owners, but NRG is the owner of these two plants. There were originally November 2013 requests lodged at PJM for these units to be deactivated as of May 31, 2017. Then there was a May 2014 revision for each unit pushing that back to May 31, 2018. This latest request now pushes that back into May 2019.

The PJM list, of course, doesn't give reasons for the latest deactivation pushbacks, though that may have to do with a recent problem for a tougher NOx-control regime in Maryland that the state's new governor has shelved. Environmental groups have been all over Gov. Larry Hogan for enacting in April what they call a coal-friendly "emergency" NOx program, which is much weaker than the one put into place by his predecessor, Martin O'Malley. That tougher program was about to be enacted when Hogan took office.

Said NRG's [Feb. 27 annual Form 10-K report](#) about this situation as of that point: "In October 2014, the [Maryland Department of the Environment] released a draft of a proposed regulation regarding NOx emissions from coal-fired electric generating units. The MDE draft regulation was proposed in the *Maryland Register* in December 2014. If finalized as proposed, the regulation would require by June 2020 the Company (at each of the three Dickerson coal-fired units and the Chalk Point coal-fired unit that does not have [selective catalytic reduction]) to (1) install and operate an SCR; (2) retire the unit; or (3) convert the fuel source from coal to natural gas. The implementation of the MDE regulation could negatively affect certain of the Company's coal-fired units in Maryland."

The NRG Form 10-K added: "On November 29, 2013, NRG submitted a notice of deactivation [to PJM] to retire Chalk Point Units 1 and 2, and Dickerson Units 1, 2, and 3 on May 31, 2017. The deactivation is based on draft environmental regulations that, if adopted, could require uneconomic capital investment and render the units uneconomic to operate going forward."

The PJM list shows Dickerson Units 1-3 having capacities of 182 MW each, while Chalk Point Unit 1 is at 337 MW and Unit 2 is 341 MW.

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